CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

REGULAR CITY COMMISSION MEETING

CONSENT AGENDA

1. APPROVAL OF MINUTES
   Approval of the minutes from the November 4, 2014 Regular Piqua City Commission Meeting

OLD BUSINESS

2. ORD. NO. 14-14 (3rd Reading)
   An Ordinance amending Section 77.01-Traffic Schedules adopted, Schedule IV and Schedule VII of the Piqua Code, relating to four-way stop intersections and traffic control devices pertaining to the High Street/college Street intersection

NEW BUSINESS

3. ORD. NO. 15-14 (1st Reading)
   An Ordinance amending Ordinance No. 33-66 relating to the Municipal Income Tax

4. ORD. NO. 16-14 (1st Reading)
   An Ordinance amending Ordinance No. 8-14 and codified as Ordinance No. 52.20, Exhibit A, Electrical Service Rates and Terms

5. ORD. NO. 17-14 (1st Reading)
   An Ordinance to make appropriations for the City of Piqua, Ohio for the year 2015

6. ORD. NO. 18-14 (1st Reading)
   An Ordinance repealing Schedule A of Chapter 33 of the Piqua Code and adopting a new Schedule A of Chapter 33 of the Piqua Code, relating to wages of certain Municipal Employees

7. ORD. NO. 19-14 (1st Reading)
   An Ordinance repealing Schedule A-1 of Chapter 33 of the Piqua Code and adopting a new Schedule A-1 of Chapter 33 of the Piqua Code, relating to wages of certain Municipal Employees

8. ORD. NO. 20-14 (1st Reading)
   An Ordinance repealing existing Chapter 33 and enacting a new Chapter 33 of the Piqua Code, relating to Employee Policy

9. RES. NO R-116-14
   A Resolution authorizing to increase the initial annual purchase order for Kirk Nationalease for heavy equipment repairs for the Public Works Department
10. RES. NO. R-117-14
   A Resolution approving the purchase of Excess Liability Insurance

11. RES. NO. R-118-14
   A Resolution requesting authorization to enter into an agreement with O.R. Colan Associates for the 
   right-of-way acquisition services for the Safe Routes to School Improvements Project

12. RES. NO. R-119-14
   A Resolution for preliminary consent to award a contract to J & J Schlaegel, Inc. for the off-site 
   pipeline project as part of the new Water Treatment Plant

13. RES. NO. R-120-14
   A Resolution for preliminary consent to award a contract to Peterson Construction Company for the 
   construction of a new Water Treatment Plant

14. RES. NO. R-121-14
   A Resolution for preliminary consent to award a contract to CDM Smith for the construction 
   administration of the new Water Treatment Plant

15. RES. NO. R-122-14
   A Resolution for preliminary consent to award a contract to CDM Smith for the construction 
   administration of the off-site pipeline project as part of the new Water Treatment Plant

16. RES. NO. R-123-14
   A Resolution authorizing the City Manager to apply for, accept, and enter into an Ohio Water 
   Development Authority (OWDA) Fresh Water Loan Program Loan Agreement on behalf of the City of 
   Piqua for construction of a new Water Treatment Plant; and designating a dedicated repayment source 
   for the loan

17. RES. NO. R-124-14
   A Resolution authorizing the City Manager to apply for, accept, and enter into an Ohio Water 
   Development Authority (OWDA) Fresh Water Loan Program Loan Agreement on behalf of the City of 
   Piqua for construction of the off-site pipeline for the new Water Treatment Plant and designating a 
   dedicated repayment source for the loan

MONTHLY REPORTS - SEPTEMBER 2014

PUBLIC COMMENT
(This is an opportunity for citizens to address the City Commission regarding issues or to provide 
information. Comments are requested to be limited to five (5) minutes and specific questions 
should be addressed to the City Manager's office.)

CITY MANAGER'S REPORT

COMMISSIONERS COMMENT

ADJOURNMENT TO EXECUTIVE SESSION
a. To consider the purchase or sale of property for public purposes

ADJOURNMENT
MINUTES
PIQUA CITY COMMISSION
Tuesday, November 4, 2014
7:30 P.M.

Piqua City Commission met at 7:30 P.M. in the Municipal Government Complex Commission Chambers located at 201 W. Water Street. Mayor Fess called the meeting to order. Also present were Commissioners Martin, Vogt, Terry, and Wilson. Absent: None.

REGULAR CITY COMMISSION MEETING

PRESENTATION: FRIENDS OF PIQUA PARKS – MR. GLEN DEVERS

Edna Stiefel provided a brief update on the progress the Friends of the Piqua Parks have made on raising funds for the William Pitsenbarger Statue. Numerous trees have been planted, a flag pole and an American flag have been donated by the Piqua Rotary Club, concrete and installation is being donated by Piqua Concrete, stated Ms. Stiefel. The Piqua Central Class of 1962 and the Friends of the Piqua Parks have raised about $50,000 and still need the citizens to continue their help to complete this project.

On Tuesday, November 11, 2014 the 311 Draffhouse will hold a fund raiser to help support the Friends of the Piqua Parks project beginning at 5:00 P.M. and invite citizens to stop in.

Donations can be sent to The Friends of the Piqua Parks, P. O. Box 270, Piqua, Ohio 45356, stated Ms. Stiefel.

Mayor Fess thanked Ms. Stiefel for her presentation and all who have supported the Friends of the Piqua Parks with their donations.

City Manager Gary Huff stated last year about $15,000 was raised by the Friends of the Piqua Parks for the landscaping at Pitsenbarger Park.

Consent Agenda

Approval of Minutes

Approval of the minutes from the October 21, 2014 Regular City Commission Meeting.


OLD BUSINESS

ORD. NO. 13-14 (3rd Reading)

An Ordinance amending sections 154.141 of the City of Piqua Code of Ordinances to allow a zoning designation change to be enacted by a Resolution.

Chris Schmiesing, City Planner provided the Staff Report.

This is the third reading of Ordinance No. 13-14, on a request from the City Commission that was forwarded to the Piqua Planning Commission for a proposed amendment to the zoning code that pertains to the handling of a change in the zoning designation of a property or properties. The Planning Commission reviews the request and provides a recommendation to the City Commission for final action in the form of a resolution. This would reduce the approval process to approximately 30-45 days instead of the 3 months previously, stated Mr. Schmiesing.

**ORD. NO. 14-14 (2nd Reading)**

An Ordinance amending Section 77.01-Traffic Schedules adopted, Schedule IV and Schedule VII of the Piqua Code, relating to four-way stop intersections and traffic control devices pertaining to the High Street/College Street intersection

Amy Havenar, City Engineer provided the Staff Report.

This is the second reading for Ordinance No, 14-14. This intersection was included in the original grant request to the Miami Valley Regional Planning Commission as part of the College Street Corridor Traffic Signal Project that was completed this past summer. However, after a study was completed it was determined by the Ohio Department of Transportation (ODOT) that the traffic signal at High and College Street was not warranted. Therefore, ODOT would not provide funding for this signal. After determining the traffic signal was not warranted the study proceeded to evaluate the justification of a multi-way stop at this intersection. Based upon the criteria for multi-way stops this intersection is justified and was recommended for a 4-way stop.

Due to the timing of making the proposed changes with the resurfacing and installation of new pavement marking on both College and High Streets the left turn signal signals will be covered up and the dedicated left turn lanes will be removed so the intersection will operate as a traffic signal with no dedicated left turn lanes until the Commission makes recommendation on this Ordinance. This will also allow for the inclusion of on-street parking on all of the approaches leading up to this intersection, which is severely lacking in this area, stated Ms. Havenar.

The only cost to the city will be for the new stop signs which the Sign Shop can make in-house. This will also recognize a long-term savings with not having to maintain/operate the traffic signal at this intersection, said Mr. Havenar.

City Manager Huff stated he only received on concern over the removal of the traffic signal.

Commissioners voiced several concerns they have regarding the reason for the removal of the traffic signal. What affect will it have on the residents in the immediate area, which includes Senior Housing. Other concerns raised were the installation of parking again on the streets, the removal of the designated turning lanes, and if there would be designated crosswalks like in the downtown area. The cost of maintaining the traffic signals was voiced and if the other traffic signals at Ash, Creene, and North Streets were going to be removed in the future.

One of the questions raised by Commission was if the residents in the area were notified previously of the intent to remove the traffic signals. City Planner Chris Schmiesing stated yes, a public hearing was held by the Planning Commission, and the immediate area property owners were sent letters. There was concern raised about the transition and if the Commission would be able to see the change before voting on it. Amy Havenar, City Engineer explained.

**Public Comment**

Ruth Koon, Park Avenue, came forward and voiced her opinion on the removal of the traffic signal at this time. Ms. Koon stated traffic is congested on College street now with all of the various alleys and businesses located in the area, and feels narrowing the intersection will cause more congestions.

Edna Stiefel, Boone Street, stated she has been asked by several people why the traffic signal on College and High Streets are partially covered now. Ms. Havenar explained.
After a lengthy discussion Ordinance No. 14-14 was given a second reading.

RES. NO. R-116-14

A Resolution authorizing a purchase order to E.H. Wachs for the purchase of a valve maintenance trailer

Shane Johnson, Assistant Underground Utilities Supervisor provided the Staff Report.

This piece of equipment is specifically designed for the maintenance and operation of the city's water distribution system valves. This system is completely self-contained, is fully automated, and features a valve vacuum system that cleans debris from valve boxes. This system comes complete with Wachs VITALS software, GPS receiving equipment, and an automated controller ensuring AWWA standards are followed during the valve exercise operation, stated Mr. Johnson.

Previously this year the Underground Utilities Department rented this piece of equipment for $4000 per month, and for the first time in Piqua's history was able to exercise all 960 of the city’s inline water valves by working two shifts throughout the whole month. By purchasing this piece of equipment it will allow the city to utilize the VMT during emergency situations as well as normal operations and conduct valve exercising programs on an annual basis, stated Mr. Johnson.

Underground Utilities received grant funding from the Ohio BWC Safety Grant Program in the amount of $40,000 toward the purchase of this piece of equipment. $61,480 was budgeted and with the grant the city's share is only $21,480.

Several questions were raised concerning the use and of the cost savings, and the expected life of the equipment. Mr. Johnson answered all questions.

PUBLIC COMMENT

No one came forward to speak for or against Resolution No. R-115-14.


MONTHLY REPORTS

Monthly Reports were accepted.

PUBLIC COMMENT

Kim and Scott Piper, Wilshire Drive, came forward stating they moved to Piqua in January of this year, and commented on how welcoming the community has been, and that they are enjoying the wonderful amenities that are offered. Ms. Piper further stated she has been impressed with the people they have met, and the professionalism of the all of the different providers that are working for the community. Ms. Piper specifically thanked Police Chief Jamison, Chris Schmiesing, the Chamber of Commerce, the City staff and Commissioners. Also Commissioner Terry for being such a good friend to the Piqua City Schools.

Mayor Fess thanked Ms. Piper for her comments and welcomed them to the City of Piqua.

CITY MANAGER'S REPORT

City Manager Huff announced the new City of Piqua website will be available for viewing next month, and will have a fresh new look.

City Manager Huff stated the work on the Downtown Development Project is moving along.
City Manager Huff announced the crack sealing process will begin the week of November 17th.

City Manager Huff stated the City Managers of Miami County will be meeting next week to continue discussion on House Bill 5.

City Manager Huff announced all of the paving has been completed and manhole adjustments have been made, with a total of 23 streets being repaved this year.

City Manager Huff stated the 2015 Budget Reviews are scheduled for Thursday November 13, covering the Enterprise Funds, Streets, and Community Development in the Administrative Conference Room at 6:00 P.M. Also on Thursday, November 20th will be covering the General Fund at 6:00 P.M. in the Administrative Conference Room.

City Manager Huff announced the Piqua Fire Department is holding an Open House this evening in the Fire Department. Everyone is welcome to stop by and view the elections results of the Safety Service Levy that was on the ballot.

Commissioner Wilson asked City Manager Huff to review the Leaf Collection schedule. City Manager Huff stated they are actively working at this time, and the schedule will be posted on the Piqua website.

COMMISSIONERS COMMENTS

Commissioner Terry stated she hopes to party with the members of the Safety Committee at the Fire Department when the results come in on the passage of the Safety Service Levy.

Commissioner Wilson also stated he plans on being at the Fire Department to see the results of the Safety Service Levy.

Moved by Commissioner Vogt, seconded by Commissioner Martin, to adjourn from the Regular City Commission Meeting at 8:15 P.M and adjourn into Executive Session to consider the appointment, employment, dismissal, discipline or compensation of the City Manager. Roll call.: Aye: Fess. Vogt, Martin, Terry, and Wilson. Nay, None. Motion carried unanimously.

Moved by Commissioner Terry, seconded by Commissioner Wilson, to adjourn from Executive Session and the Regular City Commission Meeting at 9:14 P.M. Voice vote: Aye, Martin, Terry, Vogt, Fess and Wilson. Nay: None. Motion carried unanimously.

PASSED: ____________________________

ATTEST: ____________________________

REBECCA J. COOL
CLERK OF COMMISSION

LUCINDA L. FESS. MAYOR
ORDINANCE NO. 14-14

AN ORDINANCE AMENDING SECTION 77.01 – TRAFFIC SCHEDULES ADOPTED, SCHEDULE IV AND SCHEDULE VII OF THE PIQUA CODE, RELATING TO FOUR-WAY STOP INTERSECTIONS AND TRAFFIC CONTROL DEVICES PERTAINING TO THE HIGH STREET/COLLEGE STREET INTERSECTION

BE IT ORDAINED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: Section 77.01 of the Piqua Code, Schedule IV – FOUR-WAY STOP INTERSECTION, is hereby amended to ADD the following:

HIGH STREET AND COLLEGE STREET

and; Section 77.01 of the Piqua Code, Schedule VII – TRAFFIC CONTROL DEVICES, is hereby amended to DELETE the following:

HIGH STREET AND COLLEGE STREET

SEC. 2: Section 77.01 of the Piqua Code, Schedule IV Four-way Stop Intersection and Schedule VII Traffic Control Devices, is hereby amended to revise the designation of the intersection;

SEC. 3: This Ordinance shall take effect and be in force from and after the earliest period allowed by law.

1st Reading 10-21-2014
2nd Reading 11-04-2014

___________________________
LUCINDA L. FESS, MAYOR

___________________________
REBECCA J. COOL
CLERK OF COMMISSION
| MEETING DATE | October 21, 2014-1st Reading  
|  | November 4, 2014 2nd Reading  
|  | November 18, 2014 – 3rd Reading  |
| REPORT TITLE | An ordinance amending Section 77.01 – Traffic Schedules Adopted, Schedule IV and Schedule VII of the Piqua Code, relating to four-way stop intersections and traffic control devices pertaining to the High Street/College Street intersection. |
| SUBMITTED BY | Name & Title: Amy Havenar, P.E., City Engineer  
|  | Department: Engineering  |
| AGENDA CLASSIFICATION | ☑Ordinance  
|  | ☐Resolution  
|  | ☐Regular  |
| APPROVALS/REVIEWS | ☑City Manager  
|  | ☐Asst. City Manager/Finance  
|  | ☐Asst. City Manager/Development  
|  | ☐Law Director  
|  | ☐Department Director  
|  | ☐Other:  |
| BACKGROUND | This intersection was included in the original grant request to the Miami Valley Regional Planning Commission as a part of the College Street Corridor Traffic Signal Project which was completed this past summer. However, when we began the detailed study and design for the signal projects, it was determined by the Ohio Department of Transportation (ODOT) that the traffic signal at High Street and College Street was not warranted. Therefore, ODOT would not provide funding for this signal since as per their requirements in the Ohio Manual of Uniform Traffic Control Devices (OMUTCD), this intersection should not be signalized.  
|  | In determining that the traffic signal was not warranted at this location, the study then proceeded to evaluate the justification of a multi-way stop at this intersection. Based upon the criteria for multi-way stops, a multi-way stop is justified and was recommended for this intersection.  
|  | Due to the timing of making these proposed changes with the resurfacing and installation of new pavement markings on College Street and High Street, the left turn signals will be covered up and the dedicated left turn lanes will be removed so the intersection will operate as a traffic signal with no dedicated left turn lanes until such time Commission makes recommendation on this Ordinance. This will allow for the inclusion of on-street parking on all of the approaches leading up to this intersection, which is severely lacking in this area.  |
| BUDGETING AND FINANCIAL IMPACT | Budgeted $: $0  
|  | Expenditure $: $0  
<p>| (Includes project costs and funding) |</p>
<table>
<thead>
<tr>
<th>Source of Funds:</th>
<th>The only financial impact will be for the new stop signs which the Sign Shop can make in-house. We will also recognize a long-term savings with not having to maintain/operate the traffic signal at this intersection.</th>
</tr>
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<tbody>
<tr>
<td><strong>OPTIONS</strong></td>
<td>1. Approve the ordinance to amend Section 77.01, Schedule IV and Schedule VII of the Piqua Code relating to four-way stop intersections and traffic control devices pertaining to the High Street/College Street intersection.</td>
</tr>
<tr>
<td></td>
<td>2. Do not approve the ordinance and keep the intersection as a signalized intersection.</td>
</tr>
<tr>
<td><strong>PROJECT TIMELINE</strong></td>
<td>All work will follow the ODOT guidelines for Traffic Signal Removals and would not begin until after Commission has approved this ordinance.</td>
</tr>
</tbody>
</table>
ORDINANCE NO. 15-14

AN ORDINANCE AMENDING ORDINANCE NO. 33-66, RELATING TO THE MUNICIPAL INCOME TAX

BE IT ORDAINED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SECTION 1. Ordinance No. 33-66 as enacted July 5, 1966 and as subsequently amended by Ordinance Numbers 18-67, 26-71, 28-71, 10-76, 67-78, 76-79, 24-83, 36-84, 29-88, 20-89, 84-89, 18-90, 7-97, 34-00, 39-00, 27-02, 20-03, 22-04, and 25-08 is hereby amended to read as follows (with deletions lined out and additions underlined):

Section 1: Purpose

To provide funds for the purposes of permanent improvements, new equipment, extension and enlargement of municipal services and facilities, capital improvements and operating expenses of the City of Piqua, there shall be, and is hereby levied, a tax on income, qualifying wages, commissions and other compensation, net profits, and other taxable income as hereinafter provided.

Section 2: Definitions

As used in this ordinance, the following words shall have the meaning ascribed to them in this Section, except as and if the context clearly indicates or requires a different meaning.

ADJUSTED FEDERAL TAXABLE INCOME – A C corporation’s federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

a. Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.

b. Add an amount equal to five percent (5%) of intangible income deducted under Section (2)(a), but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in Section 1221 of the Internal Revenue Code;

c. Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in Section 1221 or 1231 of the Internal Revenue Code;
d. (1) Except as provided in Section (2)(d)(2) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in Section 1221 or 1231 of the Internal Revenue Code;

(2) Section (2)(d)(1) does not apply to the extent the income or gain is income or gain described in Section 1245 of 1250 of the Internal Revenue Code.

e. Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;

f. In the case of a real estate investment trust and regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;

g. If the taxpayer is not a C corporation and is not an individual, the taxpayer shall compute adjusted federal taxable income as if the taxpayer were a C corporation, except:

(1) Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed as a deductible expense; and

(2) Amounts paid or accrued to a qualified self-employed retirement plan with respect to an owner or owner-employee of the taxpayer, amounts paid or accrued to or for health insurance for an owner or owner-employee, and amounts paid or accrued to or for life insurance for an owner or owner-employee shall not be allowed as a deduction.

Nothing in Section 2 shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

Nothing in this ordinance shall be construed as limiting or removing the ability of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.

ADMINISTRATOR – The individual designated by the Director of Finance, with the approval of the City Manager, to administer and enforce the provisions of the ordinance.

ASSIGNMENT – The assignment made by a resident of the City of Piqua of claim for refund due from another taxing municipality granting credit to non-residents thereof.
ASSOCIATION – A partnership, limited partnership, limited liability company (including a single owner LLC), Chapter S corporation as defined in the federal tax code, 26 U.S.C. 1361, or any other form of unincorporated enterprise owned by two or more persons.

BOARD OF REVIEW – The Board created by and constituted as provided in Section 13 of this ordinance.

BUSINESS – An enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, association, corporation or any other entity, including but not limited to the renting or leasing of property, real, personal or mixed.

CORPORATION – A corporation or joint stock association organized under the laws of the United States, the State of Ohio or any other state, territory or foreign country or dependency, but not including Chapter S corporations.

THE DIRECTOR OF FINANCE – The Director of Finance of the City of Piqua, Ohio.

DOMICILE – The permanent legal residence of a taxpayer. A taxpayer may have more than one residence, but not more than one domicile.

EMPLOYEE – One who works for qualifying wages, commission or other type of compensation in the service of an employer.

EMPLOYER – An individual, partnership, association, corporation, governmental body, unit or agency or any other entity, whether or not organized for profit, who or that employs one or more persons on a qualifying wage, commission or other compensation basis.

FISCAL YEAR – An accounting period of twelve (12) months or less ending on any day other than December 31, and used by the taxpayer for Federal Income Tax purposes.

FORM 2106 – The Internal Revenue Service Form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

GROSS RECEIPTS – The total revenue derived from sales, work done, or service rendered before any deductions, exceptions or credits are claimed.

INCOME – Shall include all monies derived from any source whatsoever, including but not limited to:

   a. All qualifying wages, commissions, other compensation and other income from whatever source received by residents of Piqua.
b. All qualifying wages, commission, other compensation and other income from whatsoever source received by nonresidents for work done or services performed or rendered or activities conducted in Piqua.

c. The portion attributable to the city of the net profits of all unincorporated businesses, associations, professions, corporations or other entities from sales made, work done, services performed or rendered, and business or other activities conducted in Piqua.

INTANGIBLE INCOME – Income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701 of the Ohio Revised Code, and patents, copyrights, trademarks, trade names, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. Intangible income does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.


JOINT ECONOMIC DEVELOPMENT DISTRICT – Districts created under the Ohio Revised Code sections 715.70 through 715.83, as amended from time to time.

LIMITED LIABILITY COMPANY – A limited liability company formed under Chapter 1705 of the Ohio Revised Code or under the laws of another state.

MUNICIPALITY – The City of Piqua.

NET PROFITS – A net gain from the operation of a business, profession, enterprise or other activity after provision for all ordinary and necessary expenses, either paid or accrued in accordance with the accounting system used by the taxpayer for Federal Income Tax purposes, without deduction of taxes imposed by this ordinance, federal, state and other taxes based on income; and in the case of an association, without deduction of qualifying wages paid to partners and other owners; and otherwise adjusted to the requirements of this ordinance.

Net profits shall include any amount or value received, realized or recognized in a sale or other disposition of tangible personal property or real property used in business, in excess of book value.

NON-RESIDENT – An individual domiciled outside the City of Piqua.

NON-RESIDENT UNINCORPORATED BUSINESS ENTITY – An unincorporated business entity no: having an office or place of business within the City of Piqua.
NONQUALIFIED DEFERRED COMPENSATION PLAN – A compensation plan described in Section 3121(v)(2)(C) of the Internal Revenue Code.

PERSON – Every natural person, partnership, fiduciary, association or corporation. Whenever used in any clause prescribing and imposing a penalty, the term “person” as applied to any unincorporated entity, shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

PLACE OF BUSINESS – Any bona fide office (other than a mere statutory office), factory, warehouse or other space which is occupied and used by the taxpayer in carrying on any business activity, individually or through one or more of his regular employees regularly in attendance.

QUALIFIED PLAN – A retirement plan satisfying the requirements under Section 401 of the Internal Revenue Code as amended.

QUALIFYING WAGES – Wages, as defined in Section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted in accordance with Section 718.03(A) of the Ohio Revised Code.

RESIDENT – An individual domiciled in the City of Piqua.

RESIDENT UNINCORPORATED BUSINESS ENTITY – An unincorporated business entity having an office or place of business within the City of Piqua.

RULES AND REGULATIONS – Administrative directives promulgated by the Administrator and approved by the Board of Review for the purpose of administering this ordinance.

SCHEDULE C – The Internal Revenue Service schedule C filed by a taxpayer pursuant to the Internal Revenue Code.

SCHEDULE E – The Internal Revenue Service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.

SCHEDULE F – The Internal Revenue Service schedule F filed by a taxpayer pursuant to the Internal Revenue Code.

S CORPORATION – A corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

TAXABLE INCOME – Qualifying wages, and other compensation paid by an employer or employers before any deductions and/or the net profits from the operation of a business, profession or other enterprise or activity adjusted in accordance with the provisions of the ordinance. Please refer to INCOME.
TAXABLE YEAR – The calendar year, or the fiscal year upon the basis of which the net profits are to be computed under the ordinance and, in the case of a return for a fractional part of a year, the period for which such return is required to be made.

TAXING MUNICIPALITY – Any municipal corporation levying a municipal income tax on income, qualifying wages, commissions and other compensation earned by individuals, and on the net profits and other taxable income earned from the operation of a business, profession or other activity.

TAXPAYER – A person, whether an individual, partnership, association or any corporation or other entity, required under this ordinance to file a return or pay a tax.

Section 3: Imposition of Tax

A. Subject to the provisions of Section 16 of this ordinance, an annual tax for the purposes specified in Section 1 hereof shall be imposed at the rate of one and three-fourths percent (1.75%) (2%) per annum.

The first one percent (1%) of said tax shall be levied until repealed by this commission; the next one-half three-fourths percent (0.75%) until repealed by the electorate; and the remaining one-fourth percent (0.25%) from January 1, 1991 through December 31, 2020 and upon:

1. All qualifying wages, commissions, other compensation and other income earned or received during the effective period of this ordinance by residents of the City of Piqua.

2. All qualifying wages, commissions, other compensation earned and other income earned or received during the effective period of this ordinance by nonresidents for work done or services performed or rendered in the City of Piqua.

3. a. The portion attributable to the City of Piqua of the net profits earned or received during the effective period of this ordinance, of all resident unincorporated businesses, professions or other entities, derived from sales made, work done, services performed or rendered and business or other activities conducted in the City of Piqua.

   b. The portion of the distributive share of net profits earned or received during the effective period of this ordinance of a resident partner or owner of a resident unincorporated business entity not attributable to the City of Piqua and not levied against such unincorporated business entity. Provided, however, that the liability of an individual partner or owner, taxable hereunder on income attributable to another taxing municipality, shall be subject to the Relief and Reciprocity Provisions of Section 15 hereof.
4. a. The portion attributable to the City of Piqua of net profits earned or received during the effective period of this ordinance of all non-resident unincorporated businesses, professions or other entities, derived from sales made, work done or services performed or rendered and business or other activities conducted in the City of Piqua, whether or not such unincorporated business entity has an office or place of business in the City of Piqua.

b. The portion of the distributive share of net profits earned or received during the effective period of this ordinance of a resident partner or owner of a nonresident unincorporated business entity not attributable to the City of Piqua and not levied against such unincorporated business entity. Provided, however, that the liability of an individual partner or owner taxable hereunder on income attributable to another taxing municipality shall be subject to the Relief and Reciprocity provisions of Section 15 hereof.

5. The portion attributable to the City of Piqua of net profits earned or received during the effective period of this ordinance of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the City of Piqua, whether or not such corporations have an office or place of business in the City of Piqua.

6. All income received as gambling winnings as reported on IRS Form W-2G, Form 5754 and or any other Form required by the Internal Revenue Service that reports winnings from gambling, prizes and lottery winnings. Gambling losses are not deductible unless losses are supported by an independent verifiable statement.

B. The portion of the net profits attributable to the City of Piqua of a taxpayer conducting a business, profession or other activity, both within and without the boundaries of the City of Piqua, shall be determined as provided in Section 718.02 of the Revised Code of Ohio and in accordance with the Rules and Regulations.

C. OPERATING LOSSES

a. The Municipality does not allow a net operating loss carryback or carryforward.

b. Losses from federal schedules and other sources reported for federal income tax purposes cannot be used to offset qualifying wages, commissions, other compensation and other taxable income earned or received by residents or nonresidents of the Municipality.

If an individual is engaged in two or more taxable business activities to be included in the same return, the net loss of one unincorporated business activity may be used to offset the profits of another (except any portion of a loss or profit separately reportable for municipal tax purposes to another taxing entity) for purposes of arriving at overall net profits or net operating loss.
D. CONSOLIDATED RETURNS

1. Any affiliated group, which files a consolidated return for federal income tax purposes pursuant to Section 1501 of the Internal Revenue Code, may file a consolidated return with the City of Piqua. However, once the affiliated group has elected to file a consolidated return or a separate return with Piqua, the affiliated group may not change its method of filing in any subsequent tax year without written approval from Piqua.

2. In the case of a corporation that carried on transactions with its stockholders or with other corporations related by stock ownership, interlocking directorates or some other method, or in case any person operates a division, branch, factory, office, laboratory or activity within the City of Piqua, constituting a portion only of its total business, the Administrator shall require such additional information as he may deem necessary to ascertain whether net profits are properly allocated to the City of Piqua. If the Administrator finds net profits are not properly allocated to the City of Piqua by reason of transactions with stockholders or with other corporations related by stock ownership, interlocking directorates, or transactions with such division, branch, factory, office, laboratory or activity or by some other method, the Administrator shall make such allocations as the Administrator deems appropriate to produce a fair and proper allocation of net profits to the City of Piqua.

Section 4: Effective Period

The first one percent (1%) of said tax shall be levied, collected and paid with respect to the income, qualifying wages, commissions and other compensation, and with respect to net profits of businesses, professions or other activities earned from January 1, 1977, and until repealed by this Commission.

The next one-half percent (.5%) of said tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation, and with respect to the net profits of businesses, professions or other activities earned from January 1, 1984 and until repealed by the electorate.

The next one-fourth percent (.25%) of said tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation, and with respect to the net profits of businesses, professions or other activities earned from January 1, 2015 and until repealed by the electorate.

The remaining one-fourth percent (.25%) of said tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation, and with respect to the net profits of businesses, professions or other activities earned from January 1, 1991 through December 31, 2020.
Section 5: Return and Payment of Tax

A. Each taxpayer who engages in business or other activity or whose qualifying wages, commissions, other compensation and other taxable income is subject to the tax imposed by this ordinance, and every resident shall, make and file a return on or before April 15th of each year, whether or not a tax is due. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed by the 15th day of the fourth month from the end of such fiscal year or period. The Administrator is hereby authorized to provide by regulation in accordance with Rules and Regulations that the return of an employer or employers, showing the amount of tax deducted by said employer or employers from the qualifying wages, commissions, other compensation or other income of nonresident employee, and paid by the employer or employers to the Administrator, shall be accepted as the return required of any nonresident employee whose sole income, subject to tax under this ordinance, is such qualifying wages, commissions, other compensation or other income.

The Administrator shall also have authority to require that certain retired individuals may be exempt from this section, providing that no reportable or taxable income exists beyond income exempt from taxation as provided by this ordinance.

B. The return shall be filed with the Administrator on a form or forms furnished by or obtainable upon request from such Administrator, or on a generic form, setting forth:

1. a. The aggregate amount of qualifying wages, commissions, other compensation and other income earned or received; and
   
   b. The gross income from a business, profession or other activity less allowable expenses incurred in the acquisition of such gross income;

   c. Such income shall include only income earned or received during the year, or portion thereof, covered by the return and subject to the tax imposed by this ordinance;

2. a. The amount of tax imposed by this ordinance on income reported,

   b. Any credits to which the taxpayer may be entitled under the provisions of Sections 6, 7 and 15 of this ordinance; and

3. Such other pertinent statements, information returns or other information as the Administrator may require.

4. A generic form once completed and filed must contain all of the information required to be submitted with Piqua’s prescribed returns, reports or documents, and must be in a similar format that will allow processing of the generic forms
without altering Piqua’s procedures for processing forms. The taxpayer or return preparer filing the generic form must also otherwise comply with the rules or ordinances of Piqua governing the filing of returns, reports or documents. Determination as to whether a generic form meets this criteria shall be the responsibility of the Administrator.

C. The Administrator may extend the time for filing of the annual return upon the request of the taxpayer for a period of not to exceed six (6) months, or one (1) month beyond any extension requested of or granted by the Internal Revenue Service for filing of the Federal Income Tax Return (whichever occurs later). The Administrator may require a tentative return, accompanied by payment of the amount of tax shown to be due thereon by the date the return is normally due.

No penalty or interest shall be assessed in those cases in which the return is filed and the final tax paid within the period as extended.

D. 1. The taxpayer making a return shall, at the time of filing thereof, pay to the Administrator the balance of tax due, if any, after deducting:

   a. The amount of City of Piqua Income Tax deducted or withheld at the source pursuant to Section 6 hereof;

   b. Such portion of the tax as has been paid on declaration by the taxpayer pursuant to Section 7 hereof;

   c. Any credit allowable under the provisions of Section 15 hereof.

2. Should the return, or the records of the Administrator, indicate an overpayment of the tax to which the City of Piqua is entitled under the provisions of this ordinance, such overpayment shall first be applied against any existing liability and the balance, if any, at the election of the taxpayer communicated to the Administrator, shall be refunded or transferred against any subsequent liability. Provided, however, that overpayment of less than five dollars ($5.00) shall not be refunded.

E. 1. AMENDED RETURNS. Where necessary, an amended return must be filed in order to report additional income and pay any additional tax due, or claim a refund of tax overpaid, subject to the requirements and/or limitations contained in Sections 11 and 15. Such amended returns shall be on a form obtainable on request from the Administrator. A taxpayer may not change the method of accounting or apportionment of net profits after the due date for filing the original return.

2. Within three (3) months from the final determination of any federal tax liability affecting the taxpayer’s City of Piqua tax liability, such taxpayer shall make and file an amended City of Piqua return showing income subject to the City of Piqua
tax based upon such final determination of federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.

Section 6: Collection at Source

A. 1. Each employer within or doing business within the City of Piqua who employs one or more persons on a qualifying wage, commission, other compensation or other income basis shall, at the time of payment thereof, deduct the tax of one and three-fourths two percent (1.75%) (2%) from the qualifying wages, commissions, other compensation or other income earned or received by Piqua residents regardless of where such compensation was earned or received and shall deduct the tax of one and three-fourths two percent (1.75%) (2%) from the qualifying wages, commissions, other compensation or other income earned or received within Piqua by non-residents;

2. Notwithstanding the provisions of paragraph A. 1. of this Section, where such employer employs a Piqua resident in another taxing municipality requiring such employer to deduct its tax from all employees engaged therein, such employer shall withhold for, and remit to, the City of Piqua only the difference, if any, between the tax imposed by such other taxing municipality and the tax imposed by this ordinance;

3. Each employer shall, on or before the 15th day of the month or quarter following such withholding, make a return and remit to the City of Piqua the tax hereby required to be withheld. Employers shall deposit withholding to the City of Piqua on a monthly basis if the tax liability for the previous year equals or exceeds three thousand dollars ($3,000.00). Such return shall be on a form or forms prescribed by, or acceptable to, the Administrator and shall be subject to the Rules and Regulations. Such employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have, in fact, been withheld.

4. On or before the 28th day of February following any calendar year, such employer shall file with the Administrator an information return for each employee from whom City of Piqua Income Tax has been, or should have been, withheld, showing the name, address and Social Security number of the employee, the total amount of compensation paid during the year and the amount of City of Piqua Income Tax withheld from such employee. Employers with more than 100 employees shall provide the information required by this Section 6(A)(4) in the format and on the electronic media specified in the rules and regulations.

5. An employer is not required to make any withholding with respect to an individual’s disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of the corporation with respect to whose stock the option has been issued.
6. a. An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by a municipal corporation or by the employer’s exemption from the requirements to withhold the tax.

b. The failure of an employer to remit to the municipal corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer in connection with the failure to remit the tax withheld.

B. Such employer, in collecting said tax, shall be deemed to hold the same until payment is made by such employer to the City of Piqua, as a Trustee for the benefit of the City of Piqua and any such tax collected by such employer from his employees shall, until the same is paid to the City of Piqua, be deemed a trust fund in the hands of such employer.

C. All employers that provide any contractual service within Piqua, and who employ subcontractors in conjunction with that service, shall provide Piqua the names and addresses of the subcontractors. The subcontractors shall be responsible for all income tax withholding requirements under this ordinance.

D. In addition to the wage reporting requirements of this section, any person required by the Internal Revenue Service to report on Form 1099-Misc. payments to individuals not treated as employees for services performed shall also report such payments to the Municipality when the services were performed in the Municipality. The information may be submitted on a listing, and shall include the name, address and social security number (or federal identification number), and the amount of the payments made. Federal form(s) 1099 may be submitted in lieu of such listing. The information shall be filed annually on or before February 28 following the end of such calendar year.

E. DOMESTIC SERVANTS. No person shall be required to withhold the tax on the qualifying wages, commissions, other compensation, and other taxable income paid domestic servants employed exclusively in or about such person’s residence. However, such domestic servants shall be responsible for filing and paying their own returns and taxes.

Section 7: Declarations

A. Every person who anticipates any taxable income which is not subject to Section 6 hereof, or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 3 hereof shall file a declaration setting forth such estimated income of the estimated profit or loss from such business activity, together with the estimated tax due thereon, if any.

B. 1. Such declaration shall be filed on or before April 15 of each year during the life of this ordinance, except that no penalties or interest shall be assessed, for not filing a declaration, on any resident taxpayer who was not domiciled in Piqua on the
first day of January of the year in which they became subject to estimated payments, nor shall penalties or interest be assessed on estimated payments if the taxpayer has remitted an amount equal to one hundred percent of the previous year’s tax liability, provided that the previous year reflected a twelve-month period.

2. Those taxpayers reporting on a fiscal year basis shall file a declaration within 15 days of the fourth month after the beginning of each fiscal year or period.

C. 1. Such declaration shall be filed upon a form furnished by, or obtainable from, the Administrator, or on a generic form. Credit shall be taken for Piqua income tax to be withheld, if any, from any portion of such income. In addition, credit may be taken for tax payable to other taxing municipalities in accordance with the provisions of Section 15 hereof.

2. The original declaration (or any subsequent amendment thereof) may be increased or decreased on or before any subsequent quarterly payment date as provided for herein.

3. A generic form once completed and filed must contain all of the information required to be submitted with Piqua’s prescribed returns, reports or documents, and must be in a similar format that will allow processing of the generic forms without altering Piqua’s procedures for processing forms. The taxpayer or return preparer filing the generic form must also otherwise comply with the rules or ordinances of Piqua governing the filing of returns, reports or documents. Determination as to whether a generic form meets this criteria shall be the responsibility of the Administrator.

D. The taxpayer making the declaration shall, at the time of the filing thereof, pay to the Administrator at least one-fourth (1/4) of the estimated annual tax due after deducting:

1. Any portion of such tax to be deducted or withheld at the source pursuant to Section 6 hereof;

2. Any credits allowable under the provisions of Section 15 hereof; and

3. Any overpayment of previous year’s tax liability which taxpayer has not elected to have refunded. Provided, however, the taxpayer may elect to apply any overpayment of previous tax liability to any one or more installments of the estimated annual tax.

At least a similar amount shall be paid on or before the 15th day of the sixth, ninth and thirteenth month after the beginning of taxpayer’s taxable year, provided that in case an amended declaration has been duly filed, or the taxpayer is taxable for a portion of
the year only, the unpaid balance shall be paid in equal installments on or before the remaining payment dates.

E. On or before the 15th day of the fourth month of the year following that for which such declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due the City of Piqua shall be paid therewith in accordance with the provisions of Section 5 hereof:

Section 8: Duties of the Administrator

A. 1. It shall be the duty of the Administrator to receive the tax imposed by this ordinance in the manner prescribed herein from the taxpayers; to keep an accurate record thereof; and to report all monies so received to the Director of Finance.

2. It shall be the duty of the Administrator to enforce payment of all taxes owed the City of Piqua, to keep accurate records for a minimum of six (6) years showing the amount due from each taxpayer required to file a declaration and/or make any return, including taxes withheld, and to show the dates and amounts of payments thereof.

B. Said Administrator is hereby charged with the enforcement of the provisions of this ordinance, and is hereby empowered, subject to the approval of the Board of Review, to adopt and promulgate and to enforce Rules and Regulations relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the provisions of this ordinance, including provisions for the re-examination and correction of returns.

C. In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Administrator may determine the amount of tax appearing to be due the City of Piqua from the taxpayer and shall send to such taxpayer and tax practitioner a written statement showing the amount of tax so determined, together with interest and penalties thereon, if any.

D. Subject to the consent of the Board of Review and pursuant to the Rules and Regulations, the Administrator shall have the power to compromise any interest or penalty, or both, imposed by Section 10 of this ordinance.

Section 9: Investigative Powers of the Administrator
Penalty for Divulging Confidential Information

A. The Administrator, or any authorized employee, is hereby authorized to examine the books, papers, records and Federal Income tax returns of any employer or of any taxpayer or person subject to, or whom the Administrator believes is subject to the
provisions of this ordinance, for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax due under this ordinance.

Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish upon written request by the Administrator, or the Administrator's duly authorized agent or employee, the means, facilities and opportunity for making such examinations and investigations are hereby authorized.

B. The Administrator is hereby authorized to order any person presumed to have knowledge of the facts to appear before the Administrator and may examine such person, under oath, concerning any income which was or should have been returned for taxation or any transaction tending to affect such income, and for this purpose may compel the production of books, papers, records and Federal Income Tax returns and the attendance of all persons before the Administrator, whether as parties or witnesses, whenever the Administrator believes such persons have knowledge of such income or information pertinent to such inquiry.

C. The refusal to produce books, papers, records and Federal Income Tax returns, or the refusal to submit to such examination by any employer or person subject or presumed to be subject to the tax, or by any officer, agent or employee of a person subject to the tax or required to withhold tax, or the failure of any person to comply with the provisions of this Section or with an order or subpoena of the Administrator authorized hereby, shall be deemed a violation of this ordinance punishable as provided in Section 12 hereof.

D. Any information gained, as the result of any returns, investigations, hearings or verifications required or authorized by this ordinance shall be confidential, except for official purposes, or except in accordance with proper judicial order. Any person divulging such information in violation of this ordinance shall upon conviction thereof, be deemed guilty of a misdemeanor and shall be subject to a fine or penalty of not more than five hundred dollars ($500.00) or imprisoned for not more than six (6) months, or both. Each disclosure shall constitute a separate offense.

In addition to the above penalty, any employee of the City of Piqua who violates the provision of this Section relative to the disclosure of confidential information shall be guilty of an offense punishable by immediate dismissal.

E. Every taxpayer shall retain all records necessary to compute his or her tax liability for a period of six (6) years from the date his or her return is filed, or the withholding taxes are paid.

Section 10: Interest and Penalties

A. All taxes imposed and all monies withheld or required to be withheld by employers under the provisions of this ordinance and remaining unpaid after they become due shall bear interest at the rate of one percent (1%) per month.
B. In addition to interest as provided in paragraph A hereof, penalties based on the unpaid tax are hereby imposed as follows:

1. For failure to pay taxes due, a penalty of one percent (1%) per month with a maximum of twenty-five percent (25%) of the net tax liability and with an annual minimum $20. The $20 minimum is waived for first-time filers and if taxes are paid within two weeks of filing.

2. For failure to remit taxes withheld or required to be withheld from employees: Three percent (3%) per month.

3. Where the taxpayer has failed to file a return by the due date or by the date resulting from extension, a failure to file fee of twenty-five dollars ($25.00) may be assessed.

4. Where the employer has failed to file monthly or quarterly returns by the due dates, a failure to file fee of twenty-five dollars ($25.00) may be assessed per each return.

C. EXCEPTIONS

1. A penalty shall not be assessed on an additional tax assessment made by the Administrator when a return has been filed in good faith and the tax paid thereon within the time prescribed by the Administrator, or filed in accordance with Article VII, Section C of the Rules and Regulations; and provided further, that in the absence of fraud, neither penalty nor interest shall be assessed on any additional tax assessment resulting from a federal audit, providing an amended return is filed and the additional tax is paid within three (3) months after final determination of the federal tax liability.

2. The city shall not impose any penalty, interest, or other similar assessment or charge against a taxpayer for the late payment or nonpayment of estimated tax liability in either of the following circumstances:

   (a) The taxpayer is an individual who resides in the city but was not domiciled there on the first day of January of the current calendar year;

   (b) The taxpayer has timely remitted an amount at least equal to one hundred percent (100%) of the taxpayer’s tax liability for the preceding year as shown on the return filed by the taxpayer for the preceding year, provided that the return for the preceding year reflected a twelve-month period and taxpayer filed a return for the preceding year.
D. A return check fee will be assessed in an amount set periodically in the Rules and Regulations promulgated by the Tax Administrator.

E. Upon recommendation of the Administrator, the Board of Review may abate penalty or interest, or both, or upon an appeal from the refusal of the Administrator to recommend abatement of penalty and interest, the Board may nevertheless abate penalty or interest, or both.

Section 11: Collection of Unpaid Taxes and Refunds of Overpayment

A. All taxes imposed by this ordinance shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amounts are recoverable. Except in the case of fraud, omission of twenty-five percent (25%) or more of income subject to this tax, or failure to file a return, an additional assessment shall not be made after three (3) years from the time the return was due or filed, whichever is later. In the case of fraud, omission of 25% or more of income subject to this tax, or failure to file a return, all additional assessments shall be made and all prosecutions to recover Piqua’s income taxes and penalties and interest thereon shall be brought within six (6) years after the tax was due or the return was filed, whichever is later. In those cases in which the Commissioner of Internal Revenue and the taxpayer have executed a waiver of the federal statute of limitation, the period within which an additional assessment may be made by the Administrator shall be one (1) year from the time of the final determination of the federal tax liability.

B. Those officers or employees having control or supervision of, or charged with, the responsibility of filing the return and making payments for a corporation or association shall be personally liable for failure to file the return or pay the taxes and penalties and interest due as required. The dissolution, bankruptcy, or reorganization of any employer does not discharge the officers’ or employees’ liability for a prior failure of such business to file a return or pay the taxes due.

C. Taxes erroneously paid shall not be refunded unless a claim for refund is made within three (3) years from the date which such payment was made or the return was due, or within three (3) months after final determination of the federal tax liability, whichever is later.

D. Amounts of less than five dollars ($5.00) shall not be collected or refunded.

Section 12: Violations – Penalties

A. Any person who shall:

1. Fail, neglect or refuse to make any return or declaration required by this ordinance; or
2. Make any incomplete, false or fraudulent return; or

3. Fail, neglect or refuse to pay the tax, penalties or interest imposed by this ordinance; or

4. Fail, neglect or refuse to withhold the tax from his employees or remit such withholding to the Administrator; or

5. Refuse to permit the Administrator or any duly authorized agent or employee to examine his or her books, records, papers and Federal Income Tax returns relating to the income or net profits of a taxpayer; or

6. Fail to appear before the Administrator and to produce his or her books, records, papers or Federal Income Tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Administrator; or

7. Refuse to disclose to the Administrator any information with respect to the income or net profits of a taxpayer; or

8. Fail to comply with the provisions of this ordinance, the Rules and Regulations or any order or subpoena of the Administrator authorized hereby; or

9. Give to an employer false information as to his or her true name, correct Social Security number and residence address, or fail to promptly notify an employer of any change in residence address and date thereof; or

10. Fail to use ordinary diligence in maintaining proper records of employees’ residence addresses, total wages paid and City of Piqua tax withheld, or to knowingly give the Administrator false information; or

11. Attempt to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this ordinance.

Shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars ($500.00) or imprisoned not more than six (6) months or both, for each offense.

B. All prosecutions under this Section must be commenced within three (3) years from the time the offense complained of except in the case of failure to file a return or in the case of filing a false or fraudulent return, in which event the limitation of time within which prosecution must be commenced shall be six (6) years from the date the return was due or the date the false or fraudulent return was filed.

C. The failure of any employer or person to receive or procure a return declaration or other required form shall not excuse him or her from making any information return, return or declaration, from filing such form, or from paying the tax.
Section 13: Board of Review

A. A Board of Review, consisting of the City Manager, who shall act as chairman, and two other individuals, each to be appointed by the Mayor of the City of Piqua, is hereby created. A majority of the members of the Board shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions. Any hearing by the Board may be conducted privately and the provisions of Section 9 hereof, with reference to the confidential character of information required to be disclosed by this ordinance, shall apply to such matters as may be heard before the Board of Review.

B. All Rules and Regulations and amendments or changes thereto, which are adopted by the Administrator under the authority conferred by this ordinance, must be approved by the Board of Review before the same become effective. The Board shall hear and pass on appeals from any ruling or decision of the Administrator, and, at the request of the taxpayer or Administrator, is empowered to substitute alternate methods of allocation.

C. Any person dissatisfied with any ruling or decision of the Administrator, which is made under the authority conferred by this ordinance, may appeal therefrom to the Board of Review within thirty (30) days from the announcement of such ruling or decision by the Administrator provided the taxpayer making the appeal has filed with the City of Piqua the required return or other documents concerning the obligation at issue. The appeal shall be in writing and shall state why the decision should be deemed incorrect or unlawful. The Board shall, on hearing, have jurisdiction to affirm, reverse or modify any such ruling or decision, or any part thereof.

Section 14: Use of Funds

The total income tax funds collected under the provisions of this ordinance shall be held by the Director of Finance in a separate fund known as the “INCOME TAX FUND” and shall be deposited in a separate account, or accounts, in such bank or banks, as the Director in his or her sole discretion may decide.

Relating to the first one percent (1%), not less than twenty-eight percent (28%) shall be used for the construction, operation and maintenance of streets, including the draining thereof. Not less than twenty-one percent (21%) shall be used for permanent improvements and operation of the Safety Department. Not less than seven percent (7%) shall be used for permanent improvements and operation of City parks. Not more than forty-four percent (44%) shall be used for General Fund purposes, other than those listed above, and for the purpose of paying the cost of collecting the tax levied by this ordinance and the cost of administering and enforcing the provisions thereof.
The funds collected under the provisions of this ordinance relating to the next one-half three-fourths percent (.5%) (.75%) levy in excess of one percent (1%) shall be used entirely for capital and operating needs of police, fire and public safety-related services.

The funds collected under the provisions of this ordinance relating to the remaining one-fourth percent (.25%) levy shall be used entirely for the construction, reconstruction and resurfacing of streets and alleys, including the installation, maintenance and reconstruction of storm drainage lines, manholes and catch basins.

Section 15: Relief and Reciprocity Provisions

It is the intent of this section that a taxpayer, subject to tax in more than one municipality on the same income, who has complied with the provisions hereof, shall not be required by this ordinance to pay a total municipal income tax on such income greater than the tax imposed at the higher rate.

A. When a resident of Piqua is subject to and has paid, or has acknowledged liability for, a municipal income tax in another municipality on the same income taxable under this ordinance, and such other municipality does not allow a credit to its non-residents, such Piqua resident may claim a credit of the amount of such tax paid to such other municipality, but not in excess of the tax assessed by this ordinance.

B. The City of Piqua shall grant a credit against the tax imposed by this ordinance to every taxpayer who works in a joint economic development zone created under section 715.691 or a joint economic development district created under section 715.70, 715.71, or 715.72 of the Ohio Revised Code. The credit shall not exceed the tax assessed by this ordinance on such income earned in such joint economic development zone or joint economic development district where such tax is paid.

Section 16: Saving Clause

If any sentence, clause, section or part of this ordinance, or any tax against any individual or any of the several groups specified herein, is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part of this ordinance and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this ordinance. It is hereby declared to be the intention of the Commission of the City of Piqua that this ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.
Section 17: Exclusions From Taxation

The provisions of this Ordinance shall not be construed as levying a tax upon the following:

A. Military pay or allowances of members of the Armed Forces of the United States and of members of their reserve components, including the National Guard.

B. Poor relief, pensions, including Social Security benefits, unemployment compensation or similar payments, including disability benefits received from private industry or local, state or federal governments, or from charitable, religious or educational organizations.

C. Alimony received

D. Dues, contributions and similar payments received by charitable, religious, educational or literary organizations or labor unions, lodges and similar organizations.

E. Any charitable, educational, fraternal or other type of non-profit association or organization enumerated in Section 718.01 of the Revised Code of Ohio, which is exempt from payment of real estate taxes, is exempt from payment of the tax imposed by this ordinance.

   a. Any association or organization falling in the category listed in the preceding paragraph not exempt from the payment of real estate taxes is required to file declarations and final returns and remit the taxes levied under this ordinance on all business activities of a type ordinarily conducted for profit by taxpayers operating for profit.

   b. Where such non-profit association or organization conducts income-producing business, both within and without the corporate limits, it shall calculate its profits allocable to the City of Piqua under the method or methods provided above.

F. Any association, organization, corporation, club or trust, which is exempt from federal taxes on income by reason of its charitable, religious, educational, literacy, scientific, etc. purposes.

G. Gains from involuntary conversion and capital gains, cancellation of indebtedness, interest on federal obligations, items of income already taxed by the State of Ohio, as of the date of enactment of Ordinance 33-66 (being 7/5/66), and income of a decedent’s estate during the period of administration (except such income from the operation of a business).

H. Earnings and income of all persons 17 years of age and under. Earnings and income will be taxable for the portion of the year after which they become 18.
I. Parsonage allowance, to the extent of the rental allowance or rental value of a house provided as a part of an ordained minister's compensation. The minister must be duly ordained, commissioned or licensed by a religious body constituting a church or church denomination.

J. Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official, to the extent that such compensation does not exceed one thousand dollars ($1,000) annually.

K. Intangible income.

L. The income of a public utility, when that public utility is subject to the tax levied under Section 5727.24 or 5727.30 of the Ohio Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745 of the Ohio Revised Code:

a. The income of an electric company or combined company;

b. The income of a telephone company.

As used in Section 17 (L) of this ordinance, "combined company", "electric company", and "telephone company" have the same meanings as in Section 5727.01 of the Ohio Revised Code.

M. The City of Piqua shall not tax the compensation paid to a nonresident individual for personal services performed by the individual in the City of Piqua on twelve (12) or fewer days in a calendar year unless one of the following applies:

a. The individual is an employee of another person, the principal place of business of the individual's employer is located in another municipality in Ohio that imposes a tax applying to compensation paid to the individual for services paid on those days; and the individual is not liable to that other municipality for tax on the compensation paid for such services.

b. The individual is a professional entertainer or professional athlete, the promoter of a professional entertainment or sports event, or an employee of such promoter, all as may be reasonably defined by the City of Piqua.

Section 18: Collection of Tax After Termination of Ordinance

A. This ordinance shall continue effective insofar as the levy of taxes is concerned until repealed by the electorate, and insofar as the collection of taxes levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this ordinance are concerned, it shall continue effective until all of said taxes levied in the aforesaid period are fully paid and any and all suits and
prosecutions for the collection of said taxes or for the punishment of violations of this ordinance shall have been fully terminated, subject to the limitations contained in Sections 11 and 12 hereof.

B. Annual returns due for all or any part of the last effective year of this ordinance shall be due on the date provided in Sections 5 and 6 of this ordinance as though the same were continuing.

SECTION 2: Ordinances 33-66, 18-67, 26-71, 28-71, 10-76, 67-78, 76-79, 24-83, 36-84, 29-88, 20-89, 84-89, 18-90, 7-91, 34-00, 39-00, 27-02, 20-03, 22-04 and 25-08 as previously enacted, are hereby repealed;

SECTION 3: This Ordinance shall take effect and be in force beginning January 1, 2009 2015.

PASSED: ___________________________  LUCINDA L. FESS, MAYOR

ATTEST: ___________________________
REBECCA J. COOL
CLERK OF COMMISSION
# Commission Agenda
## Staff Report

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>November 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORT TITLE</td>
<td>An Ordinance Amending Ordinance No.33-66, Relating to the Municipal Income Tax</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Cynthia Holtzapple, Assistant City Manager, Finance Director Department: Income Tax/Finance</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>□ Consent</td>
</tr>
<tr>
<td>APPROVALS/REVIEWS</td>
<td>□ City Manager</td>
</tr>
<tr>
<td></td>
<td>□ Asst. City Manager/Development</td>
</tr>
<tr>
<td></td>
<td>□ Department Director;</td>
</tr>
<tr>
<td>BACKGROUND</td>
<td>With the passage of the safety levy on November 4, 2014, we need to update the ordinance with the correct rates for collection of the additional (.25%) tax beginning January 1, 2015. This also includes W-2 filing via electronic media for entities with more than 100 employees.</td>
</tr>
<tr>
<td>BUDGETING AND</td>
<td>Budgeted $:</td>
</tr>
<tr>
<td>FINANCIAL IMPACT</td>
<td>Expenditure $:</td>
</tr>
<tr>
<td></td>
<td>Source of Funds: Tax Collections</td>
</tr>
<tr>
<td>OPTIONS</td>
<td>1. Approve Ordinance No. 15-14 accepting the amendments for municipal income tax for the City of Piqua.</td>
</tr>
<tr>
<td></td>
<td>2. Do not approve the Ordinance and advise staff of alternatives.</td>
</tr>
<tr>
<td>PROJECT TIMELINE</td>
<td>Changes will be effective January 1, 2015</td>
</tr>
<tr>
<td>STAFF RECOMMENDATION</td>
<td>We are requesting approval of Ordinance No. 15-14 accepting the Ordinance to reflect the proper tax rate beginning January 1, 2015.</td>
</tr>
<tr>
<td>ATTACHMENTS</td>
<td></td>
</tr>
</tbody>
</table>

| (Should match resolution/ordinance title) |
| (Includes description, background, and justification) |
| (Includes project costs and funding sources) |
| (Include Deny/Approval Option) |
| (Include Other) |
ORDINANCE NO. 16-14
AN ORDINANCE AMENDING ORDINANCE NO. 8-14
AND CODIFIED AS ORDINANCE NO. 52.20, EXHIBIT A,
ELECTRICAL SERVICE RATES AND TERMS

WHEREAS, the City has moved from a Power Supply portfolio mainly composed of
market purchases to one that is primarily asset ownership; and

WHEREAS, a recently completed cost-of-service study recommends implementation
of amended electric rates to ensure proper cost allocation among customer classes.

NOW THEREFORE, BE IT RESOLVED BY the Piqua City Commission, a majority of
members concurring that:

SECTION 1: That Ordinance No. 8-14 and Codified as Section No. 52.20, Exhibit A
is hereby amended in accordance with attached Exhibit A.

SECTION 2: This Ordinance shall take effect and be in force from and after the
earliest period allowed by law such that all billings issued after January 15, 2015 shall
conform to this Ordinance.

LUCINDA L. FESS, MAYOR

PASSED: _______________________

ATTEST: ______________________
REBECCA J. COOL
CITY COMMISSION CLERK
Piqua Municipal Power System
Electric Rates

RESIDENTIAL SERVICE – SCHEDULE R

APPLICABLE:

This schedule is applicable to electric service for residential dwellings, and churches.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current will be supplied at standard voltages as available through one transformer.

MONTHLY RATES AND CHARGES (Effective For Billings After 01/15/2015):

<table>
<thead>
<tr>
<th></th>
<th>Effective For-Billings After 01/15/2007</th>
<th>Effective For-Billings After 01/15/2008</th>
<th>Effective For-Billings After 01/15/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge:</td>
<td>$15.060</td>
<td>$5.60</td>
<td>$5.60</td>
</tr>
<tr>
<td>Energy Charge ($/kWh):</td>
<td>$0.09969</td>
<td>$0.08240</td>
<td>$0.08706</td>
</tr>
<tr>
<td>First 500 kWh</td>
<td>$0.07773</td>
<td>$0.07681</td>
<td>$0.08116</td>
</tr>
<tr>
<td>All-over 500 kWh</td>
<td>$0.07246</td>
<td>$0.07681</td>
<td>$0.08116</td>
</tr>
</tbody>
</table>

Minimum Charge: The Customer Charge

POWER COST ADJUSTMENT:

Bills computed in accordance with the foregoing rates and charges are subject to adjustment for changes in the cost of fuel and purchased power pursuant to Schedule PCA.

OHIO EXCISE TAX:

Bills computed in accordance with the foregoing rates are subject to the Ohio Excise Tax Rider, Schedule OET.
RATE STABILIZATION RIDER CREDIT:

Bills computed in accordance with the foregoing rates are subject to the Rate Stabilization Rider Credit, Schedule RSRC.

TERMS AND CONDITIONS:

Service hereunder is subject to the General Service Regulations of the City applicable to Electric Service.
Piqua Municipal Power System
Electric Rates

GENERAL POWER SERVICE – SCHEDULE GP

APPLICABLE:

This schedule is applicable to all commercial and industrial customers that do not qualify under Residential Service – Schedule R.

If a customer requests service from the City and that customer is atypical of customers receiving service under the current rate design, the City will revisit its Cost of Service analysis and develop a rate that is representative of the cost to serve such customer. The City may also require a contract for service with said customer if an atypical investment is associated specifically with serving the customer. The City reserves the right to determine, in its sole judgment, the applicability of this Schedule to a customer requesting service.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz alternating current will be supplied at standard voltages as available through one transformation.

MONTHLY RATES AND CHARGES (Effective For Billings After 01/15/2015):

Commercial
Customer Demand Less than 500 Kilowatts

Where customer demand for the billing period was less than 500 kilowatts.

<table>
<thead>
<tr>
<th></th>
<th>Effective For-Billings After 01/15/2007</th>
<th>Effective For-Billings After 01/15/2008</th>
<th>Effective For-Billings After 01/15/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge:</td>
<td>$208.0056</td>
<td>$8.56</td>
<td>$8.56</td>
</tr>
<tr>
<td>Demand Charge ($/kW):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 5 kW</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>All Above 5 kW</td>
<td>$157.900</td>
<td>$10.80</td>
<td>$14.65</td>
</tr>
<tr>
<td>Energy Charge ($/kWh):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 600 kWh</td>
<td>$0.1110690</td>
<td>$0.07943</td>
<td>$0.08955</td>
</tr>
<tr>
<td>Next 4,400 kWh</td>
<td>$0.05898</td>
<td>$0.04955</td>
<td>$0.03992</td>
</tr>
<tr>
<td>Next 20,000 kWh</td>
<td>$0.05524</td>
<td>$0.04082</td>
<td>$0.02625</td>
</tr>
<tr>
<td>All over 25,0600 kWh</td>
<td>$0.048592</td>
<td>$0.03597</td>
<td>$0.02590</td>
</tr>
</tbody>
</table>
Industrial
Customer Demand 500 Kilowatts or More (Effective For Billings After 01/15/2015):

Where customer demand for the billing period was greater than or equal to 500 kilowatts.

<table>
<thead>
<tr>
<th></th>
<th>Effective For-Billings After 01/15/2007</th>
<th>Effective For-Billings After 01/15/2008</th>
<th>Effective For-Billings After 01/15/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge:</td>
<td>$658.0056</td>
<td>$8.56</td>
<td>$8.56</td>
</tr>
<tr>
<td>Demand Charge ($/kW):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All kW</td>
<td>$150.154</td>
<td>$12.01</td>
<td>$13.49</td>
</tr>
<tr>
<td>Energy Charge ($/kWh):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 200,000 kWh</td>
<td>$0.04753900</td>
<td>$0.033331</td>
<td>$0.02762</td>
</tr>
<tr>
<td>Next 300,000 kWh</td>
<td>$0.038690</td>
<td>$0.03256</td>
<td>$0.02651</td>
</tr>
<tr>
<td>All over ≥ 500,000 kWh</td>
<td>$0.04557382</td>
<td>$0.03204</td>
<td>$0.02582</td>
</tr>
</tbody>
</table>

Minimum Charge: The Customer Charge plus the Demand Charge

BILLING DEMAND:

The monthly billing demand shall be:

The maximum fifteen (15) minute integrated KW demand for the billing month, determined as follows shall be the greater of:

a. On peak is defined as 100% of the maximum demand recorded during the hours beginning 0800 until 2330 on Monday through Friday.

b. Off peak is defined as 25% of the maximum demand recorded during all hours not included in a) and in addition shall also include the following Holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

ADJUSTMENT FOR PRIMARY METERING:

Where a transformer installation (regardless of ownership) is utilized solely to furnish service to a single customer, the Piqua Municipal Power System may elect to
meter the service on the primary side of the transformer in which case the metered demand and energy shall each be reduced 1%.

**ADJUSTMENT FOR PRIMARY SERVICES:**

If, at the option of the customer, electric service is rendered and metered at a primary voltage of the Piqua Municipal Power System, metered demand will be reduced 5% and metered energy will be reduced 1%. To qualify for this adjustment, customer must own, operate and maintain all necessary transforming, controlling, regulating and protective equipment.

**ADJUSTMENT FOR POWER FACTOR:**

The maximum fifteen-minute kilowatt of demand for the month shall be increased by 1% for each 1% or major fraction thereof that the average power factor is less than 85% lagging.

\[
\text{AVERAGE POWER FACTOR} = \frac{\text{KWH}}{\sqrt{\frac{\text{KWH}^2}{\text{KWH}^2} + \frac{\text{KVARH}^2}{\text{KVARH}^2}}}
\]

**POWER COST ADJUSTMENT:**

Bills computed in accordance with the foregoing rates and charges are subject to adjustment for changes in the costs of fuel and purchased power pursuant to Schedule PCA.

**OHIO EXCISE TAX:**

Bills computed in accordance with the foregoing rates are subject to the Ohio Excise Tax Rider, Schedule OET.

**RATE-STABILIZATION RIDER CREDIT:**

Bills computed in accordance with the foregoing rates are subject to the Rate Stabilization Rider Credit, Schedule RSRC.

**TERMS AND CONDITIONS:**

Service hereunder is subject to the General Service Regulations of the City applicable to Electric Service.
Piqua Municipal Power System
Electric Rates

PRIVATE OUTDOOR LIGHTING SERVICE – SCHEDULE OL

APPLICABLE:

To all consumers served by the Piqua Municipal Power System.

CHARACTER OF SERVICE:

This service is available for all outdoor lighting service to any consumer when such service can be supplied by the installation of lighting fixtures on existing City poles and supplied directly from existing secondary circuits, except as provided herein. The Piqua Municipal Power System reserves the right to approve or disapprove any or all customer requests for private outdoor lighting installations, including the application, number and location of fixtures, poles and aerial spans.

RATE (Effective For Billings After 01/15/2015):

For each lamp with luminaire and, where needed, an upsweep arm not over six (6) feet in length, controlled automatically, where service is supplied from existing facilities of the City:

<table>
<thead>
<tr>
<th>Wattage</th>
<th>Estimated kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 Watt High Pressure Sodium</td>
<td>$7.9235 per month</td>
</tr>
<tr>
<td>250 Watt High Pressure Sodium</td>
<td>$109.2835 per month</td>
</tr>
<tr>
<td>400 Watt Metal Halide</td>
<td>$172.2630 per month</td>
</tr>
<tr>
<td>1000 Watt Metal Halide</td>
<td>$2016.9500 per month</td>
</tr>
</tbody>
</table>

POWER COST ADJUSTMENT

Bills computed in accordance with the foregoing rates and charges are subject to adjustment for changes in the costs of fuel and purchased power pursuant to Schedule PCA.

OHIO EXCISE TAX:

Bills computed in accordance with the foregoing rates are subject to the Ohio Excise Tax Rider, Schedule OET.

AERIAL SERVICE:

Secondary aerial spans shall be supplied, where necessary, for an additional charge of $0.60 per month per span.
Additional 30 ft. class 6 wood poles shall be supplied and installed, only on the consumer’s private property, for an additional charge of $1.90 per month per standard wood pole.

Additional 35 ft. class 4 wood poles shall be supplied and installed, only on the consumer’s private property, for an additional charge of $2.30 per month per standard wood pole.

TERMS AND CONDITIONS:

All service and necessary maintenance will be performed only during the regular scheduled working hours of the City. It is the intent of the Piqua Municipal Power System to effect repairs within three (3) days of failure notification except during system emergency conditions.

All electric service of the City is rendered under and subject to the General Service Regulations.
Piqua Municipal Power System
Electric Rates

TEMPORARY ELECTRIC SERVICE – SCHEDULE TS

APPLICABLE:

Applicable service for only a short period of time such as traveling shows, carnivals, fairs, church socials, construction sites, etc. Not applicable to service to recurring seasonable loads.

MONTHLY RATES AND CHARGES (Effective For Billings After 01/15/2015):

In cases where service is available from existing Piqua Municipal Power System facilities, the customer will be billed a $100 temporary service charge. In addition, the customer will be billed under the appropriate rate schedule for power usage.

Where the Piqua Municipal Power System is required to install additional facilities that will not be used in providing permanent service to the customer, the customer will be charged the total estimated cost of installing and removing the temporary facilities. This estimated temporary facility charge will take the place of the normal $100 charge outlined above. In addition, the customer will be billed under the appropriate rate schedule for power usage.

OHIO EXCISE TAX:

Bills computed in accordance with the foregoing rates are subject to the Ohio Excise Tax Rider, Schedule OET.

POWER COST ADJUSTMENT:

Bills computed in accordance with the above provisions are subject to adjustment for changes in the cost of fuel and purchased power pursuant to Schedule PCA.
Piqua Municipal Power System
Electric Rates

OHIO EXCISE TAX RIDER- SCHEDULE - OET

APPLICABLE:

In accordance with Section 5727 of the Ohio Revised Code an Excise Tax Surcharge shall be assessed on all monthly-consumed kWhs (kilowatt-hours) of electricity distributed through the meter of an end user in the State of Ohio, by the City of Piqua Municipal Power System. “The meter of an end user in this state means the last meter used to measure the kilowatt hours distributed by an electric distribution company to a location in this state or the last meter located outside of this state that is used to measure the kilowatt hours consumed at a location in this state. If no meter is used to measure the kilowatt hours of electricity distributed by the company, the rates shall apply to the estimated kilowatt hours distributed to an un-metered location in this state”.

CHARGE:

The Ohio excise tax is applicable to all electric consumption on and after May 1, 2001. The Rates to be charged are as follows subject to automatic adjustment based on any future amendment to the Ohio Revised Code.

For a consumption period of 30 days the Ohio excise tax is the sum of the following:

First 2,000 kWh consumed times $0.00465 per kWh
Next 13,000 kWh consumed times $0.00419 per kWh
Over 15,000 kWh consumed times $0.00363 per kWh

For a consumption period other than 30 days the Ohio excise tax is the sum of the following:

First 67 kWh consumed times $.00465 times number of days in the consumption period
Next 433 kWh consumed times $.00419 times number of days in the consumption period
Over 500 kWh consumed times $.00363 times number of days in the consumption period
Piqua Municipal Power System
Electric Rates
RATE-STABILIZATION RIDER CREDIT—SCHEDULE—RSRC

APPLICABILITY:

The purpose of the Rate Stabilization Rider Credit is to refund amounts from the Electric Fund cash balance—including previously collected revenues from the Rate Stabilization Rider Credit—to the customer. The goal is to assist the customer by providing a means to transition into the increased power supply costs the Power System will incur in 2007. The Rate Stabilization Rider Credit is applicable to the following electric rate schedules.

Residential Service—Schedule R
General Power Service—Schedule GP
City-Owned Parks Facilities—Schedule CP

CREDIT:

<table>
<thead>
<tr>
<th>Effective For-Billings After</th>
<th>Effective For-Billings After</th>
<th>Effective For-Billings After</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/15/2007</td>
<td>01/15/2008</td>
<td>01/15/2009</td>
</tr>
<tr>
<td>Rate Stabilization Rider Credit ($/kWh):</td>
<td>$(0.00836)</td>
<td>$(0.00425)</td>
</tr>
</tbody>
</table>

TERMS AND CONDITIONS:

The Rate Stabilization Rider Credit shall be applied to all billings after January 15, 2007 through all billings prior to January 15, 2009. The Rate Stabilization Rider credit is intended to refund to the customer no more than $2.7 million dollars in 2007 and no more than $1.4 million dollars in 2008 while maintaining an electric fund balance of no less than $5 million dollars through December 31, 2009. In the event the actual refund exceeds these levels, or the electric fund balance is projected to drop below $5 million dollars, the Power System Director shall determine new rates of refund as appropriate to achieve this intent and present such to the City Commission for approval.
11 Piqua Municipal Power System
   Electric Rates
   Exhibit A
   Ordinance No. 816-14

Piqua Municipal Power System
Electric Rates

POWER COST ADJUSTMENT - SCHEDULE PCA

APPLICABLE:

The Power Cost Adjustment (PCA) is applicable to electric rate schedules as noted herein. The calculation of monthly bills pursuant to the rates and charges therein shall be subject to adjustment for changes in the cost of fuel and purchased power by applying a unit charge or credit to the total kilowatt-hours (KWh) represented by the bill.

OVERVIEW:

This PCA calculation is intended to be based on forward looking projections of fuel, purchase power and other power supply related costs, including costs associated with the design, planning and development of potential power supply facilities or resources, as well as projections of kWh sales, for the period. The calculation is further intended to be performed at a minimum six month interval or more frequently, if required, to accomplish recovery of fuel related cost in a timely manner. The calculation also includes a provision to reconcile over or under collection of cost from previous periods based on actual cost versus projected cost for the period.

The PCA calculation shall be performed by the Power System Director in a manner consistent with this schedule and initially applied for a maximum seven-month period effective for billings after January 15, 201507. Thereafter, the PCA calculation shall be effective for a maximum of six months. The Power System Director shall review the PCA calculation and shall make new projections for the subsequent six-month periods (i.e., August 15 and February 15 of each year). Following such PCA review and calculation, the Power System Director shall direct the PCA to be applied, as deemed necessary to accomplish recovery of the fuel, purchase power, and other power supply related costs as defined herein in a timely manner. The PCA shall be applied each month as hereinafter stated. The Power System Director shall recalculate and direct application of the PCA at intervals more frequent than six months if actual fuel and purchase power cost vary significantly from projections.

DEFINITION OF FUEL COST:

The cost in dollars and cents of all projected fuel used in the production of electric energy at the Piqua Municipal Power Plant during the applicable time period determined from the projected weighted average cost of such fuel applied to the projected quantity used. The projected weighted average cost of fuel as used shall be defined as the cost of fuel consumed in the Electric System’s generating facilities priced at the Piqua Municipal Power System’s cost including freight, demurrage, and taxes, of fuel on hand at the beginning of the applicable time period, plus projected cost of fuel received during the
applicable time period, divided by the total quantity of fuel on hand and projected to be received.

**DEFINITION OF PURCHASED POWER COST:**

The net cost in dollars and cents of all projected purchased power required to supplement the projected generating capacity and energy production of the Electric System during the applicable time period.

The net cost of purchased power shall be the projected total cost billed to the Piqua Municipal Power System for power and energy received from other suppliers, including service and dispatch fees and any power supply related charges billed to the Piqua Power System by its suppliers, less the projected total cost billed by the Piqua Municipal Power System for delivery of power and energy to other parties.

Power supply related charges shall include all costs associated with the design, planning and development of potential power supply facilities or resources.

**DETERMINATION OF PCA UNIT CHARGE OR CREDIT:**

This adjustment is applicable to and becomes a part of each electric service contract and rate schedule in which reference is made to Power Cost Adjustment, Schedule PCA.

When total fuel cost and purchased power cost increases above or decreases below $0.07805440 per kilowatt-hour sold, the rate for electric service shall be increased or decreased in accordance with the following formula:

$$PCA = \frac{P + R}{S} - B$$

Where;

- **PCA** = Power Cost Adjustment factor, expressed in dollars per kWh rounded to the nearest five decimal places.
- **P** = Total projected fuel cost and projected purchased power cost during the applicable time period expressed as dollars ($) as defined in this schedule.
- **S** = Projected sales (kWh) for the applicable time period for which the fuel cost and purchased power cost (P) is computed.
- **R** = Reconciliation of the actual cumulative over or under recovery of fuel cost and purchased power cost from preceding applicable time periods including over or under recovery of fuel cost and
purchased power cost before January 15, 2015 expressed as dollars ($).

\[ B = \text{Base power supply cost for the schedule of rates and charges provided by this Ordinance, B shall be $0.07805440 per kWh sold.} \]
Piqua Municipal Power System
Electric Rates

CITY OWNED PARKS FACILITIES – SCHEDULE CP

APPLICABLE:

This schedule is applicable to electric service for all City owned park facilities.

CHARACTER OF SERVICE:

Single or three phase, 60 Hertz, alternating current will be supplied at standard voltages.

MONTHLY RATES AND CHARGES (Effective For Billings After 01/15/2015):

Customer Charge: $15.0026 per month
Energy Charge: $0.0969614 per kWh for all kilowatt hours
Minimum Charge: Customer Charge

POWER COST ADJUSTMENT:

Bills computed in accordance with the foregoing rates and charges are subject to adjustment for changes in the cost of fuel and purchased power pursuant to Schedule PCA.

OHIO EXCISE TAX:

Bills computed in accordance with the foregoing rates are subject to the Ohio Excise Tax Rider, Schedule OET.

TERMS AND CONDITIONS:

The first 75,000 kWh used by the City owned parks facilities each year shall be provided at no charge. All electric provided above 75,000 kWh annually will be billed under this rate schedule.

RATE STABILIZATION RIDER CREDIT:

Bills computed in accordance with the foregoing rates are subject to the Rate Stabilization Rider Credit, Schedule RSRC.
Electric Cost of Service and Rate Design Summary

Piqua City Commission Meeting

November 18, 2014
Need for Cost of Service Study

- Power Supply Costs Changing
- As Power Supply Costs Change, Rate Class Revenue Will Become Out of Line With Cost to Serve Each Rate Class
- A Proactive Approach to Rate Adjustments (≈Every 5 Years) Helps to Prevent Large Adjustments to Rates
- AMP Credit Scoring Requires Cost of Service Study Every 5 Years and Timely Implementation of Study Recommendations
- Rates Last Modified 2009 (Began 2007)
Long-Term Power Supply Plan

- Decrease Reliance on Energy Market
- Asset Ownership to Help Predict and Stabilize Costs
  - Prairie State Generating Campus (2012)
  - AMP Fremont Energy Center (2012)
  - AMP Hydroelectric Project (2015-16)
  - Meldahl-Greenup Hydroelectric Project (2015)
- Demand Costs Increasing, Energy Costs Decreasing
Resource Cost and Energy Mix

2011
- Market $13.5M 96.6% of Energy
- NYPA $0.3M 3.4% of Energy
- Transmission/Other $2.7M

2016
- Prairie State $11.0M 46.9% of Energy
- AMP Fremont Energy Center $3.0M 12.8% of Energy
- AMP Hydro $2.8M 8.2% of Energy
- Transmission/Other $1.4M 4% of Energy
- Meldahl-Greenup $0.7M 2.9% of Energy
- Blue Creek Wind $0.6M 4.2% of Energy
Annual Rate Class Revenue Comparison
Existing Versus Proposed
Rate Design Guidelines

- Fairly and Equitably Allocate Costs to Each Customer Rate Class
- Include Power Supply Costs in Base Rates
- Provide Positive Operating Margin
- Meet Electric Fund Balance Guidelines
- Rate Stability
What is Cost of Service?

- Process of Assigning a Proportionate Share of the Costs of Owning, Operating, Maintaining and Upgrading the Utility to the Customers It Serves

- Costs Are Assigned Using the Following Methods:
  - Functionalization
  - Classification
  - Allocation
Assigning Costs to Customer Classes

- Functionalize
  - Production, Transmission, Distribution, Customer Related

- Classify
  - Demand, Energy, Customer, Direct

- Allocation
  - Energy Use, Coincident Demand, Non-Coincident Demand, Number of Customers
## Existing and New Rates

<table>
<thead>
<tr>
<th>Rate Class</th>
<th>Description</th>
<th>Existing&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Proposed&lt;sup&gt;(3)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td>Customer Charge ($/Month)</td>
<td>5.60</td>
<td>15.00</td>
</tr>
<tr>
<td></td>
<td>Energy Charge ($/kWh)</td>
<td>0.08706</td>
<td>0.09969</td>
</tr>
<tr>
<td></td>
<td>First 500 kWh</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>All over 500 kWh</td>
<td>0.08116</td>
<td>0.09969</td>
</tr>
<tr>
<td><strong>City Owned Parks Facilities</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>Customer Charge ($/Month)</td>
<td>5.26</td>
<td>15.00</td>
</tr>
<tr>
<td></td>
<td>Energy Charge ($/kWh)</td>
<td>0.06140</td>
<td>0.09969</td>
</tr>
<tr>
<td></td>
<td>All kWh</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Power - Commercial (&lt;500 kW)</strong></td>
<td>Customer Charge ($/Month)</td>
<td>8.56</td>
<td>20.00</td>
</tr>
<tr>
<td></td>
<td>Energy Charge ($/kWh)</td>
<td>0.08955</td>
<td>0.11110</td>
</tr>
<tr>
<td></td>
<td>First 600 kWh</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Next 4,400 kWh</td>
<td>0.03992</td>
<td>0.04800</td>
</tr>
<tr>
<td></td>
<td>Next 20,000 kWh</td>
<td>0.02625</td>
<td>0.04800</td>
</tr>
<tr>
<td></td>
<td>All over 25,000 kWh</td>
<td>0.02590</td>
<td>0.04800</td>
</tr>
<tr>
<td></td>
<td>Demand Charge ($/kW-Month)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>First 5 kW</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>All over 5 kW</td>
<td>14.65</td>
<td>15.90</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> First 75,000 kWh per year provided at no charge.

<sup>(2)</sup> Does not include the Power Cost Adjustment. The PCA as of September 15, 2014 is $0.01750/kWh.

<sup>(3)</sup> Does not include the Power Cost Adjustment. The PCA as of January 15, 2015 is projected to be a credit of $0.00731/kWh.
## Existing and New Rates

<table>
<thead>
<tr>
<th>Rate Class</th>
<th>Description</th>
<th>Existing&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Proposed&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Power - Industrial</strong></td>
<td>Customer Charge ($/Month)</td>
<td>8.56</td>
<td>65.00</td>
</tr>
<tr>
<td><strong>&lt;=500 kW</strong></td>
<td>Energy Charge ($/kWh) First 200,000 kWh</td>
<td>0.02762</td>
<td>0.04750</td>
</tr>
<tr>
<td></td>
<td>Next 300,000 kWh</td>
<td>0.02651</td>
<td>0.04557</td>
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<tr>
<td></td>
<td>All over 500,000 kWh</td>
<td>0.02582</td>
<td>0.04557</td>
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<tr>
<td></td>
<td>Demand Charge ($/kW-Month) All kW</td>
<td>13.49</td>
<td>15.15</td>
</tr>
<tr>
<td><strong>Private Outdoor Lighting</strong></td>
<td>100 Watt High Pressure Sodium</td>
<td>7.35</td>
<td>7.92</td>
</tr>
<tr>
<td></td>
<td>250 Watt High Pressure Sodium</td>
<td>9.35</td>
<td>10.28</td>
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<tr>
<td></td>
<td>400 Watt Metal Halide</td>
<td>12.30</td>
<td>17.26</td>
</tr>
<tr>
<td></td>
<td>1000 Watt Metal Halide</td>
<td>16.00</td>
<td>20.95</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Does not include the Power Cost Adjustment. The PCA as of September 15, 2014 is $0.01750/kWh.

<sup>(2)</sup> Does not include the Power Cost Adjustment. The PCA as of January 15, 2015 is projected to be a credit of $0.00731/kWh.
# Typical Monthly Bill Comparisons ($)

<table>
<thead>
<tr>
<th>Rate Class</th>
<th>Usage</th>
<th>Piqua</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Existing 2014</td>
</tr>
<tr>
<td>Residential</td>
<td>750 kWh</td>
<td>86</td>
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<tr>
<td>Commercial (&lt;500 kW)</td>
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<td></td>
</tr>
<tr>
<td>Customer 1</td>
<td>26 kW</td>
<td>594</td>
</tr>
<tr>
<td></td>
<td>4,000 kWh</td>
<td></td>
</tr>
<tr>
<td></td>
<td>88 kW</td>
<td></td>
</tr>
<tr>
<td>Customer 2</td>
<td>51,000 kWh</td>
<td>3,739</td>
</tr>
<tr>
<td></td>
<td>420 kW</td>
<td></td>
</tr>
<tr>
<td>Customer 3</td>
<td>112,000 kWh</td>
<td>11,472</td>
</tr>
<tr>
<td>Industrial (&gt;500 kW)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer 1</td>
<td>1,700 kW</td>
<td>59,435</td>
</tr>
<tr>
<td></td>
<td>765,000 kWh</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,840 kW</td>
<td></td>
</tr>
<tr>
<td>Customer 2</td>
<td>936,000 kWh</td>
<td>69,352</td>
</tr>
<tr>
<td></td>
<td>3,300 kW</td>
<td></td>
</tr>
<tr>
<td>Customer 3</td>
<td>900,000 kWh</td>
<td>87,357</td>
</tr>
</tbody>
</table>
Proposed Rates Summary

- Include Projected 2016 Power Supply Costs
- Transition from Market to Asset Ownership
- Designed to Allocate Costs More Closely to Cost of Service
- Effective With Bills On or After January 15, 2015
ORDINANCE NO. 17-14
AN AMENDED ORDINANCE TO MAKE APPROPRIATIONS FOR THE
CITY OF PIQUA, OHIO FOR THE YEAR 2016

BE IT ORDAINED by the Commission of the City of Piqua, Miami County,
Ohio, the majority of all members elected or appointed thereto concurring:

SEC. 1: That there be appropriated from the GENERAL FUND (001)

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>2015 BUDGET</th>
</tr>
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<tbody>
<tr>
<td>City Utilities</td>
<td></td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$112,272</td>
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<tr>
<td>Allocated Expenses</td>
<td>($7,067)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$115,205</strong></td>
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<tr>
<td>City Commission</td>
<td></td>
</tr>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$35,218</td>
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<tr>
<td>Operation and Maintenance</td>
<td>$24,888</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$50,104</strong></td>
</tr>
<tr>
<td>City Manager</td>
<td></td>
</tr>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$237,278</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$33,273</td>
</tr>
<tr>
<td>Allocated Expenses</td>
<td>($190,043)</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$72,508</strong></td>
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<tr>
<td>Civil Service</td>
<td></td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$12,085</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$12,085</strong></td>
</tr>
<tr>
<td>Engineering</td>
<td></td>
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<tr>
<td>Personal Services/Administrative Support</td>
<td>$386,374</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$30,648</td>
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<tr>
<td>Allocated Expenses</td>
<td>($346,726)</td>
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<tr>
<td>Capital</td>
<td>$23,000</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$76,392</strong></td>
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<tr>
<td>Finance</td>
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<tr>
<td>Personal Services/Administrative Support</td>
<td>$560,513</td>
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<tr>
<td>Operation and Maintenance</td>
<td>$40,856</td>
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<tr>
<td>Allocated Expenses</td>
<td>($409,651)</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$161,460</strong></td>
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<tr>
<td>Health</td>
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<tr>
<td>Personal Services/Administrative Support</td>
<td>$244,451</td>
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<tr>
<td>Operation and Maintenance</td>
<td>$113,920</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$358,371</strong></td>
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<tr>
<td>Law</td>
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</tr>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$229,425</td>
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<tr>
<td>Operation and Maintenance</td>
<td>$21,406</td>
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<tr>
<td>Allocated Expenses</td>
<td>($148,019)</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$101,345</strong></td>
</tr>
<tr>
<td>Income Tax</td>
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<tr>
<td>Personal Services/Administrative Support</td>
<td>$165,558</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$251,083</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$416,641</strong></td>
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<tr>
<td>Planning &amp; Zoning</td>
<td></td>
</tr>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$193,007</td>
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<tr>
<td>Operation and Maintenance</td>
<td>$171,485</td>
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<tr>
<td>Non Government/Transfers/Refunds</td>
<td>$100</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$364,607</strong></td>
</tr>
<tr>
<td>General Government</td>
<td></td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$311,093</td>
</tr>
<tr>
<td>Capital Outlay (Including labor)</td>
<td>$65,656</td>
</tr>
<tr>
<td>Non Government/Transfers/Refunds</td>
<td>$100</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$380,793</strong></td>
</tr>
<tr>
<td>Human Resources</td>
<td></td>
</tr>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$180,668</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$21,295</td>
</tr>
<tr>
<td>Allocated Expenses</td>
<td>($159,373)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$24,370</strong></td>
</tr>
<tr>
<td>Purchasing</td>
<td></td>
</tr>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$94,304</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$4,932</td>
</tr>
<tr>
<td>Allocated Expenses</td>
<td>($89,372)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$5,932</strong></td>
</tr>
</tbody>
</table>

**TOTAL**                                  **$1,883**
<table>
<thead>
<tr>
<th>transfers</th>
<th>amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to Nit Fund 104</td>
<td>$187,145</td>
</tr>
<tr>
<td>Transfer to Parks Fund 105</td>
<td>$200,000</td>
</tr>
<tr>
<td>Transfer to Safety Fund 106</td>
<td>$3,550,000</td>
</tr>
<tr>
<td>Transfer to Forest Hill Mausoleum Fund 110</td>
<td>$6,210</td>
</tr>
<tr>
<td>Transfer to Pro Plaza Fund 129</td>
<td>$71,400</td>
</tr>
<tr>
<td>Transfer to Golf 409</td>
<td>$350,000</td>
</tr>
<tr>
<td>Transfer to Ft. Piqua Plaza 410</td>
<td>$175,000</td>
</tr>
<tr>
<td>Transfer to Swimming Pool Fund 415</td>
<td>$130,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,672,355</strong></td>
</tr>
</tbody>
</table>

**TOTAL GENERAL FUND**

$6,001,674

**SEC. 2:** That there be appropriated from the STREET DEPARTMENT FUND (101)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$1,012,316</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$2,496,037</td>
</tr>
<tr>
<td>Capital Outlay (including labor)</td>
<td>$33,100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,753,753</strong></td>
</tr>
</tbody>
</table>

**SEC. 3:** That there be appropriated from the STREET INCOME TAX FUND (103)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and Maintenance</td>
<td>$1,216,545</td>
</tr>
<tr>
<td>Capital Outlay (including labor)</td>
<td>$4,386,417</td>
</tr>
<tr>
<td>Non Government/Transfers/Refunds</td>
<td>$175,754</td>
</tr>
<tr>
<td>Allocated Expenses</td>
<td>($95,000)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
</tr>
</tbody>
</table>

$5,667,716

**SEC. 4:** That there be appropriated from the NEIGHBORHOOD IMPROVEMENT PROGRAM FUND (104)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$10,095</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$176,150</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$187,145</strong></td>
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</tbody>
</table>

**SEC. 6:** That there be appropriated from the PARK AND RECREATION FUND (105)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services/Administrative Support</td>
<td>$278,189</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$180,591</td>
</tr>
<tr>
<td>Capital Outlay (including labor)</td>
<td>$136,754</td>
</tr>
<tr>
<td>Non Government/Transfers/Refunds</td>
<td>$200</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$604,734</strong></td>
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</table>

**SEC. 8:** That there be appropriated from the PUBLIC SAFETY FUND (106)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>009 Fire Department</td>
<td>$3,642,937</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$511,682</td>
</tr>
<tr>
<td>Capital Outlay (including labor)</td>
<td>$60,000</td>
</tr>
<tr>
<td>Non Government/Transfers/Refunds</td>
<td>$47,592</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,262,181</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>014 Police Department</td>
<td>$4,211,047</td>
</tr>
<tr>
<td>Operation and Maintenance</td>
<td>$620,269</td>
</tr>
<tr>
<td>Capital Outlay (including labor)</td>
<td>$149,086</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,981,302</strong></td>
</tr>
</tbody>
</table>

**TOTAL PUBLIC SAFETY**

$9,243,183

**SEC. 7:** That there be appropriated from the O.U.I. EDUCATIONAL FUND (109)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation &amp; Maintenance</td>
<td>$5,372</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$5,372</td>
</tr>
</tbody>
</table>

**SEC. 8:** That there be appropriated from the FOREST HILL MAUSOLEUM FUND (110)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation &amp; Maintenance</td>
<td>$6,210</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$6,210</td>
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**SEC. 9:** That there be appropriated from the MANDATORY DRUG FINE FUND (111)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and Maintenance</td>
<td>$4,349</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,349</strong></td>
</tr>
<tr>
<td>Section</td>
<td>Appropriation Fund</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------</td>
</tr>
<tr>
<td>SEC. 10</td>
<td>RENEW PIQUA FUND (114)</td>
</tr>
<tr>
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</tr>
<tr>
<td>SEC. 11</td>
<td>CHIP 2012 FUND (117)</td>
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<tr>
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<tr>
<td>SEC. 12</td>
<td>CHIP PROGRAM INCOME FUND (119)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>SEC. 13</td>
<td>POLICE AUXILIARY FUND (120)</td>
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<tr>
<td>SEC. 14</td>
<td>COMMUNITY DEVELOPMENT BLOCK GRANT FUND (122)</td>
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<tr>
<td>SEC. 15</td>
<td>WORKER'S COMP FUND (124)</td>
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<tr>
<td>SEC. 16</td>
<td>INSURANCE RESERVE FUND (125)</td>
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<tr>
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</tr>
<tr>
<td>SEC. 17</td>
<td>DEMOLITION DEFENSE FUND (126)</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>SEC. 18</td>
<td>PRO PIQUA FUND (128)</td>
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<tr>
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<td></td>
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<tr>
<td>SEC. 19</td>
<td>REVOLVING LOAN FUND (139)</td>
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<tr>
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<tr>
<td>SEC. 20</td>
<td>BROWNFIELD EPA GRANT (131)</td>
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<tr>
<td>SEC. 21</td>
<td>COMMUNITY DEVELOPMENT FUND (135)</td>
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<td>SEC. 22</td>
<td>FEMA FUND (139)</td>
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<tr>
<td>SEC. 23</td>
<td>AGRICULTURAL REVOLVING LOAN FUND (142)</td>
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</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ORD. NO. 17-14
Page 4 of 5

SEC. 24: That there be appropriated from the SPECIAL ASSESSMENT DEBT SERVICE FUND (252)

Operation and Maintenance

$4,355

TOTAL

$4,355

SEC. 26: That there be appropriated from the SIB 25A NOTE '08 FUND (216)

Non Government/Transfers/Refunds

$173,755

TOTAL

$173,755

SEC. 28: That there be appropriated from the SWIMMING POOL DEBT SERVICE FUND (221)

Non Government/Transfers/Refunds

56,430

TOTAL

56,430

SEC. 27: That there be appropriated from the GOLF COURSE EXPANSION G.O. BONDS DEBT SERVICE FUND (243)

Non Government/Transfers/Refunds

$167,190

TOTAL

$167,190

SEC. 29: That there be appropriated from the WATER TOWER DEBT SERVICE FUND (250)

Non Government/Transfers/Refunds

$66,411

TOTAL

$66,411

SEC. 29: That there be appropriated from the WATER TOWER DEBT SERVICE FUND 2006 (251)

Non Government/Transfers/Refunds

7,176

TOTAL

7,176

SEC. 30: That there be appropriated from the EQUALIZATION TANK '08 NOTE (OWDA) DEBT SERVICE FUND (254)

Non Government/Transfers/Refunds

$303,392

TOTAL

$303,392

SEC. 31: That there be appropriated from the FIRE EQUIPMENT '08 G.O. NOTE FUND (265)

Non Government/Transfers/Refunds

$47,563

TOTAL

$47,563

SEC. 32: That there be appropriated from the WATER PLANT OWDA DEBT SERVICE FUND (256)

Non Government/Transfers/Refunds

$25,150,100

TOTAL

$25,150,100

SEC. 33: That there be appropriated from the WASTEWATER PLANT ENGINEERING DEBT SERVICE FUND (257)

Non Government/Transfers/Refunds

$363,400

TOTAL

$363,400

SEC. 34: That there be appropriated from the WATER DEBT SERVICE FUND (258)

Non Government/Transfers/Refunds

1,881,995

TOTAL

1,881,995
<table>
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<tr>
<th>Section</th>
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<td>48</td>
<td>That there be appropriated from the LAW ENFORCEMENT TRUST (600)</td>
<td>$8,200</td>
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<td>49</td>
<td>That there be appropriated from the CONSERVANCY FUND (611)</td>
<td>$53,700</td>
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<td>That there be appropriated from the CITY HEALTH INSURANCE FUND (614)</td>
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<td>Capital Expenditures (including labor)</td>
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<td>That there be appropriated from the WIEED CUTTING FUND (735)</td>
<td>$175,000</td>
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<td>52</td>
<td>That there be appropriated from the WIEED CUTTING FUND (735)</td>
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<td>That the sum appropriated are actual expenditures for goods and services or</td>
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<td>other government functions performed in the calendar year 2015. Future</td>
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<td>commitments representing encumbrances of fund balance or future receipts</td>
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<td>will be appropriated in the future year when those services or goods are</td>
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<tr>
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<td>rendered to the city.</td>
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<td></td>
<td></td>
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<tr>
<td>54</td>
<td>That the sums expended from the appropriations and which are proper charges</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>against any other department or against any person, firm or corporation</td>
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<td></td>
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<tr>
<td></td>
<td>which are repaid with the period covered by such appropriations shall be</td>
<td></td>
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<tr>
<td></td>
<td>considered reappropriated for such original purposes; provided, that the</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>net total of expenditures under any item of said appropriations shall not</td>
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<td></td>
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<td>exceed the amount of the item.</td>
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<tr>
<td>55</td>
<td>That the Director of Finance is hereby authorized and directed to draw</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>her warrant upon the City Treasury for the amounts appropriated in this</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>order when claims are properly presented and approved, the same to be</td>
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<tr>
<td></td>
<td>chargeable to the appropriations for the year 2015 when passed and legally</td>
<td></td>
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<tr>
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<td>contracted for in conformity with law.</td>
<td></td>
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<td>56</td>
<td>That the Finance Director at the discretion of the City Manager make</td>
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<tr>
<td></td>
<td>temporary advances from the General Fund to any Fund to cover temporary</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>shortages of cash until revenues or permanent transfers become available</td>
<td></td>
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<tr>
<td></td>
<td>to repay that temporary advance. That these advances shall do not exceed</td>
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<tr>
<td></td>
<td>$1,000,000 in the aggregate nor extend past December 31, 2015; except those</td>
<td></td>
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<tr>
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<td>that are to be reimbursed by federal, state or other grant programs that</td>
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<tr>
<td></td>
<td>were previously approved by this Commission.</td>
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</tbody>
</table>

SEC. 57: That all ordinances, or parts of ordinances, inconsistent with this ordinance be and they are hereby repealed.

LUCINDA L. FESS, MAYOR

PASSED:

ATTEST:

REBECCA J. COOL
CLERK OF COMMISSION
# Commission Agenda

## Staff Report

<table>
<thead>
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<th>MEETING DATE</th>
<th>November 18, 2014</th>
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<tr>
<td>REPORT TITLE</td>
<td>An Ordinance to make appropriations for the City of Piqua, Ohio for the year 2015.</td>
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<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Cynthia Holtzapple, Assistant City Manager, Finance Director Department: Finance</td>
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<td>AGENDA CLASSIFICATION</td>
<td>□ Consent □ Ordinance □ Resolution □ Regular</td>
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<td>APPROVALS/REVIEWS</td>
<td>□ City Manager □ Asst. City Manager/Finance</td>
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<td></td>
<td>□ Asst. City Manager/Development □ Law Director</td>
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<tr>
<td></td>
<td>□ Department Director; □ Other:</td>
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<tr>
<td>BACKGROUND</td>
<td>We are required to present and pass the 2015 Annual Budget by the end of the year. This is the first of three readings of this ordinance with the Commission reviewing the Department Budgets on November 13 and November 20, 2014.</td>
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<td>BUDGETING AND</td>
<td>Appropriations $: $136,837,025 including transfers</td>
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<td>FINANCIAL IMPACT</td>
<td>Source of Funds: Various</td>
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<td>Narrative:</td>
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<td>OPTIONS</td>
<td>1. Approve Ordinance No. 17-14 accepting the Ordinance to make Appropriations for the City of Piqua for the year 2015</td>
</tr>
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<td>2. Approve Ordinance No. 17-14 accepting the Ordinance to make Appropriations for the City of Piqua for the year 2015 with changes being made to the amounts requested.</td>
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<td>PROJECT TIMELINE</td>
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<td>STAFF RECOMMENDATION</td>
<td>We are requesting approval of Ordinance No. 17-14 accepting the Ordinance to make Appropriations for the City of Piqua for the year 2015 after the standard three readings.</td>
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<td>ATTACHMENTS</td>
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ORDINANCE NO. 18-14

AN ORDINANCE REPEALING SCHEDULE A OF
CHAPTER 33 OF THE PIQUA CODE AND ADOPTING
A NEW SCHEDULE A OF CHAPTER 33 OF THE PIQUA
CODE, RELATING TO WAGES OF CERTAIN MUNICIPAL
EMPLOYEES

BE IT ORDAINED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: Schedule A of Chapter 33 of the Piqua Code, as adopted by Ordinance No 3-14, is hereby repealed; and

SEC. 2: Schedule A of Chapter 33 of the Piqua Code (appended hereto as Exhibit "D") is hereby adopted;

SEC. 3: This Ordinance shall take effect and be in force from and after January 1, 2015.

LUCINDA L. FESS, MAYOR

PASSED:

ATTEST:
REBECCA J. COOL
CLERK OF COMMISSION
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<th>Exhibit D</th>
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<td>148.57</td>
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<td>Assistant Public Works Director</td>
<td>13</td>
<td>1150.67</td>
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<tr>
<td>810</td>
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<tr>
<td>815</td>
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<tr>
<td>820</td>
<td>Water System Superintendent</td>
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<tr>
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<tr>
<td>846</td>
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<tr>
<td>848</td>
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<td>20</td>
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<td>2010.04</td>
</tr>
<tr>
<td>874</td>
<td>Power Plant Assistant Manager</td>
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<tr>
<td>880</td>
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<td>1024.09</td>
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</tr>
<tr>
<td>881</td>
<td>Associate Engineer</td>
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<td>1024.09</td>
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<td>893</td>
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<td>1539.85</td>
<td>1965.28</td>
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<td>894</td>
<td>Power System Director</td>
<td>20</td>
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<td>2010.04</td>
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<td>896</td>
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<tr>
<td>897</td>
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<td>21</td>
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</tr>
</tbody>
</table>

* Plus 50% of net margin on all sales of golf accessories & mdse.
**Commission Agenda**  
**Staff Report**

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>NOVEMBER 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORT TITLE</td>
<td>Ordinance No. 18-14 repealing Schedule A of Chapter 33 of the Piqua Code and adopting a new Schedule A of Chapter 33 of the Piqua Code, relating to wages of certain Municipal Employees</td>
</tr>
</tbody>
</table>
| SUBMITTED BY | Name & Title: Elaine G. Barton, Human Resources Director  
Department: Human Resources |
| AGENDA CLASSIFICATION | ☑ Consent  
☐ Ordinance  
☐ Resolution  
☐ Regular |
| APPROVALS/REVIEWS | ☑ City Manager  
☐ Asst. City Manager/Development  
☐ Law Director  
☐ Department Director;  
☐ Other: |
| BACKGROUND | During the past year, the City of Piqua has undertaken a pay classification study. This type study had not been completed in several years. The study considered only those positions that were listed on Schedule A. Twenty-nine surveys were sent from Springsted, the company that the City contracted with to complete the study, and twenty surveys were returned from comparable cities. Springsted compiled the results and sent the survey to the City. The City Manager, Finance Director, and myself met on a monthly basis to review positions and pay ranges to ensure that not only external comparability had been taken into consideration but also internal comparability. The pay ranges have been renumbered from 21 to 70 to 4 to 21 to better reflect that comparability. The steps have been numbered 1 through 6 to match the Springbrook payroll system. |
| BUDGETING AND FINANCIAL IMPACT | Budgeted $: Included in the 2015 budget appropriation  
Expenditure $:  
Source of Funds: Various  
Narrative: |
| OPTIONS | 1. Adopt Ordinance No. 18-14  
2. Reject Ordinance No. 18-14 and provide staff with further direction  
3.  
4. |
| PROJECT TIMELINE | January 1, 2015 |
| STAFF RECOMMENDATION | Adopt Ordinance No. 18-14 to allow the pay classification study to be implemented. |
| ATTACHMENTS | Ordinance No. 18-14  
Schedule A |
ORDINANCE NO. 19-14

AN ORDINANCE REPEALING SCHEDULE A-1 OF CHAPTER 33 OF THE PIQUA CODE AND ADOPTING A NEW SCHEDULE A-1 OF CHAPTER 33 OF THE PIQUA CODE, RELATING TO WAGES OF CERTAIN MUNICIPAL EMPLOYEES

BE IT ORDAINED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: Schedule A-1 of Chapter 33 of the Piqua Code, as adopted by Ordinance No. 4-14, is hereby repealed; and

SEC. 2: Schedule A-1 of Chapter 33 of the Piqua Code (appended hereto as Exhibit "E") is hereby adopted;

SEC. 3: This Ordinance shall take effect and be in force from and after January 1, 2015.

LUCINDA L. FESSION, MAYOR

PASSED: __________________________

ATTEST: __________________________
REBECCA J. COOL
CLERK OF COMMISSION
<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>November 18, 2014</th>
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<tr>
<td>REPORT TITLE</td>
<td>ORDINANCE NO. 19-14 AN ORDINANCE REPEALING SCHEDULE A-1 OF CHAPTER 33 OF THE PIQUA CODE AND ADOPTING A NEW SCHEDULE A-1 OF CHAPTER 33 OF THE PIQUA CODE, RELATING TO WAGES OF CERTAIN MUNICIPAL EMPLOYEES.</td>
</tr>
</tbody>
</table>
| SUBMITTED BY | Name & Title: Elaine G. Barton  
Department: Human Resources |
| AGENDA CLASSIFICATION | ☑ Consent  
☒ Ordinance  
☐ Resolution  
☐ Regular |
| APPROVALS/REVIEWS | ☒ City Manager  
☐ Asst. City Manager/Finance  
☐ Asst. City Manager/Development  
☐ Law Director  
☒ Department Director;  
☐ Other: |
| BACKGROUND | The State of Ohio has increased minimum wage effective January 1, 2015 from $7.95 per hour to $8.10 per hour. The wages on Schedule A-1 have been changed to reflect this increase. This is the only change made to Schedule A-1. |
| BUDGETING AND FINANCIAL IMPACT | Budgeted $:  
Appropriated in the 2015 budget  
Expenditure $:  
Source of Funds: Various funds  
Narrative: |
| OPTIONS | 1. Adopt Ordinance No. 19-14  
2. Reject Ordinance No. 19-14 and be out of compliance with State Law  
3.  
4. |
<p>| PROJECT TIMELINE | January 1, 2015 |
| STAFF RECOMMENDATION | Staff recommends the passage of Ordinance No. 19-14. The pay rates for positions currently at minimum wage must be increased to the new minimum wage rate as set by the State of Ohio. |
| ATTACHMENTS | Schedule A-1; 2015 Minimum Wage Poster |</p>
<table>
<thead>
<tr>
<th>CLASSIFICATION/TITLE</th>
<th>HOURLY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLERK TYPIST (CO-OP STUDENT)</td>
<td>$8.10</td>
</tr>
<tr>
<td>CITY CLERK*</td>
<td>$8.10</td>
</tr>
<tr>
<td>CLERK TYPIST A</td>
<td>$8.10</td>
</tr>
<tr>
<td>CLERK TYPIST B</td>
<td>$8.10</td>
</tr>
<tr>
<td>RECORDS &amp; DATA ENTRY CLERK</td>
<td>$8.10</td>
</tr>
<tr>
<td>ACCOUNT CLERK*</td>
<td>$10.14</td>
</tr>
<tr>
<td>SECRETARY I*</td>
<td>$10.44</td>
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<tr>
<td>SECRETARY II*</td>
<td>$12.06</td>
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<tr>
<td>ADMINISTRATIVE SECRETARY*</td>
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<tr>
<td>ENGINEERING CO-OP I (STUDENT)</td>
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<tr>
<td>ENGINEERING CO-OP II (STUDENT)</td>
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<tr>
<td>ENGINEERING CO-OP III (STUDENT)</td>
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<td>ENGINEERING CO-OP IV (STUDENT)</td>
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<td>PLANNING TECHNICIAN</td>
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<tr>
<td>INTERNS</td>
<td>$8.10 to $12.61</td>
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<td>PARKING CONTROL OFFICER</td>
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<td>ANIMAL CONTROL OFFICER</td>
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<tr>
<td>POWER DISTRIBUTION STOREKEEPER</td>
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<tr>
<td>SCADA ADMINISTRATOR (POWER)</td>
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<td>PLUMBING INSPECTOR</td>
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<td>CONSTRUCTION INSPECTOR</td>
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<td>PUBLIC HEALTH NURSE</td>
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<td>STREET SWEEPER</td>
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<tr>
<td>LABORER A</td>
<td>$8.10</td>
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<tr>
<td>LABORER B</td>
<td>$8.43</td>
</tr>
<tr>
<td>LABORER C</td>
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<tr>
<td>CUSTODIAN</td>
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<tr>
<td>REFUSE COLLECTOR</td>
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<tr>
<td>MAINTENANCE WORKER</td>
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<tr>
<td>STREET DEPT. MAINTENANCE SUPV.</td>
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<tr>
<td>SEASONAL GOLF COURSE MAINT. LABORER A</td>
<td>$8.10 plus free golf**</td>
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<tr>
<td>SEASONAL GOLF COURSE MAINT. LABORER B</td>
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<td>SUMMER GOLF COURSE MAINT. LABORER C</td>
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<td>GOLF COURSE CLUBHOUSE ATTENDANT</td>
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<td>CART/RANGE ATTENDANT</td>
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<td>FOOD SERVICE ATTENDANT (GOLF)</td>
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<tr>
<td>LIFEGUARD C</td>
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<td>TICKET WINDOW ATTENDANT A</td>
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<td>$8.10</td>
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<tr>
<td>HEAD TICKET WINDOW ATTEND. A</td>
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<td>HEAD TICKET WINDOW ATTEND. B</td>
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<td>ASSISTANT LAW DIRECTOR</td>
<td>$839.87</td>
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</table>

*These are confidential employees and are not in any bargaining unit.

**hours worked greater than 20 hours per week include a car if available
STATE OF OHIO
2015 MINIMUM WAGE
OHIO DEPARTMENT OF COMMERCE
DIVISION OF INDUSTRIAL COMPLIANCE
www.com.ohio.gov

NON-TIPPED EMPLOYEES
A Minimum Wage of
$8.10 per hour

"Non-Tipped Employees" includes any employee who does not engage in an occupation in which he/she customarily and regularly receives more than thirty dollars ($30.00) per month in tips.

"Employers" who gross under $297,000.00 shall pay their employees no less than the current federal minimum wage rate.

"Employees" under the age of 16 shall be paid no less than the current federal minimum wage rate.

"Current Federal Minimum Wage" is $7.25 per hour.

TIPPED EMPLOYEES
A Minimum Wage of
$4.05 per hour PLUS TIPS

"Tipped Employees" includes any employee who engages in an occupation in which he/she customarily and regularly receives more than thirty dollars ($30.00) per month in tips. Employers electing to use the tip credit provision must be able to show that tipped employees receive at least the minimum wage when direct or cash wages and the tip credit amount are combined.

OVERTIME
1. An employer shall pay an employee for overtime at a wage rate of one and one-half times the employee’s wage rate for hours in excess of forty hours in one work week, except for employers grossing less than $150,000 per year.

RECORDS TO BE KEPT BY THE EMPLOYER
1. Each employer shall keep records for at least three years, available for copying and inspection by the Director of the Ohio Department of Commerce, showing the following information concerning each employee:
   A. Name
   B. Address
   C. Occupation
   D. Rate of Pay
   E. Amount paid each pay period
   F. Hours worked each day and each work week

2. The records may be opened for inspection or copying at any reasonable time and no employer shall hinder or delay the Director of the Ohio Department of Commerce in the performance of these duties.

HANDICAPPED RATE
To prevent the curtailment of opportunities for employment and avoid undue hardship to individuals whose earning capacity is affected or impaired by physical or mental deficiencies or injuries, a sub-minimum wage may be paid, as provided in the rules and regulations set forth by the Director of the Ohio Department of Commerce.

INDIVIDUALS EXEMPT FROM MINIMUM WAGE
1. Any individual employed by the United States;
2. Any individual employed as a baby-sitter in the employee’s home, or a live-in companion to a sick, convalescent, or elderly person whose principal duties do not include housekeeping;
3. Any individual employed as an on-call maintenance compensated by the employer or in a bona fide executive, administrative, or professional capacity, or computer professional;
4. Any individual who volunteers to perform services for a public agency which is a State, a political subdivision of a State, or an interstate government agency, if (i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and (ii) such services are not the same type of services which the individual is employed to perform for such public agency;
5. Any individual who works or provides personal services of a charitable nature in a hospital or health institution for which compensation is not sought or contemplated;
6. Any individual in the employ of a camp or recreational area for children under eighteen years of age and owned and operated by a non-profit organization or group of organizations;
7. Employees of a sole proprietorship or operated business who are family members of an owner.

For further information about minimum wage issues, please contact: The Ohio Department of Commerce, Division of Industrial Compliance, 6606 Tussing Road, Reynoldsburg, Ohio 43068. Phone: (614) 644-2239. TTY/TDD: 1-800-750-0750.

POST IN A CONSPICUOUS PLACE

Ohio Department of Commerce
An Equal Opportunity Employer and Service Provider

(RREV. 69/30/14)
ORDINANCE NO. 20-14

AN ORDINANCE REPEALING EXISTING CHAPTER 33
AND ENACTING A NEW CHAPTER 33 OF THE PIQUA CODE,
RELATING TO EMPLOYEE POLICY

BE IT ORDAINED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SECTION 1: Existing Chapter 33 of the Piqua Code is hereby repealed;

SECTION 2: Chapter 33 of the Piqua Code (appended hereto as Attachment "A") is hereby enacted;

SECTION 3: This Ordinance shall take effect and be in force from and after January 1, 2015.

LUCINDA L. FESS, MAYOR

PASSED: ____________________________

ATTEST: ____________________________
REBECCA J. COOL
CLERK OF COMMISSION
### Commission Agenda
#### Staff Report

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>NOVEMBER 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORT TITLE</td>
<td>ORDINANCE NO. 20-14 AN ORDINANCE REPEALING EXISTING CHAPTER 33 AND ENACTING A NEW CHAPTER 33 OF THE PIQUA CODE, RELATING TO EMPLOYEE POLICY</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Elaine Barton, Human Resources Director</td>
</tr>
<tr>
<td>Department: Human Resources</td>
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<tr>
<td>AGENDA CLASSIFICATION</td>
<td>☑ Consent  ☑ Ordinance</td>
</tr>
<tr>
<td>☐ Resolution</td>
<td>☐ Regular</td>
</tr>
<tr>
<td>APPROVALS/REVIEWS</td>
<td>☑ City Manager</td>
</tr>
<tr>
<td>☐ Asst. City Manager/Finance</td>
<td></td>
</tr>
<tr>
<td>☑ Asst. City Manager/Development</td>
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</tr>
<tr>
<td>☐ Law Director</td>
<td></td>
</tr>
<tr>
<td>☑ Department Director;</td>
<td></td>
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<td>☐ Other:</td>
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<tr>
<td>BACKGROUND</td>
<td>(Includes description, background, and justification)</td>
</tr>
<tr>
<td>BUDGETING AND FINANCIAL IMPACT</td>
<td>Budgeted $: Group insurance appropriated in the 2015 budget</td>
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<tr>
<td>Expenditure $:</td>
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<tr>
<td>Source of Funds: Various funds</td>
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</tr>
<tr>
<td>Narrative:</td>
<td></td>
</tr>
<tr>
<td>OPTIONS</td>
<td>1. Adopt Ordinance No. 20-14</td>
</tr>
<tr>
<td>2. Reject Ordinance No. 20-14 and provide staff with an alternative</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
</tr>
<tr>
<td>PROJECT TIMELINE</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>STAFF RECOMMENDATION</td>
<td>Staff recommends the changes to Chapter 33 revising the date of the health insurance coverage to reflect the current benefit year as well as the reduction to the City’s contribution to the employee’s health savings or health reimbursement account, and increasing the amount that an employee can earn by participating in certain wellness activities. This is the same language as agreed to in the union contracts.</td>
</tr>
<tr>
<td>ATTACHMENTS</td>
<td>Chapter 33</td>
</tr>
</tbody>
</table>
CHAPTER 33: EMPLOYMENT POLICY

Section
33.01 Classifications and compensation
33.02 Employment conditions
33.03 Holidays and Personal Days
33.04 Vacations
33.05 Sick leave
33.06 Leave of absence
33.07 Funeral leave
33.08 Insurance
33.09 Compensable injury pay
33.10 Pay equalization of all employees
33.11 Job posting
33.12 Weekly pay
33.13 Jury duty
33.14 Personnel regulations
33.15 Police and fire supervisors
33.16 Applicability
33.17 Wage schedules adopted

§ 33.01 CLASSIFICATIONS AND COMPENSATION.

The classifications and compensation of city employees shall be as set forth in the schedules attached and incorporated herein by reference.

(‘97 Code, § 31.01) (Ord. 13-01, passed 8-6-01)

§ 33.02 EMPLOYMENT CONDITIONS.

The following provisions shall apply to all Schedule A and A-1 employees except those covered under §33.15 of this chapter:

(A) Merit increases and performance ratings.

(1) Each of the pay ranges in Schedule A shall be divided into six steps, A through F. The minimum time in grade for each step before the employee is eligible for a merit increase is as follows.

   A - one year
   B - one year
   C - one year
   D - one year
   E - one year
   F - Top Step

(2) Each employee’s performance will be rated by the employee’s supervisor before the anniversary date the employee is eligible, by time in classification, for consideration for a merit increase. An employee must receive a performance rating of satisfactory or better to receive a merit increase. An employee denied a merit increase due to a less than satisfactory rating may request a reevaluation after 90 days from the denial of the merit increase.
(3) Performance ratings will also be considered as a factor in advancing probationary employees to regular status and for promoting or transferring employees into new classifications.

(4) Employees at the top step of their pay range will have their performance rated by their supervisor annually. An employee who receives two consecutive ratings of less than satisfactory may be demoted or discharged. Performance ratings, when completed, will be discussed with the employee. The employee is required to sign the performance rating as evidence of the fact that it has been reviewed. A copy will be given to the employee.

(B) **Overtime pay.** Non-exempt employees shall receive one and one-half their regular rate for all hours worked over 40 per week.

(1) The city may in its discretion grant compensatory time to non-exempt employees in place of cash overtime compensation, at the rate of one and one-half hours compensatory time for each hour of overtime worked, provided that the employee agrees in writing, before the performance of the overtime work, to compensatory time in place of cash overtime, and provided further that all FLSA compensatory time requirements are satisfied. No non-exempt employee may accumulate more than 240 hours of compensatory time.

(2) Exempt employees are exempt from overtime payment. However, such employees may receive compensatory time on an hour for hour basis for hours worked in excess of 45 hours per week, upon the approval of the supervisor, department head or City Manager. No exempt employee may accumulate more than 240 hours of compensatory time. Any compensatory time not used before separation from employment shall be forfeited.

(C) **Call-in pay.** Non-exempt employees required to report to work at a time outside the employee's normal work day will receive a minimum of two hours pay at one and one-half the employee's regular rate of pay. If the call-in requires more than two hours of work, then the employee will be paid for the hours actually worked at one and one-half the employee's regular rate of pay.

('97 Code, § 31.02)

(D) **Probationary employees.**

(1) New, rehired or promoted full-time employees will serve a one-year probationary period of close supervision and evaluation in order to assess their ability and adaptation. Probationary employment may be terminated at the will and discretion of the city without advance notice.

(2) The city may extend an employee's probationary period for a specified additional period when the city determines that an extension is necessary to thoroughly evaluate the employee's ability to perform the full scope of assigned duties in an effective and safe manner. In these cases, the employee will be advised in writing of the extended duration of the probationary period before the conclusion of the initial probationary period.
(E)  **At-will employment.**

(1) Completion of a probationary period or conferral of regular employee status shall not change an employee’s status as an employee-at-will, or in any way restrict the city’s right to terminate such employee or change the terms and conditions of employment. Nothing contained in this or other city policies or other material provided to employees in connection with their employment shall require the city to have just cause to terminate that employee, or otherwise restrict the city’s right to terminate an employee at any time for any lawful reason.

(2) An employee's at-will status shall not be modified by any statements made by any person or by any writing available to employees or applicants in connection with their employment. No document, whether singly or combined, shall create an express or implied contract concerning any terms or conditions of employment.

(Ord. 55-97, passed 10-20-97; Am. Ord. 57-91, passed 11-4-91; Am. Ord. 18-95, passed 5-15-95; Am. Ord. 13-01, passed 8-6-01; Am. Ord. 3-04, passed 1-20-04; Ord. 21-09 passed 12-21-09)

**§ 33.03 HOLIDAYS AND PERSONAL DAYS.**

The following provisions shall apply to all Schedule A employees except those covered under §33.15 of this chapter.

(A) The following days are recognized as holidays: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, the day before Christmas and Christmas Day.

(B) If a holiday falls on a Saturday, the preceding Friday will be observed as a holiday. If a holiday falls on a Sunday, the following Monday will be observed as a holiday. For employees who work other than a normal schedule, their first day off shall be their Saturday and their second day off shall be their Sunday.

(C) In order for an employee to receive pay for the holiday, the employee must work the employee’s scheduled shift before and after the holiday. Employees on vacation, approved sick leave, or a leave of absence with pay (including paid funeral leave) shall be considered as working their regular scheduled day for purposes of this section.

(D) Eligible employees who are not scheduled to work on a designated holiday shall be paid holiday pay in an amount equal to eight hours work at their regular rate of pay. Eligible employees who work on a designated holiday shall be paid their holiday pay, plus one and one-half their regular rate of pay for all hours actually worked.

(E) Employees shall be credited with five personal leave days effective on January 1 of each year. Employees with less than one year's service with the city on
January 1 shall receive a pro-rated amount of personal leave. Personal leave days may be taken only on a day mutually agreeable to the employee and the employee’s supervisor. Personal leave days not taken by the following December 31 will be forfeited.

(‘97 Code, § 31.03) (Am. Ord. 16-90, passed 4-16-90; Am. Ord. 43-00, passed 12-18-00; Am. Ord. 13-01, passed 8-6-01; Am Ord. 1-14, passed 1-21-14)

§ 33.04 VACATIONS.

The following provisions shall apply to all Schedule A employees except those covered under §23.15 of this chapter.

(A) For the purposes of this section, "service" shall mean service by a full-time employee of the city or any other political subdivision of the state.

(B) (1) Each regular full-time employee will receive two weeks vacation with full pay per one full year of service with the city, three weeks annual vacation with full pay after eight years of continuous service, four weeks annual vacation with full pay after 15 years of continuous service, and five weeks annual vacation with full pay after 25 years of continuous service. Employees hired after January 1, 2010 will receive two weeks vacation with full pay per one full year of service with the city, and three weeks annual vacation with full pay after eight years of continuous service and beyond. Vacation credit will be granted on a monthly basis as follows:

(a) An employee entitled to two weeks shall be credited with 6.667 hours for each full month worked.

(b) An employee entitled to three weeks shall be credited with 10 hours for each full month worked.

(c) An employee entitled to four weeks shall be credited with 13.334 hours for each full month worked.

(d) An employee entitled to five weeks shall be credited with 16.3334 hours for each full month worked.

(2) Vacations must be scheduled with the employee’s supervisor. The vacation period for each employee will begin on the first anniversary date of employment. In the case of retirement, resignation, dismissal, disability or death, an employee will be paid for all accumulated vacation credits.

(C) (1) Vacation credits must be used during the anniversary year that immediately follows the anniversary year during which the vacation credits were earned. Credits not used within that time will be forfeited. The City Manager may, in special and meritorious cases, permit an employee to accumulate and carry over vacation leave for an additional time period as determined by the City Manager in his sole discretion. Vacation taken in any one continuous period shall not exceed six weeks.
(2) An employee may convert up to three weeks per calendar year to cash on an hour-for-hour basis if the employee notifies the city at least two weeks before the employee wishes the payment but no later than November 15th. An employee hired after January 1, 2010 will not be permitted to convert vacation to cash.

[Am. Ord. § 31.04] (Am. Ord. 53-87, passed 10-5-87; Am. Ord. 57-91, passed 11-4-91; Am. Ord. 35-94, passed 7-18-94; Am. Ord. 13-01, passed 8-6-01; Am. Ord. 21-09, passed 12-21-09, Am. Ord. 1-14, passed 1-21-14)

§ 33.05 SICK LEAVE.

The following provisions shall apply to all Schedule A and A-1 employees except those covered under §33.15 of this chapter.

(A) For the purposes of this section, "accumulated sick leave" may include up to 120 days of sick leave accumulated by a city employee during prior service with another political subdivision of the state.

(B) Regular full-time employees shall earn and accumulate sick leave credits on the basis of one and one-quarter days for each completed month of service. Regular part-time employees shall earn and accumulate sick leave credits on a pro rata basis. Credit shall be accumulated by an employee on extended sick leave only if there is an intention to and a reasonable expectation of a return to work. Subject to the limitations set forth below, unused sick leave shall be cumulative beyond the year in which it was earned.

(C) In addition to absences covered by the federal Family Medical Leave Act, sick leave may be used for absences due to injury, exposure to a contagious disease and illness in the employee's immediate family. IMMEDIATE FAMILY means spouse, parent (natural, step or in-law), children or other relative living in the employee's household. Sick leave will not be granted while an employee is on vacation unless proof of illness or injury is submitted.

(D) An employee with six or more years of service with the city may convert up to a maximum of five days in excess of 60 days accumulated sick leave for the purposes of vacation in any year. This conversion will be on the basis of one day of vacation for each one day of sick leave, without regard to when the sick leave was accumulated or credited. The employee may, at his or her option, have the same sick days converted instead into cash on the same one-for-one conversion basis by request prior to November 15th. An employee hired after January 1, 2010 will not be permitted to convert sick leave to vacation.

(E) For employees hired prior to January 1, 2001, accumulated sick leave up to 120 days will be payable upon permanent layoff or termination of employment other than retirement and death benefits (except discharge for theft or felony) on the following formula:

(1) Less than 8 years service: no conversion.
(2) 8 years to 15 years of service: eight (8) hours pay for each three days of accumulated sick leave.

(3) 16 years to 25 years service: eight (8) hours pay for each two days of accumulated sick leave.

(4) Over 25 years of service: eight (8) hours pay for each day of accumulated sick leave.

(F) For employees hired before January 1, 2001, conversion of unused sick leave credited to employees who receive retirement or death benefits shall be on the basis of one day for each one day accumulated up to a maximum of 1440 hours.

(G) For employees hired after December 31, 2000, accumulated sick leave up to 480 hours will be payable upon permanent layoff or termination of employment other than retirement and death benefits (except discharge for theft or felony) on the following formula:

(1) Less than 8 years service: no conversion.

(2) 8 years to 15 years of service: eight (8) hours pay for each three days of accumulated sick leave.

(3) 16 years to 25 years service: eight (8) hours pay for each two days of accumulated sick leave.

(4) Over 25 years of service: eight (8) hours pay for each day of accumulated sick leave.

(H) For employees hired after December 31, 2000, conversion of unused sick leave credited to employees who receive retirement or death benefits shall be on the basis of one day for each one day accumulated up to a maximum of 720 hours.

(I) For employees hired after January 1, 2010, conversion of unused sick leave credited to employees who receive retirement or death benefits (only) shall be on the basis of one day for each one day accumulated up to a maximum of 480 hours.

("97 Code, § 31.05 (Ord. 53-87, passed 10-5-87; Am. Ord. 57-91, passed 11-4-91; Am. Ord. 35-94, passed 7-18-94; Am. Ord. 33-00, passed 10-2-00; Am. Ord. 13-01, passed 8-6 01; Am. Ord. 21 09, passed 12 21 09)
§ 33.06 LEAVE OF ABSENCE.

The following provisions shall apply to all Schedule A employees except those covered under §33.15 of this chapter.

(A) Temporary leaves of absence with or without pay, for training purposes or for any other objective related to the employee's work, may be granted and renewed by the City Manager for such periods as the City Manager may consider justifiable within the limitations of the budget.

(B) Leaves of absence without pay may be granted by the City Manager, for periods of time not to exceed one year, for any other reason that the City Manager may consider to be to the benefit of the city, including, but not limited to, leaves of absence by reason of military duties, and by reason of illness or disability not caused by or induced by the actual performance of official duties, in cases where the employee has exhausted accumulated sick leave benefits. Employees returning from military service will be placed in their former classification or one of equal pay range. Seniority will accrue when the employee is on active duty; however, vacation and sick leave do not accumulate for periods beyond six months.

(C) Any leave of absence so granted may be extended or renewed for additional periods of time not to exceed one year for each extension.

(D) If deemed necessary, the City Manager may require any employee who requests or is granted a leave of absence to submit to a medical examination, by an examiner selected by the city, to determine the medical need for the leave or the ability of the employee to perform the essential functions of the employee's position upon the termination of a leave of absence. A copy of the medical report will be furnished to the employee upon request by the employee.

('97 Code, § 31.06) (Ord. 13-01, passed 8-6-01)

§ 33.07 FUNERAL LEAVE.

The following provisions shall apply to all Schedule A and A-1 employees except those covered under §33.15 of this chapter.

(A) A regular full-time employee shall be paid for eight hours at the employee's regular rate of pay due to absence caused by death in an employee's immediate family. A maximum of three days shall be allowed under this section. IMMEDIATE FAMILY means spouse, parent (natural, step or in-law), child, grandparent, grandchild, brother or sister (natural, step, or in-law). Other relatives living in the same household as the employee shall be considered as immediate family. One day
may be granted for attendance at a funeral of the following relatives: aunt, uncle, niece, or nephew.

(B) A regular part-time employee will be granted one day to attend the funeral of an immediate family member.

(C) Proof of death and of relationship of the deceased to the employee may be required before payment of funeral leave.

('97 Code, § 31.08) (Ord. 13-01, passed 8-6-01; Am. Ord. 3-04, passed 1-20-04; Am. Ord. 21-09, passed 12-21-09)

§ 33.08 INSURANCE.

The following provisions shall apply to all Schedule A employees except those covered under §33.15 of this chapter.

The city will provide health insurance benefits including dependent coverage. The benefits will include a high deductible health plan (HDHP) and, at the employee’s option, either a health savings account (HSA) or a health reimbursement account (HRA). The HDHP will have “network” deductibles of $2,000 for individual coverage and $4,000 for family coverage.

(B) Employee HSA accounts will be funded by the City in the amount of $1,500 $1,000 for individual coverage and $3,000 $2,000 for family coverage for the 2014 5 plan year by funding 1/12th of the annual total to be deposited the 1st of each month. Employee HRA accounts will be funded by the City in the amount of $1,500 $1,000 for individual coverage and $3,000 $2,000 for family coverage for the 2014 5 plan year, by funding the entire amount each year in January.

An employee may be reimbursed up to a maximum of $400 $1,000 if on a family plan and $200 $500 for a single plan each calendar year. The employee and not the family member must participate in the activities below to be eligible for the reimbursement.

Such reimbursement shall be based on participation in self-selected programs identified by the health insurance carrier as a wellness initiative.

Upon completion of an eligible program, the employee shall submit the required form and information to the Human Resources Director who will submit the request for reimbursement. All reimbursement checks will go to the employee’s HSA (or HRA) account and not directly to the employee.
<table>
<thead>
<tr>
<th>Eligible Activity</th>
<th>Amount Reimbursed</th>
<th>Special Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biometric Screening Event</td>
<td>$200-400</td>
<td>Eligible for reimbursement once each calendar year.</td>
</tr>
<tr>
<td>Health Risk Assessment</td>
<td>$50-100</td>
<td>Eligible for reimbursement once each calendar year.</td>
</tr>
<tr>
<td>Wellness Coaching</td>
<td>$50-100</td>
<td>Wellness Coaching is as indicated by the Health Risk Assessment. Eligible for reimbursement once each calendar year.</td>
</tr>
<tr>
<td>Registering on health insurance website</td>
<td>$50-100</td>
<td>Eligible for reimbursement once each calendar year.</td>
</tr>
<tr>
<td>Flu Shot</td>
<td>$50-100</td>
<td>Must be received at the City. Eligible for reimbursement once each calendar year.</td>
</tr>
<tr>
<td>Exercise</td>
<td>$50-100</td>
<td>90 minutes of physical activity per week for each 8 week period completed. Forms must be completed and turned in to Human Resources. The forms are available at HR</td>
</tr>
<tr>
<td>BP of less than 130/80</td>
<td>$100-200</td>
<td>To qualify for reimbursement, the employee must meet two of the three categories.</td>
</tr>
<tr>
<td>Cholesterol of less than 200 mg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMI of less than 25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescription Medications</td>
<td>$100</td>
<td>Employee must switch from brand medication to generic. Must begin only in January and continue for the calendar year. Eligible for each prescription changed.</td>
</tr>
<tr>
<td>Prescription Medications</td>
<td>$50</td>
<td>Employee must switch from brand medication to generic. Must be for a consecutive six month period. Eligible for each prescription changed.</td>
</tr>
<tr>
<td>Annual Basic Physical</td>
<td>$50-100</td>
<td>Eligible for reimbursement once each calendar year.</td>
</tr>
<tr>
<td>Cessation Program</td>
<td>$100</td>
<td>Employee must complete a program as approved by the HR department and successfully have stopped smoking for a consecutive 6 month period. Employee will be subject to random testing to verify continued success. Eligible for reimbursement only one time during employee’s tenure.</td>
</tr>
</tbody>
</table>

(C) The City shall select the carrier for the HDHP annually after consulting with the Insurance Committee. The City will make every effort to maintain comparable coverage.

(D) Cost Sharing. For the 2014 5 plan year, an employee will contribute 15% of the City’s total cost of purchasing the employee’s HDHP and funding the employee’s HSA or HRA, by bi-weekly payroll deduction.

(E) Option Out. Eligible employees who decline the city offered health insurance benefits, will be entitled to receive a one-time payment per health insurance year (2014 5) of $2,000 for those eligible for family coverage and $1,000 for individual coverage.

(F) The city shall provide and pay the necessary premium for group life insurance in an amount equal to two times (not to exceed $180,000) base salary (as of January 1st) for the following classifications: City Manager, Assistant City Manager, Finance Director, City Engineer, Utilities Director, Public Works Director, Power System Director, Human Resources Director, Health and Sanitation Director, Information Technology Director, Law Director, Economic Development Director, Police Chief and Fire Chief, $75,000 for exempt Manager/Supervisor positions, and $50,000 for all other employees.

(‘97 Code, § 31.09) (Am. Ord. 16-90, passed 4-16-90; Am. Ord. 13-01, passed 8-6-01; Am. Ord. 3-04, passed 1-20-04; Am. Ord. 9-04, passed 5-20-04; Am. Ord. 29-08, passed 12-15-08; Am. Ord. 21-09, passed 12-21-09; Am. Ord. 2-11, passed 4-5-11; Am. Ord. 15-11, passed 12-20-11; Am. Ord. 5-12, passed 2-21-12; Am Ord. 27-12, passed 12-18-12; Am. Ord. 1-14, passed 1-21-14 )

§ 33.09 COMPENSABLE INJURY PAY.

The following provisions shall apply to all Schedule A employees except those covered under §33.15 of this chapter.

(A) Definitions.
**COMPENSABLE INJURY.** An injury to a city employee which occurs during the course of his or her employment and while the employee is performing assigned tasks, and which requires the employee to be absent from work, or which renders him or her unable to perform his or her normal duties, and which is determined to be compensable under workers' compensation regulations.

**INJURY PAY.** The pay provided under this section.

**SICK LEAVE.** Shall be the same as provided in §33.05.

**WORKERS' COMPENSATION REGULATIONS.** The statutes of the state concerning workers' compensation, and the rules and regulations of the Bureau of Workers' Compensation and of the Industrial Commission of Ohio presently or hereafter in force.

(B) If an employee suffers a compensable injury during the course of employment with the city and while performing an assigned task, the city will pay the difference between the employee's normal weekly wage and the weekly amount of compensation paid by the state Industrial Commission, for a period of time from one week after the date of injury up to six months after that date. The city may, at its discretion, elect to pay the injured employee the employee's full weekly rate of pay, to take the place of the employee's receipt of temporary total disability payments.

(C) Accrued sick leave may be used for the first week of a compensable injury.

(D) The city may provide and require an employee to perform other duties, within the limitations of the injury, in place of injury pay.

(‘97 Code, § 31.10) (Ord. 13-01, passed 8-6-01)

**§ 33.10 PAY EQUALIZATION OF ALL EMPLOYEES.**

(A) All employees of the city who are not otherwise subject to Chapter 36 of this code shall have deducted from their salaries, wages, commission or other personal service compensation the applicable percentage of income tax as provided in Chapter 36, which sum shall be deposited in the income tax fund.

(B) The administrator of Chapter 36 of this code is authorized and directed, subject to the approval of the Board of Review, to adopt, promulgate, and enforce rules, regulations and agreements to the end that a nonresident employee of the city shall be obligated to pay the equivalent of only one municipal income tax.

(‘97 Code, § 31.11) (Ord. 13-01, passed 8-6-01)
§ 33.11 JOB POSTING.

Except as otherwise provided for those positions listed in Schedules B, C, D and E, job vacancies shall be posted for a minimum of three working days. When an examination is to be given, reasonable notice of the time and place of the examination shall be given.

(‘97 Code, § 31.12) (Ord. 13-01, passed 8-6-01)

§ 33.12 BI-WEEKLY PAY.

The Director of Finance is authorized and directed to pay on a bi-weekly basis all full-time employees and part-time employees every other Friday for wages and salaries earned for the previous bi-week ending at midnight on the Sunday before pay day.

(‘97 Code, § 31.13) (Ord. 13-01, passed 8-6-01; Am. Ord. 3-04, passed 1-20-04; Am. Ord. 1-14, passed 1-21-14)

§ 33.13 JURY DUTY.

Schedule A employees, except those covered under §33.15 of this chapter, required to serve on a jury before a court empowered by law to require that service shall be excused from duty for the time required for that service, and shall be paid the difference between jury pay and regular hourly rate of pay. Employees must present proof of the amount of jury pay received before pay for the hours absent is granted, and must report for duty whenever released from jury service.

(‘97 Code, § 31.14) (Ord. 13-01, passed 8-6-01)

§ 33.14 PERSONNEL REGULATIONS.

(A) The City Manager is authorized and directed to formulate, establish and promulgate such personnel regulations and procedures as the City Manager deems appropriate in the exercise of sound discretion to control the detailed terms and conditions of employment of employees in the classified and unclassified services of the city.

(B) The policies and procedures established pursuant to division (A) shall not be inconsistent with the terms and conditions of employment of those employees established by the Charter and ordinances of the city or other applicable law.

(‘97 Code, § 31.15) (Ord. 13-01, passed 8-6-01)
§ 33.15 POLICE AND FIRE SUPERVISORS.

(A) The Chief of Police, is a supervisory and management employee covered by Schedule A. Deputy Police Chiefs and the Chief of Police shall not be paid overtime except as approved in a memorandum of understanding or collective bargaining agreement.

(B) The Fire Chief is a supervisory and management employee covered by Schedule A, Assistant Fire Chiefs and the Fire Chief shall not be paid overtime except as approved in a memorandum of understanding or collective bargaining agreement.

(C) Due to the unique operations of the Police and Fire Departments, the Chief of Police and Fire Chief, with the prior approval of the City Manager, are authorized and directed to formulate and adopt such personnel regulations and procedures as each Chief deems appropriate in the exercise of sound discretion to control the detailed terms and conditions of employment of employees in the Police and Fire Departments. The policies and procedures adopted pursuant to this section shall not be inconsistent with the terms and conditions of employment of such employees established by the Charter, the ordinances of the city, applicable collective bargaining agreements and other applicable law.

(‘97 Code, § 31.16) (Am. Ord. 16-90, passed 4-16-90; Am. Ord. 13-01, passed 8-6-01; Am. Ord. 3-04, passed 1-20-04, Am. Ord. 6-09, passed 6-15-09, Am. Ord. 1-14, passed 1-21-14)

§ 33.16 APPLICABILITY.

The provisions of this chapter shall be applicable to all employees of the city except as otherwise specified herein or in any collective bargaining contract authorized by the city.

(‘97 Code, § 31.17) (Ord. 34-86, passed 7-21-86; Am. Ord. 20-97, passed 2-17-97; Am. Ord. 21-97, passed 3-3-97; Am. Ord. 22-97, passed 3-3-97; Am. Ord. 13-01, passed 8-6-01)

§ 33.17 WAGE SCHEDULES ADOPTED.

(A) The wages schedules listed in division (B) of this section are hereby adopted by reference and shall be treated as if set forth in full herein. Such wage schedules shall be maintained in the office of the City Manager. The City Commission may amend any schedule by adoption of an appropriate ordinance or resolution. Such ordinances or resolutions and schedules shall not be codified herein, but the City Manager, or his or her designee, shall cause the appropriate change to be made to the
applicable schedule so that each schedule shall remain current. Current copies of all wage schedules shall be available for public inspection.

(B) The wage schedules of the city include the following:

Schedule A: All full-time management employees and any other full-time employees not specifically covered by any other schedule

Schedule A-1: All part-time, temporary, and seasonal employees

Schedule B: All full-time employees represented by AFSCME Local No. 984 (Blue Collar)

Schedule C: All full-time firefighters/paramedics, Fire Captains, Assistant Fire Chiefs,

Schedule D: All full-time sworn Police Officers represented by the Fraternal Order of Police, Ohio Labor Council, Inc.

Schedule E: All full-time employees represented by AFSCME Local No. 984 (Clerical -Technical)

Schedule F: All full-time civilian employees represented by the Fraternal Order of Police, Ohio Labor Council, Inc.

Schedule G: All full-time sworn Deputy Police Chiefs and Lieutenants represented by Ohio Patrolmen’s Benevolent Association

(‘97 Code, Appendix: Standard Pay Range) (Ord. 21-96, passed 4-15-96; Am. Ord. 39-96, passed 8-19-96; Am. Ord. 47-96, passed 10-7-96; Am. Ord. 21-97, passed 3-3-97; Am. Ord. 22-97, passed 3-3-97; Am. Ord. 62-97, passed 12-1-97; Am. Ord. 2-98, passed 1-5-98; Am. Ord. 598, passed 2-2-98; Am. Ord. 11-98, passed 3-2-98; Am. Ord. 6-99, passed 2-15-99; Am. Ord. 1499, passed 4-19-99; Am. Ord. 26-99, passed 8-16-99; Am. Ord. 32-99, passed 10-4-99; Am. Ord. 6-00, passed 1-17-00; Am. Ord. 9-00, passed 2-7-00; Am. Ord. 15-00, passed 4-17-00; Am. Ord. 17-00, passed 5-1-00; Am. Ord. 29-00, passed 8-7-00; Am. Ord. 36-00, passed 11-20-00; Am. Ord. 13-01, passed 8-6-01; Am. Ord. 26-02, passed 10-21-02; Am. Ord. 4-03, passed 2-18-03; Am. Ord. 12-03, passed 6-2-03; Am. Ord. 3-04, passed 1-20-04; Am. Ord. 1-14, passed 1-21-14)

§ 33.18 BENEFITS OF THE CITY MANAGER

The City Manager shall be an at-will employee entitled to the benefits that are separately negotiated by contract and approved by the City Commission. Compensation for the City Manager shall be specifically provided for by contract and/or ordinance and shall not be part of Schedule A. Any benefit not expressly covered for by contract or separately established by ordinance or resolution, shall be provided for under this chapter for the City Manager.
RESOLUTION NO. R-116-14

A RESOLUTION AUTHORIZING TO INCREASE THE
INITIAL ANNUAL PURCHASE ORDER FOR KIRK
NATIONALEASE FOR HEAVY EQUIPMENT
REPAIRS FOR THE PUBLIC WORKS DEPARTMENT

WHERENCEAS, the City of Piqua has the ability to increase the annual purchase
order for Kirk Nationalease over the originally anticipated amount; and

WHEREAS, the operation of Piqua City Government necessitates the parts
and labor for heavy equipment repairs; and

WHEREAS, Kirk Nationalease has been determined to be the best vendor
for this purpose; and

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of
Piqua, Miami County, Ohio, the majority of all members elected thereto concurring,
that:

SEC. 1: A purchase order is hereby authorized in the amount of
$40,000 to Kirk Nationalease for the heavy equipment repairs;

SEC. 2: The Finance Director certifies funds are available and is
hereby authorized to draw her warrant on the appropriate account of the city treasury
in payment for said services rendered not to exceed $40,000;

SEC. 3: This Resolution shall take effect and be in force from and after
the earliest period allowed by law.

LUCINDA L. FESS, MAYOR

PASSED: _______________________

ATTEST: _______________________
REBECCA J. COOL
CLERK OF COMMISSION
**Commission Agenda**  
**Staff Report**

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>November 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORT TITLE</td>
<td>A RESOLUTION AUTHORIZING TO INCREASE THE INITIAL ANNUAL PURCHASE ORDER FOR KIRK NATIONALEASE FOR HEAVY EQUIPMENT REPAIRS FOR THE PUBLIC WORKS DEPARTMENT</td>
</tr>
</tbody>
</table>
| SUBMITTED BY         | Name & Title: Doug Harter, Public Works Director  
Department: Public Works Department |
| AGENDA CLASSIFICATION| □ Consent  
□ Ordinance  
☒ Resolution  
□ Regular |
| APPROVALS/REVIEWS    | ☒ City Manager  
☑ Asst. City Manager/Development  
□ Law Director  
□ Other: |
| BACKGROUND            | We currently use an annual purchase order with Kirk NationaLease for heavy equipment repair. We are requesting to increase the purchase order from $24,000 to $40,000 to cover any additional repairs that may be needed due to the upcoming winter months. Kirk NationaLease has worked on our equipment for several years and we have always been very satisfied with their turn-around of our repairs and competitive rates. These additional funds will only be used if we have emergency repairs that need done between now and the end of the year. |
| BUDGETING AND        | Budgeted $:  
$60,450 from Street Fund 101-113-850-7402  
$8,000 from Parks Fund 105-015-880-7402  
Expenditure $:  
$23,928.48 to date with NationaLease only. There are a total of 25 different Purchase orders issued using funds from these two accounts. |
| FINANCIAL IMPACT      | Options:  
1. Approve the annual purchase order to be increased from $24,000 to $40,000 for the 2014 budget year.  
2. Do not approve the Resolution |
| PROJECT TIMELINE      | Immediately increase our purchase order upon approval of this Resolution. |
| STAFF RECOMMENDATION  | Approval of the Resolution to increase the purchase order for Kirk NationaLease to repair heavy equipment for our Public Works Department. |
RESOLUTION NO. R-117-14

A RESOLUTION APPROVING THE PURCHASE OF EXCESS LIABILITY INSURANCE

WHEREAS, certain specialty areas do not fall within the coverage of the City's general liability policy and excess liability insurance is needed for coverage; and

WHEREAS, excess liability insurance covers the City's dams for its lakes and canal, pollution and claims arising out of an injury or property damage as a result of an exercise of its emergency assistance agreements with other communities specifically related to power and claims related to water and wastewater; and

WHEREAS, Associated Electric & Gas Insurance Services Limited ("AEGIS") has provided excess liability coverage to the City for its dams and water, wastewater and power utility for over twenty years.

NOW THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SECTION 1. Excess liability coverage for the City's dams, pollution and emergency assistance agreements is hereby provided by Associated Electric & Gas Insurance Services Limited ("AEGIS") for 2014-2015.

SECTION 2. The Finance Director certified funds are available and is hereby authorized to draw her warrant on the appropriate account in an amount not to exceed $79,000.

SECTION 3. The Finance Director is hereby authorized to draw her warrants from time to time on the appropriate account of the city treasury in payment according to the premium and certifies that the funds are available.

SECTION 4. This Resolution shall take effect and be in force from the earliest period allowed by law.

__________________________________________
LUCINDA L. FESS, MAYOR

PASSED: ________________________________

ATTEST: ________________________________
REBECCA J. COOL
CITY COMMISSION CLERK
**Commission Agenda**

**Staff Report**

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>November 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORT TITLE</td>
<td>A RESOLUTION APPROVING THE PURCHASE OF EXCESS LIABILITY INSURANCE</td>
</tr>
<tr>
<td>(Should match resolution/ordinance title)</td>
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</table>
| SUBMITTED BY | Name & Title: Stacy Wall, Law Director  
Department: Law |
| AGENDA CLASSIFICATION | ☐ Consent  
☐ Ordinance  
☒ Resolution  
☐ Regular |
| APPROVALS/REVIEWS | ☐ City Manager  
☐ Asst. City Manager/Finance  
☐ Asst. City Manager/Development  
☒ Law Director  
☐ Department Director;  
☐ Other: |
| BACKGROUND | The City has had excess liability coverage for over 20 years for its dams and waterways. This is a specialty insurance that is beyond the scope of what MVRMA covers. Coverage has been looked at to ensure that there are no duplicate coverage areas between MVRMA and AEGIS. The premium is increased by 9.7% to reflect market conditions and the continued ageing of the dams. |
| BUDGETING AND FINANCIAL IMPACT | Budgeted $:  
Expenditure $: $79,000  
Source of Funds: |
| (Includes project costs and funding sources) | |
| OPTIONS | 1. Adopt the Resolution.  
2. Reject the Resolution and risk exposure to liability with the City’s waterways.  
3.  
4. |
| PROJECT TIMELINE | Coverage runs November 2014 through September 2015. |
| STAFF RECOMMENDATION | Approve the Resolution. The City has not been able to get this specialty coverage from another insurer. |
| ATTACHMENTS | |
RESOLUTION NO. R-118-14

A RESOLUTION REQUESTING AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH O.R. COLAN ASSOCIATES FOR THE RIGHT-OF-WAY ACQUISITION SERVICES FOR THE SAFE ROUTES TO SCHOOL IMPROVEMENTS PROJECT

WHEREAS, on January 7, 2014, this Commission passed Resolution No. R-3-14 authorizing the City Purchasing Analyst to advertise for bids, according to law, for Right-of-Way Acquisition Services for the Safe Routes to School Improvements Project; and

WHEREAS, after solicitation of Request for Qualifications, O.R. Colan Associates has been determined to be the most qualified provider of these services; and

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that

SEC. 1: A purchase order is hereby authorized to O.R. Colan Associates for the necessary Right-of-Way acquisition services for the Safe Routes to School Improvements Project;

SEC. 2: The Finance Director is hereby authorized to draw her warrants from time to time on the appropriate account of the city treasury in payment according to contract terms, not exceeding a total of $69,000;

SEC. 3: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

______________________________
LUCINDA L. FESSION, MAYOR

PASSED: ________________________

ATTEST: _______________________
REBECCA J. COOL
CLERK OF COMMISSION
**Commission Agenda**

**Staff Report**

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>November 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REPORT TITLE</strong>&lt;br&gt;(Should match resolution/ordinance title)</td>
<td>A Resolution requesting authorization to enter into an Agreement with O.R. Colan Associates for the Right-of-Way Acquisition Services for the Safe Routes to School Improvements Project.</td>
</tr>
<tr>
<td><strong>SUBMITTED BY</strong></td>
<td>Name &amp; Title: Amy Havenar, P.E., City Engineer&lt;br&gt;Department: Engineering</td>
</tr>
<tr>
<td><strong>AGENDA CLASSIFICATION</strong></td>
<td>☑ Consent&lt;br&gt;☑ Resolution&lt;br&gt;☐ Ordinance&lt;br&gt;☐ Regular</td>
</tr>
<tr>
<td><strong>APPROVALS/REVIEWS</strong></td>
<td>☑ City Manager&lt;br&gt;☐ Asst. City Manager/Finance&lt;br&gt;☐ Asst. City Manager/Development&lt;br&gt;☐ Law Director&lt;br&gt;☐ Department Director&lt;br&gt;☐ Other:</td>
</tr>
</tbody>
</table>
| **BACKGROUND**<br>(Includes description, background, and justification) | In May of 2012, the City was notified of our award of a Safe Routes to School (SRTS) grant for the construction of infrastructure projects around the Piqua Junior High School site, Washington Intermediate School site, and the Wilder Intermediate School site. Some of the improvements will consist of the installation of new pavement markings and signage, the installation of ADA compliant curb ramps, the replacement of damaged sidewalk & curbs, and the construction of a multi-use path to the Junior High School from Looney Road, in addition to various other miscellaneous projects.

We are to the point in the design of the project that we need to proceed with the right-of-way acquisition. The Right-of-way acquisition will consist of the following components:

- Title Searches & Reports
- Appraisals
- Acquisitions
- Title Updates & Closings

As with all projects utilizing federal money, the selected consultants must be on ODOT’s prequalified consultants list. From the qualifications submitted and keeping in compliance with ODOT’s requirements, O.R. Colan Associates was selected as the most qualified consultant to perform the above-listed services in part due to their most recent involvement with the CR 25A Phase III Project, CR 25A Phase II Project, and also with the E. Ash Street Project. |
| **BUDGETING AND FINANCIAL IMPACT**<br>(Includes project costs and funding sources) | Budgeted $: $60,000<br>Expenditure $: $69,000 (includes 10% contingency)<br>Source of Funds: Fund 103 – Street Income Tax |
| **Narrative** | The City has received Safe Routes to School grant funding for the design and construction in the amount of $499,915. Construction is scheduled for the summer of 2015.

As with most federally funded projects, the right-of-way costs associated with the project are funded with 100% local funds.

The money is budgeted in the 103 Fund to complete the Right-of-Way Acquisition. |
| **OPTIONS** | 1. Approve the resolution to enter into an agreement with O.R. Colan Associates for the right-of-way acquisition services.

2. Do not approve the resolution and do not complete the Safe Routes to School project and return the funding. |
| **PROJECT TIMELINE** | The right-of-way acquisition would begin immediately with project construction scheduled for the summer of 2015. |
| **STAFF RECOMMENDATION** | Approve the resolution to allow for the right-of-way acquisition to begin on the Safe Routes to School Improvement projects. |
| **ATTACHMENTS** | Cost Proposal |
# RW ACQUISITION SERVICES COST PROPOSAL

**Company Name:** O.R. Colan Associates  
**District:** 07  
**PID NO.:** 93747  
**Date:** 11/6/2014  
**Task No.:**  
**Project CRS:** D07-SRTS-MIA Piqua Infra

<table>
<thead>
<tr>
<th>Pay Item</th>
<th>Type of Unit</th>
<th>No. of Units</th>
<th>Fee Per Unit</th>
<th>Total Amount</th>
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<tbody>
<tr>
<td>1. Project Management for Title Researches, Appraisal, Appraisal Review</td>
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<td>13</td>
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<td>$5,200.00</td>
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<tr>
<td><strong>SECTION SUBTOTAL</strong></td>
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<td><strong>$5,200.00</strong></td>
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<tr>
<td>2. Appraisal</td>
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<td>c. Limited Scope Summary Appraisal (RE 25-17)</td>
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<td>d. Value Finding (RE 90)</td>
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<td>e. USPAP Review (RE 25-12)</td>
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<td>f. Parcel Impact Note</td>
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<td>g. Appraisal Problem Analysis</td>
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<td>4. Title Researches</td>
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Page 1 of 3
Table split for Federal Authorization for Right of Way Acquisition

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<th>No. of Units</th>
<th>Fee Per Unit</th>
<th>Total Amount</th>
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<td>6. Negotiation</td>
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<td>8. Relocation Assistance Services</td>
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<td>b. Residential offer made</td>
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<td>c. Residential final billing</td>
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<td>d. Commercial Offer made</td>
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<td>e. Commercial final billing</td>
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<td>g. Pre-Acquisition Survey/Interview</td>
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<td>c. Personal Property Review</td>
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<td>Pay Item</td>
<td>Type of Unit</td>
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<td>Fee Per Unit</td>
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<tr>
<td>-----------------------------------------</td>
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<td>10. Asbestos</td>
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<td>b. Meetings and Testimony for appropriations</td>
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<td>c. Property Management</td>
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<td>d. Specialty Appraisal Studies (Parking, Rent, Architectural etc.)</td>
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</tr>
<tr>
<td>for Titles and Closings - receipts</td>
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<tr>
<td>necessary)</td>
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<td>$62,700.00</td>
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RESOLUTION NO. R-119-14

A RESOLUTION FOR PRELIMINARY CONSENT TO
AWARD A CONTRACT TO J&J SCHLAEGEL, INC. FOR
THE OFF-SITE PIPELINE PROJECT AS PART OF THE
NEW WATER TREATMENT PLANT

WHEREAS, on January 7, 2014, this Commission passed Resolution No.
R-3-14, authorizing the City Purchasing Analyst to advertise for bids, according to law,
for the New Water Treatment Plant Off-Site Pipeline Project; and

WHEREAS, after proper advertisement, bids were opened on October 30, 2014
resulting in the tabulation of bids as listed in Exhibit A attached hereto; and

WHEREAS, the City is in the process of making application for a loan from Ohio
Water Development Authority (OWDA) for said project; and

WHEREAS, OWDA requires the City of Piqua to approve a Resolution of Intent
to award a contract for said project.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of
Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: Preliminary consent to award a contract to J&J Schlaegel, Inc. is
hereby awarded for the Off-Site Pipeline Project in the amount not to exceed
$3,137,925.00.

SEC. 2: Whereas this legislation is consent only legislation as required by
OWDA before approving such a loan for the Project.

SEC. 3: This Resolution shall take effect and be in force from and after the
earliest period allowed by law.

LUCINDA L. FESS, MAYOR

PASSED: _______________________

ATTEST: _______________________
REBECCA J. COOL
CLERK OF COMMISSION
# Commission Agenda
## Staff Report

### MEETING DATE
November 18, 2014

### REPORT TITLE
A Resolution for preliminary consent to award a contract to J&J Schlaegel, Inc. for the Off-Site Pipeline Project as part of the new Water Treatment Plant.

### SUBMITTED BY
Name & Title: Don Freisthler, Water Plant Superintendent
Department: Water

### AGENDA CLASSIFICATION
| ☑ Consent | ☐ Ordinance | ☑ Resolution | ☐ Regular |

### APPROVALS/REVIEWS
| ☑ City Manager | ☑ Asst. City Manager/Finance |
| ☐ Asst. City Manager/Development | ☐ Law Director |
| ☑ Department Director | ☐ Other: |

### BACKGROUND
The off-site pipeline portion of the new Water Treatment Plant Project will allow for the construction of new raw water lines, finished water lines, and a new sludge line along SR 66. This project is needed to tie pipelines for the new Water Treatment Plant into our existing system.

On Thursday, October 30, 2014, five bids were received for the above referenced project. A mandatory pre-bid meeting was held on September 18, 2014, to allow the contractors a chance to view the site and to ask questions about the project.

J&J Schlaegel, Inc. was the low bidder at $2,988,500.00. A 5% contingency is included for the project, bringing the amount to $3,137,925.00.

We are currently in the process of making application for a loan from Ohio Water Development Authority (OWDA). Before the loan can be approved, a resolution of intent to award contract is required. Once the loan is approved, a new resolution will be brought before the City Commission to approve the awarding of a contract to J&J Schlaegel, Inc.

Attached is a letter from our engineering consultant, CDM Smith, making recommendation to award a contract to J&J Schlaegel, Inc. and a bid summary sheet.

### BUDGETING AND FINANCIAL IMPACT
<table>
<thead>
<tr>
<th>(Includes project costs and funding sources)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgeted</strong>:</td>
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<tr>
<td>Expenditure$:</td>
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<tr>
<td>Source of Funds:</td>
</tr>
<tr>
<td><strong>Narrative</strong>:</td>
</tr>
</tbody>
</table>

### OPTIONS
1. Approve the Resolution to enter into an agreement with J&J Schlaegel for the Off-Site Pipeline Project for the new Water Treatment Plant.
<table>
<thead>
<tr>
<th><strong>PROJECT TIMELINE</strong></th>
<th>The project is anticipated to begin in later winter/early spring and be completed in approximately 20 months.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAFF RECOMMENDATION</strong></td>
<td>Approval of the Resolution of intent to award the contract to J&amp;J Schlaëgel for the Off-Site Pipeline Project.</td>
</tr>
<tr>
<td><strong>ATTACHMENTS</strong></td>
<td>CDM Smith recommendation</td>
</tr>
</tbody>
</table>
November 5, 2014

Mr. David Burtner  
Director of Utilities  
City of Piqua  
201 West Water St.  
City of Piqua, OH 4535

Subject: Water Treatment Plant and Off-Site Pipelines Projects
        Bids Evaluation and Recommendations for Award

Dear Mr. Burtner:

CDM Smith is pleased to submit this Bid Evaluation letter which summarizes the bids received by the City of Piqua on October 30, 2014, for construction of the above referenced projects. A Bid Tabulation Summary is provided below and a complete Bid Tabulation is enclosed with this evaluation as well.

Water Treatment Plant Project Bids (Project 11-04)

For the Water Treatment Plant (WTP) project, four general contractor bids were received, with Base Bids ranging from $35,900,000 to $40,170,076. The difference between the lowest and highest Base Bids is about 12%, indicating that the Contractors had a similar understanding of the project requirements. The second-lowest Base Bid was higher than the lowest bid by $909,760 or 2.5%, and the highest Base Bid was higher than the lowest bid by $4,270,076 or 11.9%.

For reference, the Engineer’s Opinion of Probable Construction Cost (base bid) for the WTP project was $36,354,160. Additive alternate bid items were estimated to add $409,800 to the base bid estimate, and deductive alternate bid items were estimated to potentially decrease the base bid amount by $1,397,000, if selected by the City.

Actual WTP bid results show total additive alternate bids ranging from $215,900 to $302,000, less than the Opinion of Probable Construction Cost for the additive alternate items. Actual total deductive alternate bids ranged from $1,406,000 to $2,569,000, more than the Opinion of Probable Construction Cost for the deductive alternate items.
The Base Bid included 9 bid items; the Additive Alternate Bid included two additive bid items; and the Deductive Alternate Bid included four deductive alternate bid items. The Base Bid results are listed below:

- Apparent low bidder – Peterson Construction Company – $35,900,000
- Shook Construction Co. – $36,809,760
- Danis Industrial Construction Co. – $37,620,000
- Thieneman Construction, Inc. – $40,170,076

CDM Smith is familiar with Peterson Construction Co. and recognizes this contractor as a reputable and reliable firm. As you know, they have completed projects for the City of Piqua in the past, including the Equalization Basin next to the City’s wastewater treatment plant, and their track record is positive. They are thorough, finish their projects conscientiously, and provide high-quality results. Peterson’s bid submittal included documentation of appropriate bonding coverage. Based on their prior work, Peterson Construction Co. is considered a responsive bidder and qualified to perform the work.

The bid prices received for the contract Additive Alternates A-1 and A-2 were reviewed and were found to be generally very competitive and reasonable additions to the project. If the additive alternate bids are considered with the Base Bid to determine the low bidder for any combination, the recommended bidder remains as Peterson Construction. The same holds true for the Deductive Alternate Bids D-1 through D-4. For a complete assessment of all possible combinations of Base Bid and Additive and Deductive Alternates, please see the attached Bid Tabulation.

The main economic decision involves including additive alternates. CDM Smith recommends that Piqua accept both of the additive alternates within the City’s funding capabilities and reject all of the deductive alternatives. The additive alternates are summarized below:

- Additive Alternate A-1 – Furnish and install Powdered Activated Carbon System per Specifications Section 11250.
- Additive Alternate A-2 – Furnish and install Air Scour Blower No. 2 per Specifications Section 11353.

The above alternates were prepared to provide Piqua flexibility in managing the project cost in case the bids exceeded the Opinion of Probable Construction Cost. Because the apparent low bid is less than the Opinion of Probable Construction Cost, we recommend implementing the additive alternates to provide a more reliable facility to serve the City’s future needs to the extent that funding is available. We consider the costs of the Alternates to be reasonable and advise that the costs to perform either of these alternate items separately would likely be higher; considering the cost of separate management of those portions of the project and the loss of funding participation by the Ohio Water Development Authority (OWDA).
Based on our review and evaluation of the submitted bid documents, we recommend the award of Base Bid and both additive alternates to Peterson Construction Company. It is up to the City of Piqua to award based on your discretion as guided by your legal counsel.

**Off-Site Pipelines Project Bids (Project 13-14)**

For the Off-Site Pipelines project, five general contractor bids were received, with Base Bids ranging from $2,988,500 to $3,517,432. The second-lowest Base Bid was higher than the apparent low bid by $119,872 or 4.0%, and the highest Base Bid was higher than the apparent low bid by $528,932 or 17.7%.

For reference, the Engineer’s Opinion of Probable Construction Cost (base bid) for the Off-Site Pipelines project was $4,070,016. The additive alternate bid was estimated to add $443,833 to the base bid estimate, and a deductive alternate bid was estimated to decrease the base bid amount by $426,185, if selected by the City.

Actual Off-Site Pipelines bid results show total additive alternate bids ranging from $350,990 to $490,000. Actual total deductive alternate bids ranged from no deduct to ($284,175.97), meaning that acceptance of the deductive bid items would result in an increase in project cost, not a decrease.

The Base Bid included 22 bid items; the additive alternate bid included nine bid items; and the deductive alternate bid included two bid items. The Base Bid results are listed below:

- Apparent low bidder – J&J Schlaegel, Inc. - $2,988,500
- Kelchner, Inc. - $3,108,372
- Howell Contractors, Inc. - $3,294,475
- VTF Excavation LLC - $3,443,732
- Fields Excavating, Inc. - $3,517,432

CDM Smith is not familiar with J&J Schlaegel, and we have contacted several references listed in their bid to assess their past performance and their ability to perform the work demanded on the Off-Site Pipelines project. Documentation of feedback from the references contacted is provided in an attachment to this letter. The feedback has been generally positive, such as good-quality work and project completion to the satisfaction of the owners’ representatives, with some documentation of shortcomings that are typical on some projects, such as meeting challenging scheduling constraints if unforeseen site conditions are experienced. The overview of their performance is positive, and J&J Schlaegel is considered a responsive bidder and qualified to perform the work.

The bid prices received for the contract Additive Alternates were reviewed and were found to be generally very competitive among the five bidders. If the additive alternate bids are considered with the Base Bid to determine the low bidder for any combination, the recommended bidder
remains as J&J Schlaegel. The same holds true for the Deductive Alternate Bids. For a complete assessment of all possible combinations of Base Bid and Additive and Deductive Alternates, please see the attached Bid Tabulation.

CDM Smith recommends that Piqua reject all of the additive alternates for the Off-Site Pipelines project, since they are associated with the 12-inch Raw Water Main that would be a redundant water main and is not necessary. We also recommend that Piqua reject the deductive alternate bid, since it would add to the project cost and provide a finished water transmission main pipe material that the City does not prefer.

Based on our review and evaluation of the submitted bid documents, we recommend the award of the Base Bid to J&J Schlaegel, Inc. It is up to the City of Piqua to award based on your discretion as guided by your legal counsel.

**Closing Comments**

Specification Section 00100 Instructions to Bidders, Article 11 Award of Contract allows the award on base bid or base bid plus the additive alternate(s); and further identifies that the Owner reserves the right to award as the Owner may determine in their best interest. The bid document states that the award will be to the lowest responsible and eligible bidder possessing the ability to perform the work.

The bidders and their respective bid amounts are tabulated on the attached sheet at the end of this letter.

Please feel free to call if you have any questions.

Very truly yours,

[Signature]

Robert C. Yoxthimer, PE
Associate
CDM Smith Inc.

Enclosures
cc: Gary Huff
    Don Freisthler
    Amy Havenar
City of Piqua Off-Site Pipeline Project Bid Summary

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<tr>
<td>Base Bid</td>
<td>$4,070,016.00</td>
<td>$2,988,500.00</td>
<td>$3,108,372.00</td>
<td>$3,294,475.00</td>
<td>$3,443,732.00</td>
<td>$3,517,432.00</td>
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Exhibit A
RESOLUTION NO. R-120-14

A RESOLUTION FOR PRELIMINARY CONSENT TO AWARD A CONTRACT TO PETERSON CONSTRUCTION COMPANY FOR THE CONSTRUCTION OF A NEW WATER TREATMENT PLANT

WHEREAS, on January 7, 2014, this Commission passed Resolution No. R-3-14, authorizing the City Purchasing Analyst to advertise for bids, according to law, for the construction of a New Water Treatment Plant; and

WHEREAS, after proper advertisement, bids were opened on October 30, 2014 resulting in the tabulation of bids as listed in Exhibit A attached hereto; and

WHEREAS, the City is in the process of making application for a loan from Ohio Water Development Authority (OWDA) for said project; and

WHEREAS, OWDA requires the City of Piqua to approve a Resolution of intent to award contract for said project.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that

SEC. 1: Preliminary consent to award a contract to Peterson Construction Company is hereby awarded for the construction of a new Water Treatment Plant in the amount not to exceed $38,012,100.00.

SEC. 2: Whereas this legislation is consent only legislation as required by OWDA before approving such a loan for the Project.

SEC. 3: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

LUCINDA L. FESSION, MAYOR

PASSED: _______________________

ATTEST: _______________________

REBECCA J. COOL
CLERK OF COMMISSION
**Commission Agenda**  
**Staff Report**

<table>
<thead>
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<th>MEETING DATE</th>
<th>November 18, 2014</th>
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<tbody>
<tr>
<td>REPORT TITLE</td>
<td>A Resolution for preliminary consent to award a contract to Peterson Construction Company for the construction of a new Water Treatment Plant.</td>
</tr>
</tbody>
</table>
| SUBMITTED BY | Name & Title: Don Freisthler, Water Plant Superintendent  
Department: Water |
| AGENDA CLASSIFICATION | □ Consent  
□ Ordinance  
☑ Resolution  
□ Regular |
| APPROVALS/REVIEWS | □ City Manager  
□ Asst. City Manager/Finance  
☑ Asst. City Manager/Development  
□ Law Director  
□ Department Director  
□ Other: |
| BACKGROUND | A survey conducted by the Ohio EPA in 2006, showed that the age and condition of the current Water Treatment Plant would not allow it to meet EPA regulations in upcoming years. The EPA recommended that the City explore options for future needs.  
In the following years, various studies were conducted to look at alternatives for the City of Piqua and its needs for water treatment. It was found that the best viable option was to build a new 6.75 million gallon per day surface water treatment plant.  
CDM Smith was contracted by the City to engineer and design the new treatment plant. On September 18, 2014, a mandatory pre-bid meeting was held to allow contractors a chance to view the site and ask questions about the project. On October 30, 2014, four bids were received for the above referenced project.  
We are currently in the process of making application for a loan from Ohio Water Development Authority (OWDA). Before the loan can be approved, a resolution of intent to award contract is required. Once the loan is approved, a new resolution will be brought before the City Commission to approve the awarding of a contract to Peterson Construction.  
Peterson Construction was the low bidder with a base bid amount of $35,900,000.00. The bid also included two alternate items that the City feels is imperative to include at this time. The bid for these two items is $302,000.00. The total project cost will be $38,012,100.00 which includes a 5% contingency.  
Attached is a letter from our engineering consultant, CDM Smith, making recommendation to award a contract to Peterson Construction as well as a bid summary sheet. |
| **BUDGETING AND FINANCIAL IMPACT**  
(Includes project costs and funding sources) | Budgeted $: (2015 Expenditure) |
<table>
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<tbody>
<tr>
<td>Expenditure $: $38,012,100.00 (5% contingency included)</td>
<td></td>
</tr>
<tr>
<td>Source of Funds: OWDA loan.</td>
<td></td>
</tr>
<tr>
<td>Narrative</td>
<td>Project will be funded through this loan. Application for the loan will take place once this Resolution has passed.</td>
</tr>
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</table>

| **OPTIONS**  
(Include Deny /Approval Option) | 1. Approve the Resolution to enter into an agreement with Peterson Construction for the construction of a new Water Treatment Plant. |
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<tbody>
<tr>
<td>2. Do not approve the Resolution and do not proceed with the construction of a new Water Treatment Plant.</td>
<td></td>
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</table>

| **PROJECT TIMELINE** | The project will begin as soon as possible and be completed in approximately 30 months. |

| **STAFF RECOMMENDATION** | Approval of the Resolution of intent to award a contract to Peterson Construction for the construction of the new Water Treatment Plant. |

| **ATTACHMENTS** | CDM Smith recommendation and bid summary sheet. |
November 5, 2014

Mr. David Burtner
Director of Utilities
City of Piqua
201 West Water St.
City of Piqua, OH 4535

Subject: Water Treatment Plant and Off-Site Pipelines Projects
         Bids Evaluation and Recommendations for Award

Dear Mr. Burtner:

CDM Smith is pleased to submit this Bid Evaluation letter which summarizes the bids received by the City of Piqua on October 30, 2014, for construction of the above referenced projects. A Bid Tabulation Summary is provided below and a complete Bid Tabulation is enclosed with this evaluation as well.

**Water Treatment Plant Project Bids (Project 11-04)**

For the Water Treatment Plant (WTP) project, four general contractor bids were received, with Base Bids ranging from $35,900,000 to $40,170,076. The difference between the lowest and highest Base Bids is about 12%, indicating that the Contractors had a similar understanding of the project requirements. The second-lowest Base Bid was higher than the lowest bid by $909,760 or 2.5%, and the highest Base Bid was higher than the lowest bid by $4,270,076 or 11.9%.

For reference, the Engineer’s Opinion of Probable Construction Cost (base bid) for the WTP project was $36,354,160. Additive alternate bid items were estimated to add $409,800 to the base bid estimate, and deductive alternate bid items were estimated to potentially decrease the base bid amount by $1,397,000, if selected by the City.

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The bid prices received for the contract Additive Alternates A-1 and A-2 were reviewed and were found to be generally very competitive and reasonable additions to the project. If the additive alternate bids are considered with the Base Bid to determine the low bidder for any combination, the recommended bidder remains as Peterson Construction. The same holds true for the Deductive Alternate Bids D-1 through D-4. For a complete assessment of all possible combinations of Base Bid and Additive and Deductive Alternates, please see the attached Bid Tabulation.

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- Additive Alternate A-1 – Furnish and install Powdered Activated Carbon System per Specifications Section 11250.
- Additive Alternate A-2 – Furnish and install Air Scour Blower No. 2 per Specifications Section 11353.

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Based on our review and evaluation of the submitted bid documents, we recommend the award of Base Bid and both additive alternates to Peterson Construction Company. It is up to the City of Piqua to award based on your discretion as guided by your legal counsel.

**Off-Site Pipelines Project Bids (Project 13-14)**

For the Off-Site Pipelines project, five general contractor bids were received, with Base Bids ranging from $2,988,500 to $3,517,432. The second-lowest Base Bid was higher than the apparent low bid by $119,872 or 4.0%, and the highest Base Bid was higher than the apparent low bid by $528,932 or 17.7%.

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CDM Smith recommends that Piqua reject all of the additive alternates for the Off-Site Pipelines project, since they are associated with the 12-inch Raw Water Main that would be a redundant water main and is not necessary. We also recommend that Piqua reject the deductive alternate bid, since it would add to the project cost and provide a finished water transmission main pipe material that the City does not prefer.

Based on our review and evaluation of the submitted bid documents, we recommend the award of the Base Bid to J&J Schlaegel, Inc. It is up to the City of Piqua to award based on your discretion as guided by your legal counsel.

Closing Comments

Specification Section 00100 Instructions to Bidders, Article 11 Award of Contract allows the award on base bid or base bid plus the additive alternate(s); and further identifies that the Owner reserves the right to award as the Owner may determine in their best interest. The bid document states that the award will be to the lowest responsible and eligible bidder possessing the ability to perform the work.

The bidders and their respective bid amounts are tabulated on the attached sheet at the end of this letter.

Please feel free to call if you have any questions.

Very truly yours,

Robert C. Yoxthimer, PE
Associate
CDM Smith Inc.

Enclosures
cc: Gary Huff
    Don Freisthler
    Amy Havenar
**City of Piqua Water Treatment Plant Bid Summary**

<table>
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<tr>
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<th>Engineers Estimate of Probable Construction Cost</th>
<th>Peterson Construction Company</th>
<th>Shook Construction Company</th>
<th>Danis Industrial Construction Company</th>
<th>Thieneman Construction Inc.</th>
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<tr>
<td><strong>Base Bid</strong></td>
<td>$36,354,160.00</td>
<td>$35,900,000.00</td>
<td>$36,809,760.00</td>
<td>$37,620,000.00</td>
<td>$40,170,076.00</td>
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<tr>
<td><strong>Alternate Items Bic</strong></td>
<td>$409,800.00</td>
<td>$302,000.00</td>
<td>$295,000.00</td>
<td>$215,900.00</td>
<td>$271,000.00</td>
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<tr>
<td><strong>Total Bid</strong></td>
<td>$36,763,960.00</td>
<td>$36,202,000.00</td>
<td>$37,104,760.00</td>
<td>$37,835,900.00</td>
<td>$40,441,076.00</td>
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*Exhibit A*
RESOLUTION NO. R-121-14

A RESOLUTION FOR PRELIMINARY CONSENT TO
AWARD A CONTRACT TO CDM SMITH FOR THE
CONSTRUCTION ADMINISTRATION OF THE NEW
WATER TREATMENT PLANT

WHEREAS, on January 7, 2014, this Commission passed Resolution No. R-3-14, authorizing the City Purchasing Analyst to advertise for bids, according to law, for the construction of a New Water Treatment Plant; and

WHEREAS, after engineering, designing, and bidding of the new Water Treatment Plant, CDM Smith will oversee the construction phase of the project; and

WHEREAS, CDM Smith will ensure that the construction will follow the engineered plans as designed; and

WHEREAS, the City is in the process of making application for a loan from Ohio Water Development Authority (OWDA) for said project; and

WHEREAS, OWDA requires the City of Piqua to approve a Resolution of intent to award contract for said project.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: Preliminary consent to award a contract to CDM Smith is hereby awarded for the construction administration of a new Water Treatment Plant in the amount not to exceed $4,306,420.00.

SEC. 2: Whereas this legislation is consent only legislation as required by OWDA before approving such a loan for the Project.

SEC. 3: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

LUCINDA L. FESS, MAYOR

PASSED: 

ATTEST: 

REBECCA J. COOL 
CLERK OF COMMISSION
# Commission Agenda
## Staff Report

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<th>MEETING DATE</th>
<th>November 18, 2014</th>
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<tbody>
<tr>
<td>REPORT TITLE</td>
<td>A Resolution for preliminary consent to award a contract to CDM Smith for the construction administration of the new Water Treatment Plant.</td>
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</table>
| SUBMITTED BY | Name & Title: Don Freisthler, Water Plant Superintendent  
 Department: Water |
| AGENDA CLASSIFICATION | ☐ Consent  
 ☐ Ordinance  
 ☒ Resolution  
 ☐ Regular |
| APPROVALS/REVIEWS | ☒ City Manager  
 ☒ Asst. City Manager/Finance  
 ☐ Asst. City Manager/Development  
 ☐ Law Director  
 ☐ Department Director  
 ☐ Other: |
| BACKGROUND | On November 12, 2012, CDM Smith was contracted by the City of Piqua to engineer and design a new Water Treatment Plant. In September of 2014, the plans for the new plant were finalized and approved by the Ohio EPA. On October 30, 2014 bids were opened for the construction of the new plant. An intent to award contract to Peterson Construction Company for that construction is before the Commission in conjunction with this Resolution. This Resolution will allow CDM Smith to oversee all aspects of the construction of the plant and ensure that it follows the plans as designed. The contract for the construction administration with CDM Smith is $4,101,352.00. However, we are including a 5% contingency which brings the total to $4,306,420.00. Once the loan is approved, a new resolution will be brought before the City Commission to approve the awarding of a contract to CDM Smith. |
| BUDGETING AND FINANCIAL IMPACT | Budgeted $:  
 (2015 Expenditure)  
 Expenditure $: $4,306,420.00 (5% contingency included)  
 Source of Funds: OWDA loan.  
 Narrative Project will be funded through this loan. Application for the loan will take place once this Resolution has passed. |
| OPTIONS | 1. Approve the Resolution to enter into an agreement with CDM Smith for construction administration of the new plant.  
 2. Do not approve the Resolution and do not award CDM Smith the contract to administer the construction of the new Water Treatment Plant. |

The project will begin as soon as possible and be completed in approximately...
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<th>PROJECT TIMELINE</th>
<th>30 months.</th>
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<td>Approval of the Resolution of intent to award a contract to CDM Smith for the construction administration of the new Water Treatment Plant.</td>
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<tr>
<td>ATTACHMENTS</td>
<td>CDM Smith Amendment No. 2.</td>
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AMENDMENT NO: 2
TO AGREEMENT
BETWEEN
OWNER AND ENGINEER

This Amendment No: 2 is made and entered into this day of __________, 20__ to the Agreement between
CDM Smith Inc. (CDM Smith) ("ENGINEER") and the City of Piqua, Ohio ("OWNER") dated November 20, 2012,
("the Agreement").

WHEREAS, ENGINEER and OWNER entered into the Agreement dated November 20, 2012 for the Water
Treatment Plant, and

WHEREAS, the parties desire to amend the Agreement so as to amend the scope of work, time periods of
performance and payment, and/or responsibilities of OWNER; and

WHEREAS, the Agreement provides that any amendments shall be valid only when expressed in writing and
signed by the parties.

WHEREAS, all amended terms in this Agreement have been approved and authorized by the Piqua City
Commission in a public meeting held __________, 20__, where Resolution R-____ was adopted.

NOW THEREFORE, in consideration of the mutual understandings and Agreements contained herein, the
parties agree to amend the Agreement as follows:

1. The Basic Services of ENGINEER as described in the Agreement are amended and supplemented as follows:

1.4 Construction Phase
   During the Construction Phase:

1.4.1 General Administration of Construction Contract.
ENGINEER shall consult with and advise OWNER and act as OWNER's
representative as provided in the Standard General Conditions. The extent and
limitations of the duties, responsibilities and authority of ENGINEER as assigned
in said Standard General Conditions shall not be modified, except to the extent
provided herein. All of OWNER's instructions to Contractor will be issued
through ENGINEER who shall have authority to act on behalf of OWNER in
deals with Contractor to the extent provided in this Agreement and said
Standard General Conditions except as otherwise provided in writing.

1.4.2 Visits to Site and Observation of Construction.
In connection with observations of the work of Contractor while in progress:

1.4.2.1 ENGINEER shall make visits to the site at intervals appropriate to the various
stages of construction as ENGINEER deems necessary in order to observe as an
experienced and qualified design professional the progress and quality of the
various aspects of Contractor's work. In addition, ENGINEER shall provide the
services of a Resident Project Representative at the site to assist ENGINEER and
to provide more continuous observations of such work. The furnishing of such
Resident Project Representative services will not extend ENGINEER's
responsibilities or authority beyond the specific limits set forth elsewhere in this
paragraph 1.4. Such visits and observations by ENGINEER and the Resident

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Project Representative are not intended to be exhaustive or to extend to every aspect of the work in progress, or to involve detailed inspections of the work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling and similar methods of general observation of the work based on ENGINEER's exercise of professional judgment as assisted by the Resident Project Representative. Based on information obtained during such visits and such observations, ENGINEER shall endeavor to determine in general if such work is proceeding in accordance with the Contract Documents and ENGINEER shall keep OWNER informed of the progress of the work. The responsibilities of ENGINEER contained in this paragraph are expressly subject to the limitations set forth in paragraph 1.4.2.2 and other express or general limitations in this Agreement and elsewhere.

1.4.2.2 The purpose of ENGINEER's visits to and representation by the Resident Project Representative at the site will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by the exercise of ENGINEER's efforts as an experienced and qualified design professional, to provide for OWNER a greater degree of confidence that the completed work of Contractor will conform in general to the Contract Documents and that the integrity of the design concept of the completed Project as functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. On the other hand, ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct or have control over Contractor's work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor, for safety precautions and programs incident to the work of Contractor or for any failure of Contractor to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor's furnishing and performing the work. Accordingly, ENGINEER neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

1.4.2.3 Duties, Responsibilities and Authority of the Resident Project Representative are set forth in Exhibit B.

1.4.3 Defective Work.
During site visits and on the basis of such observations, ENGINEER shall have authority to disapprove of or reject Contractor's work while it is in progress if ENGINEER believes that such work will not produce a completed Project that conforms generally to the Contract Documents or that it will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.

1.4.4 Clarifications and Interpretations; Field Orders.
ENGINEER shall issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of the work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. ENGINEER may issue Field Orders authorizing minor variations from the requirements of the Contract Documents.
1.4.5 Change Orders and Work Change Directives.
ENGINEER shall recommend Change Orders and Work Change Directives to OWNER as appropriate, and shall prepare Change Orders and Work Change Directives as required.

1.4.6 Shop Drawings.
ENGINEER shall review and approve (or take other appropriate action in respect of) Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto.

1.4.7 Substitutes.
ENGINEER shall evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor. However, services in making revisions to Drawings and Specifications occasioned by the acceptance of substitute materials or equipment other than "or-equal" items; and services after the award of the construction contract in evaluating and determining the acceptability of a substitute which is appropriate for the Project or an excessive number of substitutes will only be performed pursuant to an amendment to this Agreement for additional compensation.

1.4.8 Inspections and Tests.
ENGINEER may require special inspections or tests of the work, and shall receive and review all certificates of inspections, tests and approvals required by laws, rules, regulations, ordinances, codes, orders or the Contract Documents. ENGINEER's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests.

1.4.9 Disagreements between OWNER and Contractor.
ENGINEER shall render the initial decisions on all claims of OWNER and Contractor relating to the acceptability of the work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work. In rendering such decisions, ENGINEER shall be fair and not show partiality to OWNER or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

1.4.10 Applications for Payment.
Based on ENGINEER's on-site observations as an experienced and qualified design professional and on review of Applications for Payment and the accompanying data and schedules:

1.4.10.1 ENGINEER shall determine the amounts that ENGINEER recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENGINEER's representation to OWNER, based on such observations and review, that, to the best of ENGINEER's knowledge, information and belief, the work has progressed to the point indicated, the
quality of such work is generally in accordance with the Contract Documents (subject to an evaluation of such work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe the work. In the case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of such work (subject to any subsequent adjustments allowed by the Contract Documents). The responsibilities of ENGINEER contained in paragraph 1.4.10.1 are expressly subject to the limitations set forth in paragraph 1.4.10.2 and other express or general limitations in this Agreement and elsewhere.

1.4.10.2 By recommending any payment ENGINEER shall not thereby be deemed to have represented that on-site observations made by ENGINEER to check the quality or quantity of Contractor's work as it is performed and furnished have been exhaustive, extended to every aspect of the work in progress, or involved detailed inspections of the work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. Neither ENGINEER's review of Contractor's work for the purposes of recommending payments nor ENGINEER's recommendation of any payment (including final payment) will impose on ENGINEER responsibility to supervise, direct or control such work or for the means, methods, techniques, sequences or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with laws, rules, regulations, ordinances, codes or orders applicable to Contractor's furnishing and performing the work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any of the work, materials or equipment has passed to OWNER free and clear of any liens, claims, security interests or encumbrances, or that there may not be other matters at issue between OWNER and Contractor that might affect the amount that should be paid.

1.4.11 Contractor's Completion Documents.
ENGINEER shall receive, review and transmit to OWNER with written comments maintenance and operating instructions, schedules, guarantees, Bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, and marked-up record documents (including Shop Drawings, Samples and other data approved as provided under paragraph 1.4.6 and marked-up record Drawings) which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment. ENGINEER's review of such documents will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with, the Contract Documents.

1.4.12 Substantial Completion.
Following notice from Contractor that Contractor considers the entire work ready for its intended use, ENGINEER and OWNER, accompanied by Contractor, shall conduct an

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inspection to determine if the work is substantially complete. If after considering any objections of OWNER, ENGINEER considers the work substantially complete, ENGINEER shall deliver a certificate of Substantial Completion to OWNER and Contractor.

1.4.13 Final Notice of Acceptability of the Work.
ENGINEER shall conduct a final inspection to determine if the completed work of Contractor is acceptable so that ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENGINEER shall indicate that the work is acceptable (subject to the provisions of paragraph 1.4.10.2) to the best of ENGINEER's knowledge, information and belief and based on the extent of the services performed and furnished by ENGINEER under this Agreement.

1.4.14 Limitation of Responsibilities.
ENGINEER shall not be responsible for the acts or omissions of any Contractor, or of any subcontractor, any supplier, or of any other person or organization performing or furnishing any of the work. ENGINEER shall not be responsible for Contractor’s failure to perform or furnish the work in accordance with the Contract Documents.

1.4.15 Duration of Construction Phase.
The Construction Phase will commence with the execution of the construction contract for the Project or any part thereof and will terminate upon written recommendation by ENGINEER of final payment.

The duties and responsibilities of ENGINEER during the Construction Phase as set forth in this paragraph 1.4 are amended and supplemented as follows:

1.4.16 Duration of Construction Phase Services.
ENGINEER will provide construction phase services over the duration of each of the two construction contracts that will be performed concurrently. The Water Treatment Plant (WTP) project construction time is assumed to be 912 calendar days and the Off-Site Pipelines project is assumed to be 608 calendar days.

1.4.17 Preconstruction Meeting.
ENGINEER will attend a preconstruction meeting prior to the Contractors’ starting of the construction work on the WTP and Off-Site Pipelines projects.

1.4.18 Defective Work.
ENGINEER has no authority to issue a “Stop Work Order” to the Contractor. Any work stoppage must be issued by the OWNER in writing.

1.4.19 Bi-weekly Construction Progress Meetings.
ENGINEER will attend bi-weekly construction progress meetings and 18 additional site visits for the WTP project and 12 additional site visits for the Off-Site Pipelines project at various stages of construction to ensure adequate construction progress and answer questions that arise in the field. ENGINEER will prepare minutes for all meetings with the OWNER and/or Contractor, and will track issues on an issues log through to resolution.

1.4.20 Weekly Construction Meetings.
ENGINEER’s RPR will attend weekly construction progress meetings facilitated by the Contractor with its subcontractors and management personnel.

1.4.21 Clarifications and Interpretations: Field Orders.
ENGINEER assumes that there will be 150 Requests for Information (RFI) for the WTP project and 30 RFIs for the Off-Site Pipelines project from the contractors.

1.4.22 Change Orders and Work Change Directives.
ENGINEER assumes that there will be 40 Change Orders and Work Change Directives issued for the WTP project and 15 Change Orders and Work Change Directives for the Off-Site Pipelines project. ENGINEER has no authority to direct the Contractor to proceed with work without a signed Work Change Directive or Change Order by the OWNER.

1.4.22.1 Request For Proposal
ENGINEER will issue a Request for Proposal (RFP) to the Contractor when the OWNER authorizes a change of scope in the Contractor’s work whether it is a change in scope or additional scope to the existing Contract Documents. ENGINEER assumes there will be 40 RFPs issued for the WTP project and 10 RFPs for the Off-Site Pipelines project.

1.4.23 Shop Drawing Review.
ENGINEER will provide Shop Drawing review for pertinent materials and equipment over the duration of each of the two construction contracts. ENGINEER assumes that there will be 887 shop drawings for the WTP project and 138 Shop Drawings for the Off-Site Pipelines project to be reviewed. ENGINEER will complete up to two cycles of review on each shop drawing. Any additional reviews required for additional Shop Drawing and Sample review will be compensated to the ENGINEER by the OWNER on a monthly basis as additional services.

1.4.24 Applications for Payment.
ENGINEER will review and make recommendation for payment of monthly contractor pay requests over the duration of each of the two construction contracts. This service will include discussions with the Resident Project Representative to verify completion percentages, stored materials, and quality control issues. ENGINEER's assumes a total maximum of 50 pay requests for both the WTP and Off-Site Pipelines projects including the final payment requests. In addition to reviewing monthly pay requests, ENGINEER will provide surveying services with a subcontract with The Kleingers Group for making field measurements of earthwork quantities associated with Base Bid Item 9, Borrowed Common Fill Materials. An allowance of $75,240 is included in the total amount of this Amendment No. 2.

1.4.25 Prepare “Record” Drawings.
The Contractor is responsible for maintaining a record copy of the Contract Drawings, marked up to indicate all changes made during the course of a project. Upon final completion, ENGINEER will request markup copies of the construction record drawings from the Contractor. These markups will serve as the basis for generating the Record Drawings to document the “as-built” conditions, including any changes made to the design during construction. ENGINEER will update the original AutoCAD files with the Contractors’ markups. ENGINEER will furnish one digital copy of the PDF files, one full-size paper copy, and one half-size paper copy of the Record Drawings.
1.4.26 Warranty Services.

ENGINEER will assist the OWNER through the warranty period on matters involving equipment malfunctions or deficiencies related to two general construction contracts.

ENGINEER assumes that Warranty Services will have a duration of 12 months after substantial completion of the construction contract. An allowance of $54,100 is included in the total amount of this Amendment No. 2 for Warranty Services.

1.4.26.1 The anticipated progression of work under the construction contracts will require the OWNER to take possession of various equipment, systems, and processes at different times prior to the overall substantial completion of each construction contract. The warranty period for such equipment, systems, and processes will commence upon the OWNER receiving beneficial use from equipment, systems, and processes. This staged or phased acceptance process will require that multiple warranties be in effect over different time periods. The process outlined below will be used by the ENGINEER to track and document the numerous warranties and the activities that take place under them.

1.4.26.2 The contractor is required to submit a completed O&M Data, Startup, Testing, and Warranty Matrices submittal per Section 01800 of the Contract Documents. The contractor will fill-in all related specification section numbers and required services (i.e., O&M data, training, spare parts, startup services, and manufacturer certifications) for the particular equipment and material covered by the specification.

1.4.26.3 In performing Warranty Services, ENGINEER will:

1.4.26.3.1 Receive, review, and provide written response to contractor-generated and submittal O&M Data, Startup, Testing, and Warranty Matrices submittal (hereinafter referred to as the Warranty Matrices) to verify compliance with the Contract Documents. Upon receipt of the submittal, maintain the warranty tracked Matrices document and provide monthly updates to the OWNER on the status of each service. Define a beneficial use date (or warranty start date) for all equipment and materials.

1.4.26.3.2 Receive OWNER input on equipment and material malfunctions or deficiencies, and notify the contractor of all deficiencies or failures and request timely corrective actions.

1.4.26.3.3 Assist the OWNER in preparing correspondence to the contractor as required to document, clarify, and resolve discrepancies.

1.4.26.3.4 Assist the OWNER in planning, scheduling, facilitating, and documenting meetings with the contractor to discuss warranty related issues as requested by the OWNER.

1.4.26.3.5 Monitor correction of all deficiencies and prepare and update a Warranty Service Order Log on a monthly basis and track warranty service order requests and corrective action response time.

1.4.26.3.6 Conduct a review of the Warranty Service Order Log prior to the one-year anniversary of the date of Substantial Completion and submit the updated Log to the OWNER and contractor for final resolution.
1.4.26.3.7 Assist the OWNER and contractor to resolve warranty service order discrepancies.

1.4.27 Project Management
ENGINEER will perform necessary project management and oversight during the construction phase of the project to oversee and implement ENGINEER’s quality control process, prepare monthly invoices, and perform other necessary project-related administrative tasks.

1.5 Resident Project Representation
Duties, Responsibilities and Limitations of Authority of the Resident Project Representative (RPR) are included in the attached Exhibit B. ENGINEER will provide RPR services for the WTP and Off-Site Pipelines projects staged to account for the contractors’ mobilization and demobilization and construction activity. ENGINEER’s RPR services will be provided as follows: Water Treatment Plant project assumes two RPRs; one RPR over a 30-month duration and one RPR over a 20-month duration. Off-Site Pipelines project assumes one RPR over an 18-month duration. A maximum of 12,397 labor hours are included for RPR services.

1.6 Applications Engineering

1.6.1 Coordination and Quality Control
1.6.1.1 Maintain overall quality assurance/quality control (QA/QC) for the Applications Engineering task throughout the duration of the project.
1.6.1.2 Submit progress reports describing status, work completed since the last report, anticipated work to be completed during the next reporting period, updated Applications Engineering progress schedule, list of outstanding issues that require resolution by others.
1.6.1.3 ENGINEER will attend a project kickoff meeting that shall be held within two weeks after the Process Control System Supplier (PCSS) submits the project plan that will last up to one business day.
1.6.1.4 ENGINEER will attend a submittal review coordination meeting that will take place after the ENGINEER has reviewed the Hardware, Panel Drawing, and Loop Drawing submittal packages from the PCSS. The ENGINEER will use this to coordinate with the PCSS regarding scheduling and installation activities.

1.6.2 Submittals
1.6.2.1 Control Loop Narratives Submittal
1.6.2.1.1 Provide details required from a programming perspective such as software permissives, failure scenarios, etc. Upon receipt of submittal approval, ENGINEER will use these documents, along with the programming standards previously developed as the basis for PLC programming and HMI graphic display development.
1.6.2.1.2 Process Graphic Displays and I/O Submittal
1.6.2.1.3 Develop up to 170 process graphic displays, pop-ups, and trends in accordance with the approved HMI system standards and conventions.
1.6.2.1.4 Conduct Process Graphic Display one-day workshop with OWNER personnel to aide in obtaining detailed comments regarding the graphics that have been implemented.
1.6.2.2 Plant Network Submittal
  1.6.2.2.1 Discuss requirements and topology of the network with the OWNER.
  1.6.2.2.2 Discuss requirements of Remote Access functionality with the OWNER.

1.6.2.3 Computer Maintenance Management System (CMMS) submittal
  1.6.2.3.1 Conduct a one day CMMS Workshop with the OWNER staff to discuss requirements and determine templates to be used and an asset hierarchy.

1.6.2.4 Testing Plan Submittal
  1.6.2.4.1 Detail approach for testing of the various components of the system to ensure the HMI/PLC programming accurately depicts the requirements set forth within the design documents.
  1.6.2.4.2 Define the overall tests anticipated for the various construction projects, sample test forms and procedures, and test approval.

1.6.2.5 Reports Submittal
  1.6.2.5.1 Conduct a one day Reports Workshop with the OWNER staff to discuss requirements and determine all report definitions and formats.

1.6.3 Programming, Configuration and Startup Services.
  1.6.3.1 HMI Database and Configuration
    1.6.3.1.1 Develop the HMI database and the configuration of the Operator Workstations (OWS). The HMI database defines all I/O interface points between the PLC and HMI nodes.
    1.6.3.1.2 Develop up to 170 displays, including process and associated pop-ups, to reflect the equipment and I/O provided.
    1.6.3.1.3 Develop a trending scheme that allows the users to configure and save user-defined trends.

  1.6.3.2 OIT Database and Configuration
    1.6.3.2.1 Develop OIT database and configuration for up to 5 OIT’s.
    1.6.3.2.2 Develop up to 140 displays across the multiple OIT’s including process and associated pop-ups, to reflect equipment and the I/O provided.

  1.6.3.3 Control Logic Programming
    1.6.3.3.1 Develop a field I/O list and PLC database list for coordination with other Contractors. The Field I/O list will include tag name, description, rack, slot, and point for each PLC. The PLC database list will include tag name, description, point type (AI, DI, etc.), data type (Real, Integer, Boolean, etc.), and the register address to be used for data transfer by other systems.
    1.6.3.3.2 ENGINEER will use the PLC programming standards and conventions as the basis for logic development and organization on this project. Hardware and software will be provided to ENGINEER for its use in development, testing and commissioning of the PLC logic.
    1.6.3.3.3 During construction, an Early Development System (EDS), as defined in the contract documents, will be shipped to ENGINEER’s
office by the Process Control System Supplier (PCSS) for use by ENGINEER throughout the programming phase.

1.6.3.4 Historical Database/Reports
1.6.3.4.1 Provide the programming and configuration of the historical data management system. Historical data will be available for trending and report generation. The reports development will commence based on the approved final reports submittal.

1.6.3.5 Computer Maintenance Management System
1.6.3.5.1 Provide the programming and configuration of the CMMS.
1.6.3.5.2 Develop asset hierarchy and create templates based on the approved final CMMS submittal.
1.6.3.5.3 Input assets, vendor manuals, and all other data that is to be used by the CMMS.

1.6.3.6 Testing and Startup System Support
1.6.3.6.1 ENGINEER will conduct an un-witnessed Application Demonstration Test at ENGINEER’s staging facility. By utilizing the Early Development System (EDS) provided by the PCSS, ENGINEER will perform testing of the PLC, HMI, and OIT logic programming and design. This test will verify the functionality, performance, and stability of the control system programming in accordance with the associated approved submittals.

1.6.3.6.2 ENGINEER will provide field startup services, including confirmation of network configuration and stability, field I/O, graphics, trends, alarms, reports, remote access, process control strategy startup, and CMMS startup. ENGINEER’s scope assumes that the PCSS will assist in the field testing and startup and will correct any deficiencies in the installation and equipment operation in a timely manner, as required by specifications. Once a facility is started up and is operating, ENGINEER will demonstrate to the OWNER representative that the control system application software performs as designed. The system application engineering services shall be considered substantially complete for this construction project when the system has met the design intent and any minor problems or issues have been noted on the project punch list.

1.6.4 Training

1.6.4.1 Operations Training
1.6.4.1.1 ENGINEER will provide training to operations staff as it relates to monitoring and controlling process operation for this project. ENGINEER will coordinate scheduling to meet the needs of the OWNER operations personnel.

1.6.4.2 Management Training
1.6.4.2.1 ENGINEER will provide training to management staff. Management will be given an overview of the control system configuration and operation, including remote access. ENGINEER will coordinate scheduling to meet the needs of the OWNER Management staff.
1.6.5 Documentation

1.6.5.1 System Documentation

1.6.5.1.1 ENGINEER will assemble final documentation generated from the previously defined activities for this project. The final documentation will consist of the final control loop narratives (Hard and soft copy), the final Process Graphic Displays (Hard and soft copy), the PLC control logic programs (Soft copy only), and the HMI programming applications (Soft copy only). The soft copies of the documents generated will be provided in the Adobe PDF format and in the native programming language, where appropriate.

1.7 Start-up and Training

1.7.1 Pre-Startup Assistance

Pre-startup assistance will be provided during the latter stages of construction, facilitating the transition from initial equipment installation and commissioning by the contractor to start-up and beneficial use of the facility. ENGINEER’s O&M specialist will interface with OWNER and Contractor during this phase to ensure that the Contractor-provided equipment service manuals and vendor training are satisfactory and that the testing and demonstrational stages of the new processes are complete and ready for startup.

During the construction phase, ENGINEER will assist OWNER staff by providing pre-startup O&M assistance on operational issues relative to the completion of construction of the process systems and their startup to include reviewing the Contractor’s equipment and process check-out and demonstration testing, and reviewing manufacturer/vendors’ equipment service manual submittals. The Pre-Startup Assistance subtasks are as follows:

1.7.1.1 Equipment Check-out and Testing. ENGINEER’s O&M Specialist shall review the Contractor’s equipment and process check-out and demonstrational testing activities. The review provided by this task is intended to reduce false starts and equipment problems related to coordination between contractor, equipment vendors, and OWNER staff. During the performance of this task, ENGINEER will provide on-site assistance of one person for up to 20 man-days. It is anticipated that most of this person’s time will be spent troubleshooting construction and equipment coordination issues as the contractor prepares for contractual demonstration and testing requirements and start-up.

ENGINEER’s O&M Specialist will keep written logs of the pre-startup activities. The logs will include operating and testing parameters, test observations, feed rates, and chemical consumption where applicable. The logs will be utilized during plant start-up and to be included in the O&M manual. The O&M Specialist will participate in contractor’s startup meetings, will advise the Resident Project Representative (RPR) and the OWNER of startup and operations issues and provide input to Contractor’s requests for information as required and review and comment to the Contractor’s startup and testing plans.
1.7.2 Start-up Assistance.
Start-up services are specifically intended to assist OWNER staff in the initial operations of the facility during the start-up phase. ENGINEER's O&M Specialist will provide guidance to facility staff for one month through start-up, and initial operation of the Water Treatment Plant, for up to 15 man-days of on-site assistance. Prior to start-up, ENGINEER will prepare a written start-up readiness memorandum that will be used to address start-up-related activities. The Start-up and operational assistance subtasks are as follows:

1.7.2.1 Start-Up Plan. ENGINEER will attend a Contractors start-up coordination meeting with the Contractor, and OWNER. ENGINEER will review the Contractors Start-up Plan, and develop a schedule for plant start-up and initial operations-related activities. The start-up plan provides a sequenced schedule of events that outlines orderly start-up and an initial operating schedule. A Start-up Readiness Memorandum will be prepared prior to startup to address start-up related activities and issues as they relate to the commissioning of the new Water Treatment Plant.

1.7.2.2 Start-Up Assistance. During start-up, ENGINEER will provide on-site assistance of an operations specialist who will assist operating staff through the facility start-up phase. For the purposes of this scope of work, the start-up phase is budgeted to last for the duration of one month and include 6 man-days of on-site presence.

1.7.2.3 ENGINEER’s O&M specialist will provide the following during this task:
- On-site assistance (1 person for 6 days)
- In-office assistance (1 person for 5 days)
- Assist plant staff in preparation of equipment systems for initial operation
- Monitor and recommend process optimization adjustments upon startup
- Prepare sample process equipment status log sheets
- Provide informal hands-on instruction to plant staff

1.7.3 System Operations Training.
System operations training will consist of both classroom and hands-on training sessions. Unlike manufacturer’s training which focuses on individual equipment units, this training integrates process theory, control/instrumentation strategies, process interactions, start-up and shutdown procedures, and process control strategies. ENGINEER will apply for training credit hours (TCH) accreditation through the State of Ohio EPA Division of Drinking and Ground Waters Operator Certification Unit for the training delivered by ENGINEER and equipment vendors.

The operations training program will present detailed information to OWNER staff. Lesson plans will be produced and training conducted for facility process equipment and systems
as outlined below. The system operations training will specifically address operational and
design intent issues associated with the new facilities. Each training session will include
classroom and hands-on training where appropriate. The final draft O&M manual will be
used extensively and PowerPoint slide presentations will be used for the training program.
The training will prepare facility personnel for start-up and operation of the equipment and
processes associated with the plant and pump stations. The final draft updated Piqua Water
Treatment Plant O&M manual will serve as the basis of training. Training sessions will be
confined to no more than four hours a day and scheduled between the hours of 7:00 a.m.
and 4:00 p.m., Monday through Friday. It is assumed that each training session will be
presented twice to accommodate plant operations staff’s schedules. The anticipated training
modules are listed below:

- Module 1 – Overview of the Water Treatment Plant, 4 hours
- Module 2 – Raw Water Pumping, 4 hours
- Module 3 – Chemical Systems, 4 hours
- Module 4 – Rapid Mix, Flocculation, Settling, and Recarbonation, 4 hours
- Module 5 – Sludge Disposal System, 4 hours
- Module 6 – Sand Filtration and GAC Filtration, 4 hours
- Module 7 – Clear Well and High Service Pumping, 4 hours
- Module 8 – Water Hauling Station and On-Site Wastewater System, 4 hours
- Module 9 – Electrical, HVAC and Plant Support Systems, 4 hours

1.8 Operations and Maintenance Manual

ENGINEER will prepare the Operations and Maintenance (O&M) manual that will contain plant
specific operations guidelines developed for the Water Treatment Plant. Preparation of the O&M
manual will include collection of information, authoring of text, formatting of information, and will
be presented in a consistent manner that is usable, flexible, and expandable. The O&M manual will
include visual aids such as photographs, illustrations, and graphics for simplification and
clarification of essential details. The O&M manual will be written in terms intended to maximize
reader comprehension to a target audience who possess basic reading skills. The O&M manual
sections will be delivered in a draft and final versions.

ENGINEER will research and develop the O&M manual sections using design documents, design
data, manufacturer’s literature, and site visits as the primary sources of information. The O&M
manual will follow ENGINEER’s standard format and structure. ENGINEER will research, write,
and compile various sources of data including but not limited to drawings, manufacturer’s data,
charts, tables, and other graphics as required, authoring the O&M manual for the Water Treatment
Plant.

1.8.1 Printed O&M Manual

Two copies of the first draft O&M manual will be submitted to the OWNER at
approximately 75 percent completion. Approximately 60 days following startup of the
facilities, two copies of the final updated O&M manual will be submitted for OWNER
review. Four final printed copies and one electronic Word-formatted file will be provided
approximately 90 days following beneficial use of the facilities.

1.8.2 Electronic O&M Manual

ENGINEER will convert the final manual to a searchable, indexed .pdf with links to each
key area of the plant. The final document will be delivered on a CD.
1.9 Computerized Maintenance Management System

ENGINEER will implement a Computerized Maintenance Management System (CMMS) for the Water Treatment Plant project using Allmax Antero software. The software, license, and training will be purchased by the construction contractor. The construction contractor will also purchase a laptop computer for which the software will be installed. Training will be provided by Allmax on the Antero program.

Once construction of the project is underway there will be a need to formalize the maintenance management activities associated with the more complex treatment processes associated with the facility in order to ensure that the plant equipment is maintained in a manner that supports the treatment process and preserves the capital investment made by the OWNER as well as document that maintenance has been performed, properly maintaining the new equipment in accordance with manufacturers recommendations, especially during the equipment warranty period. Assumptions are as follows:

1. The OWNER’s staff involved in maintenance and maintenance oversight will be made available to the ENGINEER as needed to assist with implementation and training on the system.
2. The software will be loaded on a laptop computer installed with a standard Microsoft Office Package that meets the requirements of the Antero program. The laptop computer will be furnished by the construction contractor as part of the construction contract.
3. The Antero program and database will be loaded on the laptop by ENGINEER.
4. Three years of support for the Antero program will be purchased under the construction contract. This is to ensure if any problems occur during or after the creation of the maintenance database that the OWNER’s staff is able receive the support that they would normally have for the new software.
5. OWNER will provide System Administration which involves maintaining the Antero software application. Once the CMMS is populated and training is received the OWNER will identify one individual responsible for maintaining the system and assigning work orders.

The implementation of the CMMS is broken into five tasks as follows:

1.9.1 Coordination Meeting.
ENGINEER will meet with the OWNER to discuss project expectations, timing and requirements. The meeting will outline the sequence of events associated with the project and will be an open discussion regarding project logistics. Logistics associated with training and availability of OWNER staff will also be discussed.

1.9.2 Design.
Proper design will define how the Antero software will be implemented to meet the specific requirements of the plant. During this task, ENGINEER will use the functional requirements and use findings discussed in 1.9.1 to construct a logical system architecture that supports the processes related to maintaining the system assets.

During this task, ENGINEER will meet with the OWNER to review the requirements and be sure that they are consistent with the plant workflows and processes.
1.9.3 Asset Database Preparation.
Before asset data can be loaded into the Antero system ENGINEER will compile
information that will be entered into the database. The data will be reviewed for quality,
and prepared for loading into the Antero system. It is anticipated that most of the
information will be compiled from vendor manuals, vendor training, and the operations and
maintenance manual.

1.9.4 Antero Configuration.
The Antero system will be set up and populated with equipment data and templates that
should reflect the workflows and processes at the plant. The following activities will be
completed during this task:

1.9.4.1 Establish and Configure Asset Hierarchy.
The asset hierarchy defines the relationship of the assets to a specific place in the
plant and all of the subcomponents to the asset (e.g. a motor to a pump). The asset
hierarchy is needed to properly report information as most information in the
system is asset-based. What this means is that if it is needed to know the total
costs of maintenance for the filtration process portion of the plant, it can be done
because the total cost of maintenance for assets within that section of the plant is
captured as long as the required information is entered into the database by
personnel when closing work orders. ENGINEER will define a general asset
hierarchy that can be used in the system.

1.9.4.2 Load Assets and Configure Forms.
ENGINEER will load the assets into the Antero system to ensure that the data is
put in its proper place in the system. Each asset will be established within the
hierarchy. Also during this task ENGINEER will also configure the forms to
reflect the data that is being loaded into the system including work orders,
preventative maintenance (PM) tasks, and job plans.

Within the Antero system each asset will have a designated preventative
maintenance schedule with the appropriate job plan and list of job tasks. During
this task ENGINEER will guide OWNER staff in establishing the PMs and the
related job plans and job tasks for each asset.

ENGINEER will guide OWNER staff in creating and entering PMs for each asset,
create job plans and job tasks, and assign the proper job plan/job tasks to each
PM.

1.9.5 Advisory/On Call Support.
During this task, the ENGINEER will provide a total of 24 hours of advisory/on call
support. The support will focus on how to use the system and will provide for follow up
time to answer questions that arise after completion of training by Allmax.

2. The responsibilities of OWNER as described in the Agreement are amended and supplemented as follows:

1.1 See original Agreement dated November 20, 2012.
1.2 OWNER has sole authority to issue a "Stop Work Order" to the Contractor. Any work stoppage must be issued by the OWNER in writing.

1.3 OWNER will provide RPR staff as-needed to supplement and work with the ENGINEER’s RPR staff.

3. The time periods for the performance of ENGINEER’s services as set forth in the Agreement are amended and supplemented as follows:

ENGINEER’s services shall be consistent with the duration of the Water Treatment Plant construction project (912 calendar days to Final Completion) and the Off-site Pipeline construction project (608 calendar days to Final Completion). ENGINEER will provide services 120 days following Final Completion of the Water Treatment Plant construction project by the CONTRACTOR which includes as-needed SCADA support for 120 days following Final Completion of the Project.

4. The payment for services rendered by ENGINEER shall be as set forth below:

The total estimated "not-to-exceed" fee for the Amended Scope of Services is $7,115,060. The table below shows the total estimated fee for each project and task, including the total amended "not-to-exceed" amount. ENGINEER’s compensation is not limited by either individual project or individual tasks except for specific allowances stated above in the Basic Services. Individual project and task amounts are shown for estimating purposes only.

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Estimated Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>1.4 -- Construction Administration</td>
<td>$ 2,717,570</td>
</tr>
<tr>
<td>1.5 -- Resident Project Representation</td>
<td>$ 1,350,000</td>
</tr>
<tr>
<td>1.6 -- Applications Engineering</td>
<td>$ 327,522</td>
</tr>
<tr>
<td>1.7 -- Start-up and Training</td>
<td>$ 100,421</td>
</tr>
<tr>
<td>1.8 -- Operations and Maintenance Manual</td>
<td>$ 102,711</td>
</tr>
<tr>
<td>1.9 -- Computerized Maintenance Management System</td>
<td>$ 22,913</td>
</tr>
<tr>
<td><strong>Total Estimated Amount for Amendment No. 2 Services</strong></td>
<td><strong>$ 4,621,137</strong></td>
</tr>
<tr>
<td>Original Agreement Amount, including Amendment No. 1</td>
<td>$ 2,493,923</td>
</tr>
<tr>
<td>Total Amendment No. 2 Not-to-Exceed Amount</td>
<td>$ 7,115,060</td>
</tr>
</tbody>
</table>
ENGINEER will invoice the services performed based on Exhibit C, ENGINEER’s Fee Schedule for Professional Services (attached).

5. Except as hereinafter modified, all terms and conditions of the November 20, 2012 Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this amendment on the date indicated above for the purpose herein expressed.

ENGINEER

______________________________
Robert C. Yoxhimer
DATE: ________________________

OWNER

______________________________
Gary A. Huff
DATE: ________________________
EXHIBIT B TO AGREEMENT
BETWEEN
OWNER AND ENGINEER

DUTIES, RESPONSIBILITIES AND LIMITATIONS OF AUTHORITY
OF THE RESIDENT PROJECT REPRESENTATIVE

This is an Exhibit attached to, made a part of and incorporated by reference with the Agreement made on ________________, 20__ between the City of Piqua, Ohio (OWNER) and CDM Smith Inc. (ENGINEER) for providing professional services.

ENGINEER shall furnish a Resident Project Representative ("RPR"), assistants and other field staff to assist ENGINEER in observing progress and quality of the work of Contractor.

Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the RPR and assistants, ENGINEER shall endeavor to provide further protection for OWNER against defects and deficiencies in the work of Contractor. However, ENGINEER shall not, as a result of such observations of Contractor's work, supervise, direct, or have control over any Constructor's work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures selected by any Constructor, for safety precautions and programs incident to the work of any Constructor, for any failure of any Constructor to comply with laws, rules, regulations, ordinances, codes or orders applicable to performing and furnishing the work, or responsibility of construction for Contractor's failure to furnish and perform the Work in accordance with the Construction Contract Documents.

The duties and responsibilities of the RPR are limited to those of ENGINEER in ENGINEER's Agreement with the OWNER and in the construction Contract Documents, and are further limited and described as follows:

A. General

RPR is ENGINEER's agent at the site, will act as directed by and under the supervision of ENGINEER, and will confer with ENGINEER regarding RPR's actions. RPR's dealings in matters pertaining to the on-site work shall in general be with ENGINEER and Contractor, keeping OWNER advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with OWNER with the knowledge of and under the direction of ENGINEER.

B. Duties and Responsibilities of RPR

1. Schedules: Review the progress schedule, schedule of Shop Drawing submittals schedule of values, and other schedules prepared by Contractor and consult with ENGINEER concerning their acceptability.

2. Conferences and Meetings: Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings (but not Contractor's safety meetings), and as appropriate prepare and circulate copies of minutes thereof.

3. Safety Compliance: Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.
4. **Liaison:**

a. Serve as ENGINEER's liaison with Contractor, working principally through Contractor's superintendent and assist in understanding the intent of the Construction Contract Documents; and assist ENGINEER in serving as OWNER's liaison with Contractor when Contractor's operations affect OWNER's on-site operations.

b. Assist in obtaining from OWNER additional details or information, when required for proper execution of the Work.

5. **Shop Drawings and Samples:**

a. Record date of receipt of Shop Drawings and Samples.

b. Receive Samples that are furnished at the site by Contractor, and notify ENGINEER of availability of Samples for examination.

c. Advise ENGINEER and Contractor of the commencement of any Work requiring a Shop Drawing or Sample if the submittal has not been approved by ENGINEER.

6. **Review of Work, Defective Work, Inspections, Tests and Start-ups:**

a. Report to ENGINEER whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract Documents, and provide recommendations as to whether such Work should be corrected, removed and replaced, or accepted as provided in the Construction Contract Documents.

b. Inform ENGINEER of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide recommendations to Engineer for addressing such Work.

c. Advise Engineer of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

d. Consult with Engineer in advance of scheduled inspections, tests, and systems start-ups.

e. Verify that tests, equipment and systems start-ups and operating and maintenance training are conducted in the presence of appropriate personnel, and that Contractor maintains adequate records thereof; and observe, record and report to ENGINEER appropriate details relative to the test procedures and start-ups.

f. Accompany visiting inspectors representing public or other agencies having jurisdiction over the work; record the results of these inspections and report to ENGINEER.

7. **Interpretation of Contract Documents:** Report to ENGINEER when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by ENGINEER.

8. **Modifications:** Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to ENGINEER. Transmit to Contractor in writing decisions as issued by ENGINEER.
9. **Records:**

   a. Maintain at the job site orderly files for correspondence, reports of job conferences, Shop Drawings and Samples, copies of Construction Contract Documents including all Work Change, Addenda, Change Orders, Field Orders, additional Drawings issued subsequent to the execution of the Construction Contract, RFI's, ENGINEER's clarifications and interpretations of the Contract Documents, progress reports, approved Shop Drawing submittals and other Project-related documents.

   b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the job site, Subcontractors present at the Site, weather conditions, data relative to questions of Work Change Directives, Change Orders or changed conditions, list of job site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to ENGINEER.

   c. Record names, addresses, e-mail addresses, websites and telephone numbers of all Contractors, Subcontractors and major suppliers of materials and equipment.

10. **Reports:**

    a. Furnish to ENGINEER periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

    b. Consult with ENGINEER in advance of scheduled major tests, inspections or start of important phases of the Work.

    c. Draft proposed Change Orders and Work Change Directives, obtaining backup material from Contractor and recommend to ENGINEER Change Orders, Work Change Directives, and Field Orders.

    d. Report immediately to ENGINEER and OWNER the occurrence of any accident.

11. **Payment Requests:** Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to ENGINEER, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and equipment delivered at the site but not incorporated in the Work.

12. **Certificates, Maintenance and Operation Manuals:** During the course of the Work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to ENGINEER for review and forwarding to OWNER prior to final payment for the Work.

13. **Completion:**

    a. Before ENGINEER issues a Certificate of Substantial Completion, submit to Contractor a list of observed items requiring completion or correction.

    b. Observe whether Contractor has had performed inspections required by laws, rules, regulations, ordinances, codes, or orders applicable to the work, including but not limited to those to be performed by public agencies having jurisdiction over the work.

    c. Conduct a final inspection in the company of ENGINEER, OWNER and Contractor and prepare a final list of items to be completed or corrected.
d. Observe whether all items on final list have been completed or corrected and make recommendations to
ENGINEER concerning acceptance and issuance of the Notice of Acceptability of the Work.

C. Limitations of Authority by RPR

Resident Project Representative:

1. Shall not authorize any deviation from the Construction Contract Documents or substitution of materials or
equipment (including "or-equal" items).

2. Shall not exceed limitations of ENGINEER's authority as set forth in the Agreement or the Contract Documents.

3. Shall not undertake any of the responsibilities of Contractor, Subcontractors, Suppliers, or any Constructor.

4. Shall not advise on, issue directions relative to or assume control over any aspect of the means, methods,
techniques, sequences or procedures of construction unless such advice or directions are specifically required by
the Contract Documents.

5. Shall not advise on, issue directions regarding or assume control over safety precautions and programs in
connection with the Work.

6. Shall not accept Shop Drawing or Sample submittals from anyone other than Contractor.

7. Shall not authorize OWNER to occupy the Project in whole or in part.

8. Shall not participate in specialized field or laboratory tests or inspections conducted by others except as
specifically authorized by ENGINEER.
EXHIBIT C  
CDM SMITH INC.  
FEE SCHEDULE FOR  
PROFESSIONAL SERVICES

1. ENGINEER shall be compensated for services performed based on the following hourly billing rates:

<table>
<thead>
<tr>
<th>LABOR CATEGORIES</th>
<th>HOURLY RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFESSIONAL SERVICES</td>
<td></td>
</tr>
<tr>
<td>Professional I</td>
<td>$110.00</td>
</tr>
<tr>
<td>Professional II</td>
<td>$130.00</td>
</tr>
<tr>
<td>Senior Professional</td>
<td>$165.00</td>
</tr>
<tr>
<td>Principal</td>
<td>$185.00</td>
</tr>
<tr>
<td>Associate/Officer</td>
<td>$250.00</td>
</tr>
<tr>
<td>PROFESSIONAL SUPPORT SERVICES</td>
<td></td>
</tr>
<tr>
<td>Technician</td>
<td>$75.00</td>
</tr>
<tr>
<td>Drafter</td>
<td>$100.00</td>
</tr>
<tr>
<td>Senior Drafter</td>
<td>$125.00</td>
</tr>
<tr>
<td>FIELD SERVICES</td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>$90.00</td>
</tr>
<tr>
<td>Senior Professional</td>
<td>$110.00</td>
</tr>
<tr>
<td>PROJECT SUPPORT SERVICES</td>
<td></td>
</tr>
<tr>
<td>Project Administration</td>
<td>$90.00</td>
</tr>
</tbody>
</table>

2. Direct Costs:

In addition to the above rates, OWNER will reimburse ENGINEER for the direct costs applicable for this project as listed below.

All expenses incurred for this project from outside vendors will be invoiced at cost plus 10 percent to cover administrative expenses. These items may include, but are not limited to: shipping charges; printing supplies; equipment; special insurance; licenses; permits; or subcontractors.

Contract employees will be invoiced at cost plus 50 percent to cover overhead costs associated with office support. Total rate for services of contract employees shall not exceed the hourly billing rate of comparable, full-time ENGINEER staff.
ENGINEER's in-house services will be invoiced at the following rates:

Transportation – at Federal Rate for personal or company-owned vehicles.

Reproduction:
$0.10/copy for standard page-sized documents
$1/copy for blueprints
$2/copy for sepias
$10/copy for Mylars
$6/sheet for CADD Vellum
$16/sheet for CADD Mylars

Laboratory - Unit prices for sample testing, handling, and storage will be established for individual assignments, if appropriate.

Equipment - A schedule of usage rates for specialty equipment will be established for field assignments, if appropriate.

3. In the event that performance of the services under this Agreement is delayed past December 31, 2015, for reasons beyond the control of ENGINEER or because the scope of such services is changed, the amounts set forth herein shall be subject to adjustment.
RESOLUTION NO. R-122-14

A RESOLUTION FOR PRELIMINARY CONSENT TO AWARD A CONTRACT TO CDM SMITH FOR THE CONSTRUCTION ADMINISTRATION OF THE OFF-SITE PIPELINE PROJECT AS PART OF THE NEW WATER TREATMENT PLANT

WHEREAS, on January 7, 2014, this Commission passed Resolution No. R-3-14, authorizing the City Purchasing Analyst to advertise for bids, according to law, for the construction of a New Water Treatment Plant; and

WHEREAS, after engineering, designing, and bidding of the Off-Site Pipeline Project as part of the new Water Treatment Plant, CDM Smith will oversee the construction phase of the project; and

WHEREAS, CDM Smith will ensure that the construction will follow the engineered plans as designed; and

WHEREAS, the City is in the process of making application for a loan from Ohio Water Development Authority (OWDA) for said project; and

WHEREAS, OWDA requires the City of Piqua to approve a Resolution of intent to award contract for said project.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that

SEC. 1: Preliminary consent to award a contract to CDM Smith is hereby awarded for the construction administration of the Off-Site Pipeline Project in the amount not to exceed $545,775.00.

SEC. 2: Whereas this legislation is consent only legislation as required by OWDA before approving such a loan for the Project.

SEC. 3: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

LUCINDA L. FESS, MAYOR

PASSED: __________________________

ATTEST: __________________________
REBECCA J. COOL
CLERK OF COMMISSION
# Commission Agenda
## Staff Report

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>November 18, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORT TITLE</td>
<td>A Resolution for preliminary consent to award a contract to CDM Smith for the construction administration of the Off-Site Pipeline Project as part of the new Water Treatment Plant.</td>
</tr>
</tbody>
</table>
| SUBMITTED BY | Name & Title: Don Freisthler, Water Plant Superintendent  
Department: Water |
| AGENDA CLASSIFICATION |  
- ☑ Consent  
- ☑ Ordinance  
- ☑ Resolution  
- ☑ Regular |
| APPROVALS/REVIEWS |  
- ☑ City Manager  
- ☐ Asst. City Manager/Finance  
- ☐ Asst. City Manager/Development  
- ☐ Law Director  
- ☐ Department Director  
- ☐ Other: |
| BACKGROUND | On November 12, 2012, CDM Smith was contracted by the City of Piqua to engineer and design the off-site pipeline project to accompany the design of the new Water Treatment Plant. In September of 2014, the plans for the new plant and pipeline project were finalized and approved by the Ohio EPA.  
On October 30, 2014 bids were opened for the construction of the off-site pipeline project. An intent to award contract to J&J Schlaegel Inc. for that construction is before the Commission in conjunction with this Resolution.  
This Resolution will allow CDM Smith to oversee all aspects of the construction of the pipeline project and ensure that it follows the plans as designed.  
The contract for the construction administration with CDM Smith is $519,785.00. However, we are including a 5% contingency which brings the total to $545,775.00  
Once the loan is approved, a new resolution will be brought before the City Commission to approve the awarding of a contract to CDM Smith. |
| BUDGETING AND FINANCIAL IMPACT |  
- Budgeted $: (2015 Expenditure)  
- Expenditure $: $545,775.00 (5% contingency included)  
- Source of Funds: OWDA loan.  
- Narrative: Project will be funded through this loan. Application for the loan will take place once this Resolution has passed. |
| OPTIONS |  
1. Approve the Resolution to enter into an agreement with CDM Smith for construction administration of the off-site pipeline project.  
2. Do not approve the Resolution and do not award CDM Smith the contract |
<table>
<thead>
<tr>
<th><strong>PROJECT TIMELINE</strong></th>
<th>The project will begin as soon as possible and be completed in approximately 20 months.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAFF RECOMMENDATION</strong></td>
<td>Approval of the Resolution of intent to award a contract to CDM Smith for the construction administration of the off-site pipeline project.</td>
</tr>
<tr>
<td><strong>ATTACHMENTS</strong></td>
<td>CDM Smith Amendment No. 2.</td>
</tr>
</tbody>
</table>
AMENDMENT NO: 2
TO AGREEMENT
BETWEEN
OWNER AND ENGINEER

This Amendment No: 2 is made and entered into this ___ day of ___________, 20___ to the Agreement between CDM Smith Inc. (CDM Smith) ("ENGINEER") and the City of Piqua, Ohio ("OWNER") dated November 20, 2012, ("the Agreement").

WHEREAS, ENGINEER and OWNER entered into the Agreement dated November 20, 2012 for the Water Treatment Plant, and

WHEREAS, the parties desire to amend the Agreement so as to amend the scope of work, time periods of performance and payment, and/or responsibilities of OWNER; and

WHEREAS, the Agreement provides that any amendments shall be valid only when expressed in writing and signed by the parties.

WHEREAS, all amended terms in this Agreement have been approved and authorized by the Piqua City Commission in a public meeting held ____________, 20___, where Resolution R-______ was adopted.

NOW THEREFORE, in consideration of the mutual understandings and Agreements contained herein, the parties agree to amend the Agreement as follows:

1. The Basic Services of ENGINEER as described in the Agreement are amended and supplemented as follows:

   1.4 Construction Phase
   During the Construction Phase:

   1.4.1 General Administration of Construction Contract.

   ENGINEER shall consult with and advise OWNER and act as OWNER’s representative as provided in the Standard General Conditions. The extent and limitations of the duties, responsibilities and authority of ENGINEER as assigned in said Standard General Conditions shall not be modified, except to the extent provided herein. All of OWNER’s instructions to Contractor will be issued through ENGINEER who shall have authority to act on behalf of OWNER in dealings with Contractor to the extent provided in this Agreement and said Standard General Conditions except as otherwise provided in writing.

   1.4.2 Visits to Site and Observation of Construction.

   In connection with observations of the work of Contractor while in progress:

   1.4.2.1 ENGINEER shall make visits to the site at intervals appropriate to the various stages of construction as ENGINEER deems necessary in order to observe as an experienced and qualified design professional the progress and quality of the various aspects of Contractor’s work. In addition, ENGINEER shall provide the services of a Resident Project Representative at the site to assist ENGINEER and to provide more continuous observations of such work. The furnishing of such Resident Project Representative services will not extend ENGINEER’s responsibilities or authority beyond the specific limits set forth elsewhere in this paragraph 1.4. Such visits and observations by ENGINEER and the Resident
Project Representative are not intended to be exhaustive or to extend to every aspect of the work in progress, or to involve detailed inspections of the work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling and similar methods of general observation of the work based on ENGINEER's exercise of professional judgment as assisted by the Resident Project Representative. Based on information obtained during such visits and such observations, ENGINEER shall endeavor to determine in general if such work is proceeding in accordance with the Contract Documents and ENGINEER shall keep OWNER informed of the progress of the work. The responsibilities of ENGINEER contained in this paragraph are expressly subject to the limitations set forth in paragraph 1.4.2.2 and other express or general limitations in this Agreement and elsewhere.

1.4.2.2 The purpose of ENGINEER's visits to and representation by the Resident Project Representative at the site will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by the exercise of ENGINEER's efforts as an experienced and qualified design professional, to provide for OWNER a greater degree of confidence that the completed work of Contractor will conform in general to the Contract Documents and that the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. On the other hand, ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct or have control over Contractor's work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor, for safety precautions and programs incident to the work of Contractor or for any failure of Contractor to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor's furnishing and performing the work. Accordingly, ENGINEER neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

1.4.2.3 Duties, Responsibilities and Authority of the Resident Project Representative are set forth in Exhibit B.

1.4.3 Defective Work.
During site visits and on the basis of such observations, ENGINEER shall have authority to disapprove or reject Contractor's work while it is in progress if ENGINEER believes that such work will not produce a completed Project that conforms generally to the Contract Documents or that it will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.

1.4.4 Clarifications and Interpretations; Field Orders.
ENGINEER shall issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of the work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. ENGINEER may issue Field Orders authorizing minor variations from the requirements of the Contract Documents.
1.4.5 **Change Orders and Work Change Directives.**
ENGINEER shall recommend Change Orders and Work Change Directives to OWNER as appropriate, and shall prepare Change Orders and Work Change Directives as required.

1.4.6 **Shop Drawings.**
ENGINEER shall review and approve (or take other appropriate action in respect of) Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto.

1.4.7 **Substitutes.**
ENGINEER shall evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor. However, services in making revisions to Drawings and Specifications occasioned by the acceptance of substitute materials or equipment other than "or-equal" items; and services after the award of the construction contract in evaluating and determining the acceptability of a substitute which is appropriate for the Project or an excessive number of substitutes will only be performed pursuant to an amendment to this Agreement for additional compensation.

1.4.8 **Inspections and Tests.**
ENGINEER may require special inspections or tests of the work, and shall receive and review all certificates of inspections, tests and approvals required by laws, rules, regulations, ordinances, codes, orders or the Contract Documents. ENGINEER's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests.

1.4.9 **Disagreements between OWNER and Contractor.**
ENGINEER shall render the initial decisions on all claims of OWNER and Contractor relating to the acceptability of the work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work. In rendering such decisions, ENGINEER shall be fair and not show partiality to OWNER or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

1.4.10 **Applications for Payment.**
Based on ENGINEER's on-site observations as an experienced and qualified design professional and on review of Applications for Payment and the accompanying data and schedules:

1.4.10.1 ENGINEER shall determine the amounts that ENGINEER recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENGINEER's representation to OWNER, based on such observations and review, that, to the best of ENGINEER's knowledge, information and belief, the work has progressed to the point indicated, the
quality of such work is generally in accordance with the Contract Documents (subject to an evaluation of such work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor’s being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER’s responsibility to observe the work. In the case of unit price work, ENGINEER’s recommendations of payment will include final determinations of quantities and classifications of such work (subject to any subsequent adjustments allowed by the Contract Documents). The responsibilities of ENGINEER contained in paragraph 1.4.10.1 are expressly subject to the limitations set forth in paragraph 1.4.10.2 and other express or general limitations in this Agreement and elsewhere.

1.4.10.2 By recommending any payment ENGINEER shall not thereby be deemed to have represented that on-site observations made by ENGINEER to check the quality or quantity of Contractor’s work as it is performed and furnished have been exhaustive, extended to every aspect of the work in progress, or involved detailed inspections of the work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. Neither ENGINEER’s review of Contractor’s work for the purposes of recommending payments nor ENGINEER’s recommendation of any payment (including final payment) will impose on ENGINEER responsibility to supervise, direct or control such work or for the means, methods, techniques, sequences or procedures of construction or safety precautions or programs incident thereto, or Contractor’s compliance with laws, rules, regulations, ordinances, codes or orders applicable to Contractor’s furnishing and performing the work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any of the work, materials or equipment has passed to OWNER free and clear of any liens, claims, security interests or encumbrances, or that there may not be other matters at issue between OWNER and Contractor that might affect the amount that should be paid.

1.4.11 Contractor’s Completion Documents.
ENGINEER shall receive, review and transmit to OWNER with written comments maintenance and operating instructions, schedules, guarantees, Bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, and marked-up record documents (including Shop Drawings, Samples and other data approved as provided under paragraph 1.4.6 and marked-up record Drawings) which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment. ENGINEER’s review of such documents will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with, the Contract Documents.

1.4.12 Substantial Completion.
Following notice from Contractor that Contractor considers the entire work ready for its intended use, ENGINEER and OWNER, accompanied by Contractor, shall conduct an
inspection to determine if the work is substantially complete. If after considering any objections of OWNER, ENGINEER considers the work substantially complete, ENGINEER shall deliver a certificate of Substantial Completion to OWNER and Contractor.

1.4.13 Final Notice of Acceptability of the Work.
ENGINEER shall conduct a final inspection to determine if the completed work of Contractor is acceptable so that ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENGINEER shall indicate that the work is acceptable (subject to the provisions of paragraph 1.4.10.2) to the best of ENGINEER's knowledge, information and belief and based on the extent of the services performed and furnished by ENGINEER under this Agreement.

1.4.14 Limitation of Responsibilities.
ENGINEER shall not be responsible for the acts or omissions of any Contractor, or of any subcontractor, any supplier, or of any other person or organization performing or furnishing any of the work. ENGINEER shall not be responsible for Contractor's failure to perform or furnish the work in accordance with the Contract Documents.

1.4.15 Duration of Construction Phase.
The Construction Phase will commence with the execution of the construction contract for the Project or any part thereof and will terminate upon written recommendation by ENGINEER of final payment.

The duties and responsibilities of ENGINEER during the Construction Phase as set forth in this paragraph 1.4 are amended and supplemented as follows:

1.4.16 Duration of Construction Phase Services.
ENGINEER will provide construction phase services over the duration of each of the two construction contracts that will be performed concurrently. The Water Treatment Plant (WTP) project construction time is assumed to be 912 calendar days and the Off-Site Pipelines project is assumed to be 608 calendar days.

1.4.17 Preconstruction Meeting.
ENGINEER will attend a preconstruction meeting prior to the Contractors' starting of the construction work on the WTP and Off-Site Pipelines projects.

1.4.18 Defective Work.
ENGINEER has no authority to issue a "Stop Work Order" to the Contractor. Any work stoppage must be issued by the OWNER in writing.

1.4.19 Bi-weekly Construction Progress Meetings.
ENGINEER will attend bi-weekly construction progress meetings and 18 additional site visits for the WTP project and 12 additional site visits for the Off-Site Pipelines project at various stages of construction to ensure adequate construction progress and answer questions that arise in the field. ENGINEER will prepare minutes for all meetings with the OWNER and/or Contractor, and will track issues on an issues log through to resolution.

1.4.20 Weekly Construction Meetings.
ENGINEER's RPR will attend weekly construction progress meetings facilitated by the Contractor with its subcontractors and management personnel.

1.4.21 Clarifications and Interpretations: Field Orders.
ENGINEER assumes that there will be 150 Requests for Information (RFI) for the WTP project and 30 RFIs for the Off-Site Pipelines project from the contractors.

1.4.22 Change Orders and Work Change Directives.
ENGINEER assumes that there will be 40 Change Orders and Work Change Directives issued for the WTP project and 15 Change Orders and Work Change Directives for the Off-Site Pipelines project. ENGINEER has no authority to direct the Contractor to proceed with work without a signed Work Change Directive or Change Order by the OWNER.

1.4.22.1 Request For Proposal
ENGINEER will issue a Request for Proposal (RFP) to the Contractor when the OWNER authorizes a change of scope in the Contractor's work whether it is a change in scope or additional scope to the existing Contract Documents. ENGINEER assumes there will be 40 RFPs issued for the WTP project and 10 RFPs for the Off-Site Pipelines project.

1.4.23 Shop Drawing Review.
ENGINEER will provide Shop Drawing review for pertinent materials and equipment over the duration of each of the two construction contracts. ENGINEER assumes that there will be 877 shop drawings for the WTP project and 138 Shop Drawings for the Off-Site Pipelines project to be reviewed. ENGINEER will complete up to two cycles of review on each shop drawing. Any additional reviews required for additional Shop Drawing and Sample review will be compensated to the ENGINEER by the OWNER on a monthly basis as additional services.

1.4.24 Applications for Payment.
ENGINEER will review and make recommendation for payment of monthly contractor pay requests over the duration of each of the two construction contracts. This service will include discussions with the Resident Project Representative to verify completion percentages, stored materials, and quality control issues. ENGINEER's assumes a total maximum of 50 pay requests for both the WTP and Off-Site Pipelines projects including the final payment requests. In addition to reviewing monthly pay requests, ENGINEER will provide surveying services with a subcontract with The Kleingers Group for making field measurements of earthwork quantities associated with Base Bid Item 9, Borrowed Common Fill Materials. An allowance of $75,240 is included in the total amount of this Amendment No. 2.

1.4.25 Prepare "Record" Drawings.
The Contractor is responsible for maintaining a record copy of the Contract Drawings, marked up to indicate all changes made during the course of a project. Upon final completion, ENGINEER will request markup copies of the construction record drawings from the Contractor. These markups will serve as the basis for generating the Record Drawings to document the "as-built" conditions, including any changes made to the design during construction. ENGINEER will update the original AutoCAD files with the Contractors' markups. ENGINEER will furnish one digital copy of the PDF files, one full-size paper copy, and one half-size paper copy of the Record Drawings.

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1.4.26 Warranty Services,

ENGINEER will assist the OWNER through the warranty period on matters involving equipment malfunctions or deficiencies related to two general construction contracts.

ENGINEER assumes that Warranty Services will have a duration of 12 months after substantial completion of the construction contract. An allowance of $54,100 is included in the total amount of this Amendment No. 2 for Warranty Services.

1.4.26.1 The anticipated progression of work under the construction contracts will require the OWNER to take possession of various equipment, systems, and processes at different times prior to the overall substantial completion of each construction contract. The warranty period for such equipment, systems, and processes will commence upon the OWNER receiving beneficial use from equipment, systems, and processes. This staged or phased acceptance process will require that multiple warranties be in effect over different time periods. The process outlined below will be used by the ENGINEER to track and document the numerous warranties and the activities that take place under them.

1.4.26.2 The contractor is required to submit a completed O&M Data, Startup, Testing, and Warranty Matrices submittal per Section 01800 of the Contract Documents. The contractor will fill-in all related specification section numbers and required services (i.e., O&M data, training, spare parts, startup services, and manufacturer certifications) for the particular equipment and material covered by the specification.

1.4.26.3 In performing Warranty Services, ENGINEER will:

1.4.26.3.1 Receive, review, and provide written response to contractor-generated and submittal O&M Data, Startup, Testing, and Warranty Matrices submittal (hereinafter referred to as the Warranty Matrices) to verify compliance with the Contract Documents. Upon receipt of the submittal, maintain the warranty tracked Matrices document and provide monthly updates to the OWNER on the status of each service. Define a beneficial use date (or warranty start date) for all equipment and materials.

1.4.26.3.2 Receive OWNER input on equipment and material malfunctions or deficiencies, and notify the contractor of all deficiencies or failures and request timely corrective actions.

1.4.26.3.3 Assist the OWNER in preparing correspondence to the contractor as required to document, clarify, and resolve discrepancies.

1.4.26.3.4 Assist the OWNER in planning, scheduling, facilitating, and documenting meetings with the contractor to discuss warranty related issues as requested by the OWNER.

1.4.26.3.5 Monitor correction of all deficiencies and prepare and update a Warranty Service Order Log on a monthly basis and track warranty service order requests and corrective action response time.

1.4.26.3.6 Conduct a review of the Warranty Service Order Log prior to the one-year anniversary of the date of Substantial Completion and submit the updated Log to the OWNER and contractor for final resolution.
1.4.26.3.7 Assist the OWNER and contractor to resolve warranty service order discrepancies.

1.4.27 Project Management.
ENGINEER will perform necessary project management and oversight during the construction phase of the project to oversee and implement ENGINEER’s quality control process, prepare monthly invoices, and perform other necessary project-related administrative tasks.

1.5 Resident Project Representation
Duties, Responsibilities and Limitations of Authority of the Resident Project Representative (RPR) are included in the attached Exhibit B. ENGINEER will provide RPR services for the WTP and Off-Site Pipelines projects staged to account for the contractors' mobilization and demobilization and construction activity. ENGINEER's RPR services will be provided as follows: Water Treatment Plant project assumes two RPRs; one RPR over a 30-month duration and one RPR over a 20-month duration. Off-Site Pipelines project assumes one RPR over an 18-month duration. A maximum of 12,397 labor hours are included for RPR services.

1.6 Applications Engineering

1.6.1 Coordination and Quality Control.
1.6.1.1 Maintain overall quality assurance/quality control (QA/QC) for the Applications Engineering task throughout the duration of the project.

1.6.1.2 Submit progress reports describing status, work completed since the last report, anticipated work to be completed during the next reporting period, updated Applications Engineering progress schedule, list of outstanding issues that require resolution by others.

1.6.1.3 ENGINEER will attend a project kickoff meeting that shall be held within two weeks after the Process Control System Supplier (PCSS) submits the project plan that will last up to one business day.

1.6.1.4 ENGINEER will attend a submittal review coordination meeting that will take place after the ENGINEER has reviewed the Hardware, Panel Drawing, and Loop Drawing submittal packages from the PCSS. The ENGINEER will use this to coordinate with the PCSS regarding scheduling and installation activities.

1.6.2 Submittals.
1.6.2.1 Control Loop Narratives Submittal
1.6.2.1.1 Provide details required from a programming perspective such as software permissives, failure scenarios, etc. Upon receipt of submittal approval, ENGINEER will use these documents, along with the programming standards previously developed as the basis for PLC programming and HMI graphic display development.

1.6.2.1.2 Process Graphic Displays and I/O Submittal

1.6.2.1.3 Develop up to 170 process graphic displays, pop-ups, and trends in accordance with the approved HMI system standards and conventions.

1.6.2.1.4 Conduct Process Graphic Display one-day workshop with OWNER personnel to aide in obtaining detailed comments regarding the graphics that have been implemented.
1.6.2.2 Plant Network Submittal
  1.6.2.2.1 Discuss requirements and topology of the network with the OWNER.
  1.6.2.2.2 Discuss requirements of Remote Access functionality with the OWNER.

1.6.2.3 Computer Maintenance Management System (CMMS) Submittal
  1.6.2.3.1 Conduct a one day CMMS Workshop with the OWNER staff to discuss requirements and determine templates to be used and an asset hierarchy.

1.6.2.4 Testing Plan Submittal
  1.6.2.4.1 Detail approach for testing of the various components of the system to ensure the HMI/PLC programming accurately depicts the requirements set forth within the design documents.
  1.6.2.4.2 Define the overall tests anticipated for the various construction projects, sample test forms and procedures, and test approval.

1.6.2.5 Reports Submittal
  1.6.2.5.1 Conduct a one day Reports Workshop with the OWNER staff to discuss requirements and determine all report definitions and formats.

1.6.3 Programming, Configuration and Startup Services
  1.6.3.1 HMI Database and Configuration
    1.6.3.1.1 Develop the HMI database and the configuration of the Operator Workstations (OWS). The HMI database defines all I/O interface points between the PLC and HMI nodes.
    1.6.3.1.2 Develop up to 170 displays, including process and associated pop-ups, to reflect the equipment and I/O provided.
    1.6.3.1.3 Develop a trending scheme that allows the users to configure and save user-defined trends.

1.6.3.2 OIT Database and Configuration
  1.6.3.2.1 Develop OIT database and configuration for up to 5 OIT's.
  1.6.3.2.2 Develop up to 140 displays across the multiple OIT's including process and associated pop-ups, to reflect equipment and the I/O provided.

1.6.3.3 Control Logic Programming
  1.6.3.3.1 Develop a field I/O list and PLC database list for coordination with other Contractors. The Field I/O list will include tag name, description, rack, slot, and point for each PLC. The PLC database list will include tag name, description, point type (AI, DI, etc.), data type (Real, Integer, Boolean, etc.), and the register address to be used for data transfer by other systems.

  1.6.3.3.2 ENGINEER will use the PLC programming standards and conventions as the basis for logic development and organization on this project. Hardware and software will be provided to ENGINEER for its use in development, testing and commissioning of the PLC logic.

  1.6.3.3.3 During construction, an Early Development System (EDS), as defined in the contract documents, will be shipped to ENGINEER's
office by the Process Control System Supplier (PCSS) for use by ENGINEER throughout the programming phase.

1.6.3.4 Historical Database/Reports
1.6.3.4.1 Provide the programming and configuration of the historical data management system. Historical data will be available for trending and report generation. The reports development will commence based on the approved final reports submittal.

1.6.3.5 Computer Maintenance Management System
1.6.3.5.1 Provide the programming and configuration of the CMMS.
1.6.3.5.2 Develop asset hierarchy and create templates based on the approved final CMMS submittal.
1.6.3.5.3 Input assets, vendor manuals, and all other data that is to be used by the CMMS.

1.6.3.6 Testing and Startup System Support
1.6.3.6.1 ENGINEER will conduct an un-witnessed Application Demonstration Test at ENGINEER’s staging facility. By utilizing the Early Development System (EDS) provided by the PCSS, ENGINEER will perform testing of the PLC, IIM, and OIT logic programming and design. This test will verify the functionality, performance, and stability of the control system programming in accordance with the associated approved submittals.

1.6.3.6.2 ENGINEER will provide field startup services, including confirmation of network configuration and stability, field I/O, graphics, trends, alarms, reports, remote access, process control strategy startup, and CMMS startup. ENGINEER’s scope assumes that the PCSS will assist in the field testing and startup and will correct any deficiencies in the installation and equipment operation in a timely manner, as required by specifications. Once a facility is started up and is operating, ENGINEER will demonstrate to the OWNER representative that the control system application software performs as designed. The system application engineering services shall be considered substantially complete for this construction project when the system has met the design intent and any minor problems or issues have been noted on the project punch list.

1.6.4 Training

1.6.4.1 Operations Training
1.6.4.1.1 ENGINEER will provide training to operations staff as it relates to monitoring and controlling process operation for this project. ENGINEER will coordinate scheduling to meet the needs of the OWNER operations personnel.

1.6.4.2 Management Training
1.6.4.2.1 ENGINEER will provide training to management staff. Management will be given an overview of the control system configuration and operation, including remote access. ENGINEER will coordinate scheduling to meet the needs of the OWNER Management staff.
1.6.5 Documentation

1.6.5.1 System Documentation

1.6.5.1.1 ENGINEER will assemble final documentation generated from the previously defined activities for this project. The final documentation will consist of the final control loop narratives (Hard and soft copy), the final Process Graphic Displays (Hard and soft copy), the PLC control logic programs (Soft copy only), and the HMI programming applications (Soft copy only). The soft copies of the documents generated will be provided in the Adobe PDF format and in the native programming language, where appropriate.

1.7 Start-up and Training

1.7.1 Pre-Startup Assistance.

Pre-startup assistance will be provided during the latter stages of construction, facilitating the transition from initial equipment installation and commissioning by the contractor to start-up and beneficial use of the facility. ENGINEER’s O&M specialist will interface with OWNER and Contractor during this phase to ensure that the Contractor-provided equipment service manuals and vendor training are satisfactory and that the testing and demonstrational stages of the new processes are complete and ready for startup.

During the construction phase, ENGINEER will assist OWNER staff by providing pre-startup O&M assistance on operational issues relative to the completion of construction of the process systems and their startup to include reviewing the Contractor’s equipment and process check-out and demonstration testing, and reviewing manufacturer/vendors’ equipment service manual submittals. The Pre-Startup Assistance subtasks are as follows:

1.7.1.1 Equipment Check-out and Testing. ENGINEER’s O&M Specialist shall review the Contractor’s equipment and process check-out and demonstrational testing activities. The review provided by this task is intended to reduce false starts and equipment problems related to coordination between contractor, equipment vendors, and OWNER staff. During the performance of this task, ENGINEER will provide on-site assistance of one person for up to 20 man-days. It is anticipated that most of this person’s time will be spent troubleshooting construction and equipment coordination issues as the contractor prepares for contractual demonstration and testing requirements and start-up.

ENGINEER’s O&M Specialist will keep written logs of the pre-startup activities. The logs will include operating and testing parameters, test observations, feed rates, and chemical consumption where applicable. The logs will be utilized during plant start-up and to be included in the O&M manual. The O&M Specialist will participate in contractor’s startup meetings, will advise the Resident Project Representative (RPR) and the OWNER of startup and operations issues and provide input to Contractor’s requests for information as required and review and comment to the Contractor’s startup and testing plans.
1.7.1.2 Review Equipment Service Manuals. ENGINEER will have primary responsibility for review of the Contractor’s vendor and manufacturers’ service manuals. The review will assure that proper operations, preventive maintenance, repair procedures, and applicable service information are provided for all specified equipment. The submitted manuals will be thoroughly compared to the construction contract specification section “Operations and Maintenance Data” to ensure that the submittals are sufficient in content, quantity and provided in a timely manner that enable OWNER staff training and consultation prior to start-up.

1.7.2 Start-up Assistance.
Start-up services are specifically intended to assist OWNER staff in the initial operations of the facility during the start-up phase. ENGINEER’s O&M Specialist will provide guidance to facility staff for one month through start-up, and initial operation of the Water Treatment Plant, for up to 15 man-days of on-site assistance. Prior to start-up, ENGINEER will prepare a written start-up readiness memorandum that will be used to address start-up-related activities. The Start-up and operational assistance subtasks are as follows:

1.7.2.1 Start-Up Plan. ENGINEER will attend a Contractors start-up coordination meeting with the Contractor, and OWNER. ENGINEER will review the Contractors Start-up Plan, and develop a schedule for plant start-up and initial operations-related activities. The start-up plan provides a sequenced schedule of events that outlines orderly start-up and an initial operating schedule. A Start-up Readiness Memorandum will be prepared prior to startup to address start-up-related activities and issues as they relate to the commissioning of the new Water Treatment Plant.

1.7.2.2 Start-Up Assistance. During start-up, ENGINEER will provide on-site assistance of an operations specialist who will assist operating staff through the facility start-up phase. For the purposes of this scope of work, the start-up phase is budgeted to last for the duration of one month and include 6 man-days of on-site presence.

1.7.2.3 ENGINEER’s O&M specialist will provide the following during this task:
- On-site assistance (1 person for 6 days)
- In-office assistance (1 person for 5 days)
- Assist plant staff in preparation of equipment systems for initial operation
- Monitor and recommend process optimization adjustments upon startup
- Prepare sample process equipment status log sheets
- Provide informal hands-on instruction to plant staff

1.7.3 System Operations Training.
System operations training will consist of both classroom and hands-on training sessions. Unlike manufacturer’s training which focuses on individual equipment units, this training integrates process theory, control/instrumentation strategies, process interactions, start-up and shutdown procedures, and process control strategies. ENGINEER will apply for training credit hours (TCH) accreditation through the State of Ohio EPA Division of Drinking and Ground Waters Operator Certification Unit for the training delivered by ENGINEER and equipment vendors.

The operations training program will present detailed information to OWNER staff. Lesson plans will be produced and training conducted for facility process equipment and systems
as outlined below. The system operations training will specifically address operational and
design intent issues associated with the new facilities. Each training session will include
classroom and hands-on training where appropriate. The final draft O&M manual will be
used extensively and PowerPoint slide presentations will be used for the training program.
The training will prepare facility personnel for start-up and operation of the equipment and
processes associated with the plant and pump stations. The final draft updated Piqua Water
Treatment Plant O&M manual will serve as the basis of training. Training sessions will be
confined to no more than four hours a day and scheduled between the hours of 7:00 a.m.
and 4:00 p.m., Monday through Friday. It is assumed that each training session will be
presented twice to accommodate plant operations staff’s schedules. The anticipated training
modules are listed below:

- Module 1 – Overview of the Water Treatment Plant, 4 hours
- Module 2 – Raw Water Pumping, 4 hours
- Module 3 – Chemical Systems, 4 hours
- Module 4 – Rapid Mix, Flocculation, Settling, and Recarbonation, 4 hours
- Module 5 – Sludge Disposal System, 4 hours
- Module 6 – Sand Filtration and GAC Filtration, 4 hours
- Module 7 – Clear Well and High Service Pumping, 4 hours
- Module 8 – Water Hauling Station and On-Site Wastewater System, 4 hours
- Module 9 – Electrical, HVAC and Plant Support Systems, 4 hours

1.8 Operations and Maintenance Manual
ENGINER will prepare the Operations and Maintenance (O&M) manual that will contain plant
specific operations guidelines developed for the Water Treatment Plant. Preparation of the O&M
manual will include collection of information, authoring of text, formatting of information, and will
be presented in a consistent manner that is usable, flexible, and expandable. The O&M manual will
include visual aids such as photographs, illustrations, and graphics for simplification and
clarification of essential details. The O&M manual will be written in terms intended to maximize
reader comprehension to a target audience who possess basic reading skills. The O&M manual
sections will be delivered in a draft and final versions.

ENGINER will research and develop the O&M manual sections using design documents, design
data, manufacturer’s literature, and site visits as the primary sources of information. The O&M
manual will follow ENGINER’s standard format and structure. ENGINER will research, write,
and compile various sources of data including but not limited to drawings, manufacturer’s data,
charts, tables, and other graphics as required, authoring the O&M manual for the Water Treatment
Plant.

1.8.1 Printed O&M Manual.
Two copies of the first draft O&M manual will be submitted to the OWNER at
approximately 75 percent completion. Approximately 60 days following startup of the
facilities, two copies of the final updated O&M manual will be submitted for OWNER
review. Four final printed copies and one electronic Word-formatted file will be provided
approximately 90 days following beneficial use of the facilities.

1.8.2 Electronic O&M Manual.
ENGINER will convert the final manual to a searchable, indexed .pdf with links to each
key area of the plant. The final document will be delivered on a CD.
1.9 Computerized Maintenance Management System

ENGINEER will implement a Computerized Maintenance Management System (CMMS) for the Water Treatment Plant project using Allmax Antero software. The software, license, and training will be purchased by the construction contractor. The construction contractor will also purchase a laptop computer for which the software will be installed. Training will be provided by Allmax on the Antero program.

Once construction of the project is underway there will be a need to formalize the maintenance management activities associated with the more complex treatment processes associated with the facility in order to ensure that the plant equipment is maintained in a manner that supports the treatment process and preserves the capital investment made by the OWNER as well as document that maintenance has been performed, properly maintaining the new equipment in accordance with manufacturers recommendations, especially during the equipment warranty period. Assumptions are as follows:

1. The OWNER’s staff involved in maintenance and maintenance oversight will be made available to the ENGINEER as needed to assist with implementation and training on the system.
2. The software will be loaded on a laptop computer installed with a standard Microsoft Office Package that meets the requirements of the Antero program. The laptop computer will be furnished by the construction contractor as part of the construction contract.
3. The Antero program and database will be loaded on the laptop by ENGINEER
4. Three years of support for the Antero program will be purchased under the construction contract. This is to ensure if any problems occur during or after the creation of the maintenance database that the OWNER’s staff is able receive the support that they would normally have for the new software.
5. OWNER will provide System Administration which involves maintaining the Antero software application. Once the CMMS is populated and training is received the OWNER will identify one individual responsible for maintaining the system and assigning work orders.

The implementation of the CMMS is broken into five tasks as follows:

1.9.1 Coordination Meeting.
ENGINEER will meet with the OWNER to discuss project expectations, timing and requirements. The meeting will outline the sequence of events associated with the project and will be an open discussion regarding project logistics. Logistics associated with training and availability of OWNER staff will also be discussed.

1.9.2 Design.
Proper design will define how the Antero software will be implemented to meet the specific requirements of the plant. During this task, ENGINEER will use the functional requirements and use findings discussed in 1.9.1 to construct a logical system architecture that supports the processes related to maintaining the system assets.

During this task, ENGINEER will meet with the OWNER to review the requirements and be sure that they are consistent with the plant workflows and processes.
1.9.3 Asset Database Preparation.
Before asset data can be loaded into the Antero system ENGINEER will compile information that will be entered into the database. The data will be reviewed for quality, and prepared for loading into the Antero system. It is anticipated that most of the information will be compiled from vendor manuals, vendor training, and the operations and maintenance manual.

1.9.4 Antero Configuration.
The Antero system will be set up and populated with equipment data and templates that should reflect the workflows and processes at the plant. The following activities will be completed during this task:

1.9.4.1 Establish and Configure Asset Hierarchy.
The asset hierarchy defines the relationship of the assets to a specific place in the plant and all of the subcomponents to the asset (e.g. a motor to a pump). The asset hierarchy is needed to properly report information as most information in the system is asset-based. What this means is that if it is needed to know the total costs of maintenance for the filtration process portion of the plant, it can be done because the total cost of maintenance for assets within that section of the plant is captured as long as the required information is entered into the database by personnel when closing work orders. ENGINEER will define a general asset hierarchy that can be used in the system.

1.9.4.2 Load Assets and Configure Forms.
ENGINEER will load the assets into the Antero system to ensure that the data is put in its proper place in the system. Each asset will be established within the hierarchy. Also during this task ENGINEER will also configure the forms to reflect the data that is being loaded into the system including work orders, preventative maintenance (PM) tasks, and job plans.

Within the Antero system each asset will have a designated preventative maintenance schedule with the appropriate job plan and list of job tasks. During this task ENGINEER will guide OWNER staff in establishing the PMs and the related job plans and job tasks for each asset.

ENGINEER will guide OWNER staff in creating and entering PMs for each asset, create job plans and job tasks, and assign the proper job plan/job tasks to each PM.

1.9.5 Advisory/On Call Support.
During this task, the ENGINEER will provide a total of 24 hours of advisory/on call support. The support will focus on how to use the system and will provide for follow up time to answer questions that arise after completion of training by Allmax.

2. The responsibilities of OWNER as described in the Agreement are amended and supplemented as follows:

1.1 See original Agreement dated November 20, 2012.
1.2 OWNER has sole authority to issue a "Stop Work Order" to the Contractor. Any work stoppage must be issued by the OWNER in writing.

1.3 OWNER will provide RPR staff as-needed to supplement and work with the ENGINEER's RPR staff.

3. The time periods for the performance of ENGINEER's services as set forth in the Agreement are amended and supplemented as follows:

ENGINEER's services shall be consistent with the duration of the Water Treatment Plant construction project (912 calendar days to Final Completion) and the Off-site Pipeline construction project (608 calendar days to Final Completion). ENGINEER will provide services 120 days following Final Completion of the Water Treatment Plant construction project by the CONTRACTOR, which includes as-needed SCADA support for 120 days following Final Completion of the Project.

4. The payment for services rendered by ENGINEER shall be as set forth below:

The total estimated "not-to-exceed" fee for the Amended Scope of Services is $7,115,060. The table below shows the total estimated fee for each project and task, including the total amended "not-to-exceed" amount. ENGINEER's compensation is not limited by either individual project or individual tasks except for specific allowances stated above in the Basic Services. Individual project and task amounts are shown for estimating purposes only.

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Estimated Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>1.4 -- Construction Administration</td>
<td>$2,717,570</td>
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<tr>
<td>1.5 -- Resident Project Representation</td>
<td>$1,350,000</td>
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<td>1.6 -- Applications Engineering</td>
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<td>1.7 -- Start-up and Training</td>
<td>$100,421</td>
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<tr>
<td>1.8 -- Operations and Maintenance Manual</td>
<td>$102,711</td>
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<td>1.9 -- Computerized Maintenance Management</td>
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<td>Total Estimated Amount for Amendment No. 2</td>
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<tr>
<td>Original Agreement Amount, including</td>
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<tr>
<td>Amendment No. 1</td>
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</tr>
<tr>
<td>Total Amendment No. 2 Not-to-Exceed Amount</td>
<td>$7,115,060</td>
</tr>
</tbody>
</table>
ENGINEER will invoice the services performed based on Exhibit C, ENGINEER’s Fee Schedule for Professional Services (attached).

5. Except as herein modified, all terms and conditions of the November 20, 2012 Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this amendment on the date indicated above for the purpose herein expressed.

ENGINEER

________________________________________

Robert C. Yoxthimer
DATE:_______________________________

OWNER

________________________________________

Gary A. Huff
DATE:_______________________________
EXHIBIT B TO AGREEMENT
BETWEEN
OWNER AND ENGINEER

DUTIES, RESPONSIBILITIES AND LIMITATIONS OF AUTHORITY
OF THE RESIDENT PROJECT REPRESENTATIVE

This is an Exhibit attached to, made a part of and incorporated by reference with the Agreement made on
______________, 20__, between the City of Piqua, Ohio (OWNER) and CDM Smith Inc. (ENGINEER) for
providing professional services.

ENGINEER shall furnish a Resident Project Representative ("RPR"), assistants and other field staff to assist ENGINEER
in observing progress and quality of the work of Contractor.

Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the
RPR and assistants, ENGINEER shall endeavor to provide further protection for OWNER against defects and
deficiencies in the work of Contractor. However, ENGINEER shall not, as a result of such observations of Contractor's
work, supervise, direct, or have control over any Constructor's work nor shall ENGINEER have authority over or
responsibility for the means, methods, techniques, sequences or procedures selected by any Constructor, for safety
precautions and programs incident to the work of any Constructor, for any failure of any Constructor to comply with
laws, rules, regulations, ordinances, codes or orders applicable to performing and furnishing the work, or responsibility
of construction for Contractor's failure to furnish and perform the Work in accordance with the Construction Contract
Documents.

The duties and responsibilities of the RPR are limited to those of ENGINEER in ENGINEER's Agreement with the
OWNER and in the construction Contract Documents, and are further limited and described as follows:

A. General

RPR is ENGINEER's agent at the site, will act as directed by and under the supervision of ENGINEER, and will confer
with ENGINEER regarding RPR's actions. RPR's dealings in matters pertaining to the on-site work shall in general be
with ENGINEER and Contractor, keeping OWNER advised as necessary. RPR's dealings with subcontractors shall only
be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with OWNER with
the knowledge of and under the direction of ENGINEER.

B. Duties and Responsibilities of RPR

1. Schedules: Review the progress schedule, schedule of Shop Drawing submittals schedule of values, and other
schedules prepared by Contractor and consult with ENGINEER concerning their acceptability.

2. Conferences and Meetings: Attend meetings with Contractor, such as preconstruction conferences, progress
meetings, job conferences and other project-related meetings (but not Contractor's safety meetings), and as
appropriate prepare and circulate copies of minutes thereof.

3. Safety Compliance: Comply with Site safety programs, as they apply to RPR, and if required to do so by such
safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.
4. **Liaison:**
   
a. Serve as ENGINEER's liaison with Contractor, working principally through Contractor's superintendent and assist in understanding the intent of the Construction Contract Documents; and assist ENGINEER in serving as OWNER's liaison with Contractor when Contractor's operations affect OWNER's on-site operations.

   b. Assist in obtaining from OWNER additional details or information, when required for proper execution of the Work.

5. **Shop Drawings and Samples:**
   
a. Record date of receipt of Shop Drawings and Samples.

   b. Receive Samples that are furnished at the site by Contractor, and notify ENGINEER of availability of Samples for examination.

   c. Advise ENGINEER and Contractor of the commencement of any Work requiring a Shop Drawing or Sample if the submittal has not been approved by ENGINEER.

6. **Review of Work, Defective Work, Inspections, Tests and Start-ups:**
   
a. Report to ENGINEER whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract Documents, and provide recommendations as to whether such Work should be corrected, removed and replaced, or accepted as provided in the Construction Contract Documents.

   b. Inform ENGINEER of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide recommendations to Engineer for addressing such Work.

   c. Advise Engineer of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

   d. Consult with Engineer in advance of scheduled inspections, tests, and systems start-ups.

   e. Verify that tests, equipment and systems start-ups and operating and maintenance training are conducted in the presence of appropriate personnel, and that Contractor maintains adequate records thereof, and observe, record and report to ENGINEER appropriate details relative to the test procedures and start-ups.

   f. Accompany visiting inspectors representing public or other agencies having jurisdiction over the work, record the results of these inspections and report to ENGINEER.

7. **Interpretation of Contract Documents:** Report to ENGINEER when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by ENGINEER.

8. **Modifications:** Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to ENGINEER. Transmit to Contractor in writing decisions as issued by ENGINEER.
9. **Records:**

   a. Maintain at the job site orderly files for correspondence, reports of job conferences, Shop Drawings and Samples, copies of Construction Contract Documents including all Work Change, Addenda, Change Orders, Field Orders, additional Drawings issued subsequent to the execution of the Construction Contract, RFIs, ENGINEER’s clarifications and interpretations of the Contract Documents, progress reports, approved Shop Drawing submittals and other Project-related documents.

   b. Prepare a daily report or keep a diary or log book, recording Contractor’s hours on the job site, Subcontractors present at the Site, weather conditions, data relative to questions of Work Change Directives, Change Orders or changed conditions, list of job site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures, and send copies to ENGINEER.

   c. Record names, addresses, e-mail addresses, websites and telephone numbers of all Contractors, Subcontractors and major suppliers of materials and equipment.

10. **Reports:**

   a. Furnish to ENGINEER periodic reports as required of progress of the Work and of Contractor’s compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

   b. Consult with ENGINEER in advance of scheduled major tests, inspections or start of important phases of the Work.

   c. Draft proposed Change Orders and Work Change Directives, obtaining backup material from Contractor and recommend to ENGINEER Change Orders, Work Change Directives, and Field Orders.

   d. Report immediately to ENGINEER and OWNER the occurrence of any accident.

11. **Payment Requests:** Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to ENGINEER, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and equipment delivered at the site but not incorporated in the Work.

12. **Certificates, Maintenance and Operation Manuals:** During the course of the Work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to ENGINEER for review and forwarding to OWNER prior to final payment for the Work.

13. **Completion:**

   a. Before ENGINEER issues a Certificate of Substantial Completion, submit to Contractor a list of observed items requiring completion or correction.

   b. Observe whether Contractor has had performed inspections required by laws, rules, regulations, ordinances, codes, or orders applicable to the work, including but not limited to those to be performed by public agencies having jurisdiction over the work.

   c. Conduct a final inspection in the company of ENGINEER, OWNER and Contractor and prepare a final list of items to be completed or corrected.
d. Observe whether all items on final list have been completed or corrected and make recommendations to ENGINEER concerning acceptance and issuance of the Notice of Acceptability of the Work.

C. Limitations of Authority by RPR

Resident Project Representative:

1. Shall not authorize any deviation from the Construction Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Shall not exceed limitations of ENGINEER's authority as set forth in the Agreement or the Contract Documents.

3. Shall not undertake any of the responsibilities of Contractor, Subcontractors, Suppliers, or any Constructor.

4. Shall not advise on, issue directions relative to or assume control over any aspect of the means, methods, techniques, sequences or procedures of construction unless such advice or directions are specifically required by the Contract Documents.

5. Shall not advise on, issue directions regarding or assume control over safety precautions and programs in connection with the Work.

6. Shall not accept Shop Drawing or Sample submittals from anyone other than Contractor.

7. Shall not authorize OWNER to occupy the Project in whole or in part.

8. Shall not participate in specialized field or laboratory tests or inspections conducted by others except as specifically authorized by ENGINEER.
EXHIBIT C  
CDM SMITH INC.  
FEE SCHEDULE FOR  
PROFESSIONAL SERVICES

1. ENGINEER shall be compensated for services performed based on the following hourly billing rates:

<table>
<thead>
<tr>
<th>LABOR CATEGORIES</th>
<th>HOURLY RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFESSIONAL SERVICES</td>
<td></td>
</tr>
<tr>
<td>Professional I</td>
<td>$110.00</td>
</tr>
<tr>
<td>Professional II</td>
<td>$130.00</td>
</tr>
<tr>
<td>Senior Professional</td>
<td>$165.00</td>
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<tr>
<td>Principal</td>
<td>$185.00</td>
</tr>
<tr>
<td>Associate/Officer</td>
<td>$250.00</td>
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<tr>
<td>PROFESSIONAL SUPPORT SERVICES</td>
<td></td>
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<tr>
<td>Technician</td>
<td>$75.00</td>
</tr>
<tr>
<td>Drafter</td>
<td>$100.00</td>
</tr>
<tr>
<td>Senior Drafter</td>
<td>$125.00</td>
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<tr>
<td>FIELD SERVICES</td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>$90.00</td>
</tr>
<tr>
<td>Senior Professional</td>
<td>$110.00</td>
</tr>
<tr>
<td>PROJECT SUPPORT SERVICES</td>
<td></td>
</tr>
<tr>
<td>Project Administration</td>
<td>$90.00</td>
</tr>
</tbody>
</table>

2. Direct Costs:

In addition to the above rates, OWNER will reimburse ENGINEER for the direct costs applicable for this project as listed below.

All expenses incurred for this project from outside vendors will be invoiced at cost plus 10 percent to cover administrative expenses. These items may include, but are not limited to: shipping charges; printing supplies; equipment; special insurance; licenses; permits; or subcontractors.

Contract employees will be invoiced at cost plus 50 percent to cover overhead costs associated with office support. Total rate for services of contract employees shall not exceed the hourly billing rate of comparable, full-time ENGINEER staff.
ENGINEER's in-house services will be invoiced at the following rates:

Transportation – at Federal Rate for personal or company-owned vehicles.

Reproduction:
$0.10/copy for standard page-sized documents
$1/copy for blueprints
$2/copy for sepia
$10/copy for Mylars
$6/sheet for CADD Vellum
$16/sheet for CADD Mylars

Laboratory - Unit prices for sample testing, handling, and storage will be established for individual assignments, if appropriate.

Equipment - A schedule of usage rates for specialty equipment will be established for field assignments, if appropriate.

3. In the event that performance of the services under this Agreement is delayed past December 31, 2015, for reasons beyond the control of ENGINEER or because the scope of such services is changed, the amounts set forth herein shall be subject to adjustment.
RESOLUTION NO. R-123-14

A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, ACCEPT, AND ENTER INTO AN OHIO WATER DEVELOPMENT AUTHORITY (OWDA) FRESH WATER LOAN PROGRAM LOAN AGREEMENT ON BEHALF OF THE CITY OF PIQUA FOR CONSTRUCTION OF A NEW WATER TREATMENT PLANT; AND DESIGNATING A DEDICATED REPAYMENT SOURCE FOR THE LOAN

WHEREAS, the City of Piqua seeks to upgrade existing water facilities; and

WHEREAS, the City of Piqua intends to apply for OWDA Fresh Water Loan Program for the construction of a new Water Treatment Plant; and

WHEREAS, the OWDA Fresh Water Loan Program requires the government authority to pass legislation for application of a loan and the execution of an agreement as well as designating a dedicated repayment source.

NOW, THEREFORE BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: That the City Manager be and is hereby authorized to apply for up to $47,600,000 in an OWDA Fresh Water Program Loan, sign all documents for and enter into a Fresh Water Loan Program Loan with Ohio Water Development Authority (OWDA) for the construction of a new Water Treatment Plant facility on behalf of the City of Piqua, Ohio;

SEC. 2: That the dedicated source of repayment will be Water Service Charges;

SEC. 3: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

LUCINDA L. FESSION, MAYOR

PASSED: ___________________________

ATTEST: ________________________

REBECCA J. COOL
CLERK OF COMMISSION
## Commission Agenda
**Staff Report**

**MEETING DATE**
November 18, 2014

**REPORT TITLE**
A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, ACCEPT, AND ENTER INTO AN OHIO WATER DEVELOPMENT AUTHORITY (OWDA) FRESH WATER LOAN PROGRAM LOAN FUND AGREEMENT ON BEHALF OF THE CITY OF PIQUA FOR CONSTRUCTION OF A NEW WATER TREATMENT PLANT FACILITY; AND DESIGNATING A DEDICATED REPAYMENT SOURCE FOR THE LOAN

**SUBMITTED BY**
Name & Title: Cynthia A. Holtzapple, Assistant City Manager/Finance Director
Department: Finance

**AGENDA CLASSIFICATION**
- [ ] Consent
- [ ] Ordinance
- [x] Resolution
- [ ] Regular

**APPROVALS/REVIEWS**
- [x] City Manager
- [ ] Asst. City Manager/Finance
- [ ] Asst. City Manager/Development
- [x] Law Director
- [ ] Department Director
- [ ] Other:

**BACKGROUND**
Based on the age of the current Water Treatment Plant and its inability to maintain compliance with future Ohio EPA regulations, City Commission authorized staff to proceed with construction of a new Water Treatment Plant. Funding needed for the Water Treatment Plant Construction is estimated to be $47.6 million. Currently, the interest rate on the 30 year loan we are applying for is 3.54% and may change from now until the loan is awarded in December 2014. We may also be eligible for a lower rate on part of the borrowing.

**BUDGETING AND FINANCIAL IMPACT**
- Budgeted $: $47,600,000 (Loan funds would be available in 2015-2017)
- Expenditure $: $47,600,000 for New Water Treatment Plant. Exhibit: A
- Source of Funds: Water revenues will be used to repay the loan.

**OPTIONS**
1. Approve the Resolution R-123-14 so application for the loan can be made this year.
2. Reject the Resolution R-123-14 and reapply at a later time or consider other funding sources.

**PROJECT TIMELINE**
- November 2014 - Application for loan
- December 2014 - Loan award
- 2015 – mid 2017 Construction period

**STAFF RECOMMENDATION**
We recommend approval of the Resolution R-123-14 so that the loan application can be made as soon as possible, funding secured and then the contract awarded.
# EXHIBIT A

## NEW WATER TREATMENT PLANT PROJECT
### ESTIMATED USE OF $47.6M LOAN PROCEEDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Plant Construction with Contingency</td>
<td>$38,012,100</td>
</tr>
<tr>
<td>Construction Administration and Testing</td>
<td>$4,726,420</td>
</tr>
<tr>
<td>Pay off Design Loan to roll into 30 year Loan</td>
<td>$2,170,000</td>
</tr>
<tr>
<td>Capitalized Interest and Application</td>
<td>$2,691,480</td>
</tr>
<tr>
<td><strong>Total Amount of Loan</strong></td>
<td><strong>$47,600,000</strong></td>
</tr>
</tbody>
</table>
COOPERATIVE AGREEMENT FOR CONSTRUCTION, MAINTENANCE
AND OPERATION OF STATE WATER PROJECT OR WASTEWATER PROJECT

THIS AGREEMENT made and entered into as of the date specified on Schedule I hereto (the "Term Sheet," which is fully incorporated herein and made a part hereof) as the "Agreement Date," by and between the OHIO WATER DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the provisions of Chapter 6121 of the Revised Code of Ohio (hereinafter referred to as the "OWDA") and the governmental body specified as the "LGA" on the Term Sheet (hereinafter referred to as the "LGA"), a governmental body organized and existing under the laws of the State of Ohio and acting pursuant to an ordinance or a resolution passed by the legislative authority thereof on the date specified on the Term Sheet as the Resolution Date;

WITNESSETH:

WHEREAS, the OWDA has been created, among other reasons, to carry forward the declared public policy of the State of Ohio to preserve, protect, upgrade, conserve, develop, utilize and manage the water resources of the state, to prevent or abate the pollution of water resources, to promote the beneficial use of waters of the state for the protection and preservation of the comfort, health, safety, convenience, and welfare, and the improvement of the economic and general welfare and employment opportunities of and the creation of jobs for the people of the state, and to assist and cooperate with other governmental agencies in achieving such purposes through the establishment, operation and maintenance of water development projects pursuant to Chapter 5121 of the Revised Code; and

WHEREAS, the water system or wastewater system (hereinafter more fully defined and referred to as the "System") of the LGA will require the supply of services (the "Services") for the treatment and/or transmission of drinking water (in the case of a water project) or for the treatment or disposal of wastewater (in the case of a wastewater project) from the construction, operation and maintenance of new or additional facilities (which facilities are hereafter referred to as the "Project Facilities"); and

WHEREAS, the LGA is desirous of obtaining the Services for the System in cooperation with the OWDA; and

WHEREAS, the OWDA is willing to cooperate with the LGA in obtaining such Services, and the LGA has given the OWDA reasonable assurances that the LGA will make the payments hereinafter provided for and will fulfill its other obligations hereunder; and

WHEREAS, the OWDA and LGA have determined to enter into this Agreement to set forth their respective obligations with respect to the financing, construction, operation and ownership of the Project Facilities;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto do hereby agree as follows:
ARTICLE I - DEFINITIONS

Except where the context clearly indicates otherwise, the following terms as used in this Agreement shall have the meaning ascribed to them in this Article:

DEFINITIONS RELATING TO PHYSICAL FACILITIES

(a) "Approved Application" means the application of the LGA dated as of the dated specified on the Term Sheet as the "LGA Application Date," submitted to the OWDA, together with all attachments, supporting documentation, amendments and supplements thereto as approved by the OWDA on the date specified on the Term Sheet as the "OWDA Application Approval Date," together with any amendments thereto approved by the LGA and the OWDA after the date of this Agreement.

(b) "Project Facilities" means the facilities to be constructed pursuant to this Agreement as described generally in Exhibit A attached hereto and made a part thereof and more particularly described in the Approved Application together with any changes therein made pursuant to Article III hereof.

(c) "Project Site" means all land, rights-of-way, property rights, easements, franchise rights or other interests in real estate necessary for the construction and operation of the Project Facilities.

(d) "System" means the facilities of the LGA specified as the "System" on the Term Sheet.

DEFINITIONS RELATING TO COSTS

(e) "Eligible Project Costs" shall include, whether incurred before or after the date of this Agreement (but if incurred prior to the date hereof, subject to the restrictions set forth in the first proviso below), the following costs of the Project Facilities and the Project Site: the purchase price of the Project Site when acquired by purchase, or the value thereof when appropriated as found by the jury, together with the costs of the proceedings and the damages assessed in favor of any owner of the adjoining lands and interests therein, subject to the second proviso set forth below; the cost of demolishing or removing any buildings or structures on the Project Site, including the cost of acquiring any lands to which such buildings or structures may be removed, subject to the second proviso set forth below; the cost of diverting highways, interchange of highways, and access roads to private property, including the cost of easements therefor, subject to the second proviso set forth below; the costs of construction of the Project Facilities including, but not limited to, the costs of all machinery, furnishings and equipment included therein; interest on all funds disbursed by the OWDA (other than funds paid over to the OWDA by the LGA for disbursement by the OWDA) at the Contract Interest Rate from the date of disbursement by the OWDA of each portion thereof pursuant to Section 3.8 hereof to the first day of the January or the July next preceding the commencement of the Contract Period of Years based on the then existing cost allocations; engineering expenses for the Project Facilities including, but not limited to, the cost of preliminary and other surveys, the cost of preparing plans, estimates and specifications, the cost of all necessary soil and other investigations and laboratory testing, and resident engineering and inspection fees; the cost of printing and
publishing the notices and legislation required; legal expenses; administrative expenses of the OWDA in the amount of 0.35% of all Eligible Project Costs other than such administrative expenses, or $400, whichever is the greater; any obligation for the repayment of borrowed money incurred by the LGA to the OWDA under any Cooperative Agreement for State Planning Project between the LGA and OWDA with respect to the Project Facilities, and any other necessary miscellaneous expenditures; provided, however, that Eligible Project Costs shall include costs incurred prior to the date hereof only if and to the extent that, in the opinion of nationally recognized bond counsel satisfactory to the OWDA, the payment of such costs by the OWDA would not cause the interest on any debt obligations of the OWDA to cease to be excluded from gross income for purposes of federal income taxation; and provided further, however, that Eligible Project Costs shall include costs for the acquisition of real property or interests therein (other than easements) only if the OWDA shall have received from the LGA reasonably sufficient assurances as to environmental matters related to such real property. Notwithstanding anything contained herein to the contrary, Eligible Project Costs shall not include any commissions, fees and/or expenses which may be owed by the LGA to a broker or finder as a result of or in connection with the OWDA’s agreement to pay the Eligible Project Costs to the LGA as provided herein.

DEFINITIONS RELATING TO PARTICIPATION IN COSTS

(f) “Original Loan Amount” means those Eligible Project Costs that are paid with moneys disbursed out of funds of the OWDA, which costs shall in no event exceed the amount specified on the Term Sheet as the “Maximum Original Loan Amount.”

(g) “Semiannual Payment Obligation” means the amount payable semiannually by the LGA to amortize the Original Loan Amount over the Contract Period of Years with interest on the outstanding balance of the Original Loan Amount at the Contract Interest Rate. An estimate of the Semiannual Payment Obligation based on the Maximum Original Loan Amount and the Contract Interest Rate is specified on the Term Sheet beneath the Maximum Original Loan Amount.

If the Contract Period of Years commences prior to the final determination of the Original Loan Amount, the Semiannual Payment Obligation shall be based upon the best figures available at the time the computation of each semiannual payment is required to be made. When such final costs are known, the Semiannual Payment Obligation shall be recomputed and the next following semiannual payment shall be either increased or decreased by a factor sufficient to correct for any overpayment or underpayment through the date of such recomputation so that the total amount received by OWDA over the Contract Period of Years will be the same amount as would have been received had the final Original Loan Amount been used in computing the Semiannual Payment Obligation at the commencement of the Contract Period of Years. The interest during construction computed at the Contract Interest Rate shall, however, be computed based on the then existing cost allocations at the time of such computation and shall not be recomputed.

(h) “Contract Interest Rate” means the rate specified as such on the Term Sheet.
(i) "Contract Period of Years" means the period of the Contract Term specified in the Term Sheet, commencing on the date six months prior to the First Payment Date specified in the Term Sheet.

(j) "Default Rate" means a rate equal to the Contract Interest Rate plus three percentage points.

(k) "Pledged Revenues" means the revenues derived by the LGA from the ownership and operation of the System (including, without limitation, any Special Assessment Funds), net of the costs of operating and maintaining the System and paying all amounts required to be paid under any Mortgage, Indenture of Mortgage, Trust Agreement or other instrument heretofore or hereafter entered into by the LGA to secure debt obligations heretofore or hereafter issued or incurred by the LGA for the System.

(l) "Special Assessment Funds" means the proceeds from the special assessments to be hereafter levied, if any, by the LGA to pay all or a portion of the cost of the Project.

ARTICLE II - PROPERTY INTERESTS IN PROJECT SITE AND PROJECT FACILITIES AND RIGHTS OF ACCESS THERETO

Section 2.1. All real estate and interests in real estate and all personal property constituting the Project Facilities and the Project Site shall be acquired by and shall be the property of the LGA.

Section 2.2. The LGA agrees that the OWDA and its duly authorized agents shall have the right at all reasonable times to enter upon the Project Site and Project Facilities and to examine and inspect the same. The LGA further agrees that the OWDA and its duly authorized agents shall have such rights of access to the Project Site and Project Facilities as may be reasonably necessary to enable the OWDA to exercise its rights pursuant to Section 5.8 hereof.

ARTICLE III - ACQUISITION OF PROJECT SITE, CONSTRUCTION OF PROJECT FACILITIES AND PAYMENT OF COSTS THEREOF

Section 3.1. Subject to the terms and conditions of this Agreement, the LGA shall do all things necessary to construct the Project Facilities on the Project Site (which the LGA hereby represents has been acquired by the LGA) by means of the construction contract(s) specified on Exhibit B hereto. The LGA shall use its best efforts to cause the Project Facilities to be fully operational by the date specified on the Term Sheet as the "Operational Date."

In connection with the construction of the Project Facilities, the LGA agrees that:

(a) The construction contract(s) will provide that the representatives of the OWDA will have access to the work whenever it is in preparation or progress and that the contractor will provide proper facilities for such access and inspection.
(b) The construction of the Project Facilities on the Project Site will be performed in compliance with all applicable federal, state and local environmental laws and regulations in effect as of the date hereof.

(c) All laborers and mechanics employed on the Project Facilities shall be paid at the prevailing rates of wages of laborers and mechanics for the class of work called for by the Project Facilities, which wages shall be determined in accordance with the requirements of Chapter 4115, Ohio Revised Code, for determination of prevailing wage rates.

(d) Prior to the commencement of construction, the LGA will arrange and conduct a preconstruction conference to include representatives of the OWDA, the LGA and the consulting or resident engineers of the LGA and each contractor.

(e) Each construction contract and contractor's estimate form will be prepared so that materials and equipment furnished to the LGA may be readily itemized.

(f) All requests submitted by the LGA for the payment or reimbursement of incurred Eligible Project Costs shall include evidence of the costs incurred and will be prepared so that such costs may be readily itemized.

(g) Any change or changes in a construction contract that would increase the contract price by an amount in excess of one percent (1%) or any change or changes regardless of cost that substantially modify the processes contemplated to be performed by the Project Facilities will be submitted to the OWDA for prior approval.

(h) Notification of all change orders not requiring prior approval of the OWDA will be submitted to the OWDA within one (1) month of the time at which they are ordered by the resident or consulting engineer of the LGA.

(i) The construction of the Project Facilities, including the letting of contracts in connection therewith, will conform to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(j) The LGA will proceed expeditiously with, and complete, the Project Facilities in accordance with the Approved Application and any surveys, plans, profiles, cross sections and specifications or amendments thereto approved by the Director of Environmental Protection of Ohio.

(k) Notwithstanding anything contained herein to the contrary, the obligation of the OWDA to pay Eligible Project Costs pursuant to the terms and conditions of this Agreement shall expire three (3) years from the date hereof. Upon the expiration of the aforesaid period of years, the OWDA shall not be obligated to pay any additional Eligible Project Costs to the LGA hereunder. In the event that the OWDA, in its sole discretion, decides to pay additional Eligible Project Costs after the expiration of its obligation to do so hereunder, it shall so notify the LGA. No such decision by the OWDA to pay any additional Eligible Project Costs hereunder shall be deemed to constitute an extension of its obligation to pay Eligible Project Costs hereunder.
Except as otherwise provided in this Agreement, the LGA shall have the sole and exclusive charge of all details of the construction of the Project Facilities.

Section 3.2. The LGA shall keep accurate records of the Eligible Project Costs. The LGA shall permit the OWDA, acting by and through the Executive Director of the OWDA or his authorized representatives, to inspect all books, documents, papers and records relating thereto at any and all reasonable times for the purpose of audit and examination, and the LGA shall submit to the OWDA such documents and information as they may reasonably require in connection therewith.

Section 3.3. The LGA shall require that each construction contractor shall furnish a performance and payment bond in an amount at least equal to one hundred percent (100%) of the contractor's contract price as security for the faithful performance of the contractor's contract.

Section 3.4. The LGA shall require that each of its contractors and all subcontractors maintain during the life of their contracts Workers' Compensation Insurance, Public Liability, Property Damage, and Vehicle Liability Insurance, in amounts and on terms that comply with all applicable legal requirements and that are commercially reasonable. Until the Project Facilities are completed and accepted by the LGA, the LGA or (at the option of the LGA) the contractor shall maintain Builders Risk Insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project Facilities for the benefit of the OWDA, the LGA, the prime contractor, and all subcontractors, as their respective interests may appear.

Section 3.5. The LGA shall provide and maintain competent and adequate resident engineering services satisfactory to the OWDA covering the supervision and inspection of the development and construction of the Project Facilities and bearing the responsibility of ensuring that construction conforms with the approved surveys, plans, profiles, cross sections and specifications and certifying to the OWDA and the LGA at the completion of construction that construction is in accordance with the approved surveys, plans, profiles, cross sections and specifications or approved amendments thereto.

Section 3.6. Subject to the terms and conditions of this Agreement, the Eligible Project Costs shall be paid by the OWDA. In the event this Agreement is terminated by the OWDA pursuant to, and not in breach of, the provisions of this Agreement, or by subsequent agreement of the parties, or in the event this Agreement is terminated by the LGA, whether or not in breach of the Agreement, the Eligible Project Costs incurred prior to the date of the commencement of the construction of the Project Facilities or the date of such termination, whichever is earlier, shall be paid by the LGA. If such termination takes place following the date of the commencement of the construction of the Project Facilities, all Eligible Project Costs incurred following such commencement date and prior to the date of termination, with the exception of all costs attributable to the acquisition of the Project Site, shall be borne by: (1) the LGA if this Agreement is terminated at such time by the LGA; or (2) by the OWDA if this Agreement is terminated at such time by the OWDA, but in any event, all costs attributable to the acquisition of the Project Site shall be borne by the LGA. Any moneys paid by either party hereto pursuant to this Agreement which become the obligation of the other party under the
provisions of this Section shall be repaid in not more than three (3) years after termination with interest on the outstanding balances at the Contract Interest Rate.

Section 3.7. The OWDA may decline to deliver any further certificates of availability of funds pursuant to Section 3.8 hereof from and after any determination by the OWDA that any information furnished to the OWDA, in writing or otherwise, in connection with the LGA’s application for the transactions contemplated by this Agreement was false or misleading in any material respect or that such information omitted any other information needed to make the information furnished not false or misleading in any material respect.

Section 3.8. Subject to Section 3.7 hereof, the OWDA shall deliver to the LGA a certificate, certifying that moneys in the amount necessary to pay the Eligible Project Costs obligated or to be obligated up to the Maximum Original Loan Amount are available or are in the process of collection and have been encumbered by the Authority. When such Eligible Project Costs have been incurred and payment requested from the OWDA by the LGA in form and detail satisfactory to the OWDA, the OWDA shall cause to be delivered checks in payment of the invoices, demands for payment, approved contractors’ estimates or other evidence of cost incurrence to the persons or entities entitled to payment in conformity with the encumbrance of funds set forth to pay such obligated Eligible Project Costs. The "LGA" represents and agrees that it will not seek or obtain alternative funding for the Eligible Project Costs of the Project Site and the Project Facilities without the prior written consent of the OWDA."

Section 3.9. Upon completion of the Project Facilities, the LGA shall make a full and complete accounting to the OWDA of the final Eligible Project Costs.

ARTICLE IV - PAYMENTS BY LGA

Section 4.1. Subject to the further provisions hereinafter set forth, the LGA agrees to and shall pay semiannually on January 1 and July 1 of each year of the Contract Period of Years, commencing on the First Payment Date (each such date a “Due Date”), to the OWDA, but solely from the Pledged Revenues, the Semiannual Payment Obligation. In the event that the LGA pays less than the full amount due hereunder on any Due Date, then the amount so paid shall be applied first to interest payable hereunder, then to any late charges payable hereunder, and then to the Original Loan Amount payable hereunder. The LGA acknowledges and agrees that the OWDA afforded the LGA the opportunity to choose between a schedule of payments based on equal principal payments and one based on equal debt service payments and that the estimated Semiannual Payment Obligation shown on the Term Sheet reflect the choice of the LGA.

The obligation of the LGA to pay the charges set forth shall not be assignable, and the LGA shall not be discharged therefrom, without the prior written consent of the OWDA. In the event that services supplied by the Project Facilities or any other portion of the System shall cease or be suspended for any reason, the LGA shall continue to be obligated to pay the charges pursuant to this Section 4.1, but solely from the Pledged Revenues. If the LGA does not pay any of the charges set forth in this Section 4.1 on or before the 5th day after the Due Date, the amount of such default shall bear interest at the Default Rate from the Due Date until the date of
the payment thereof. Interest at the Default Rate shall be calculated for the actual number of
days of default from the Due Date until payment on the basis of a 360 day year. If the LGA does
not pay any of the charges set forth in this Section 4.1 on or before the 30th day after the Due
Date, in addition to the interest calculated at the Default Rate, a "late charge" of one percent
(1%) on the amount of each default shall also be paid to the OWDA by the LGA from the
Pledged Revenues for failure to make the payment as provided herein. Thereafter, for each
additional thirty (30) days during which the charges remain unpaid, the LGA shall continue to
pay from the Pledged Revenues an additional late charge of one percent (1%) on the amount of
such default until such charges are paid. In no event shall the OWDA collect interest or late
charges in excess of the maximum amount permitted by law. In addition to the foregoing, in the
event of a default as aforesaid, all of the costs incurred by the OWDA in curing such default
including, but not limited to, court costs and attorney fees, shall (to the extent not previously
repaid to the OWDA and to the fullest extent permitted by law) be paid as part of the Eligible
Project Costs hereunder and be repaid by the LGA to the OWDA as part of the Original Loan
Amount. The Borrower [in other agreements, the "LGA"] represents and agrees that it will not,
seek or obtain alternative funding for the Eligible Project Costs of the Project Site and the Project
Facilities without the prior written consent of the OWDA."

Anything in this Agreement to the contrary notwithstanding, neither the general
resources of the LGA shall be required to be used, nor shall the general credit of the LGA be
pledged for the performance of any duty under this Agreement, but any payment to be made
under this Agreement shall be required to be made only from the Pledged Revenues, which are
hereby pledged to such payment; provided, however, that, if otherwise lawful, nothing herein
shall be deemed to prohibit the LGA from using, of its own volition, any of its general resources
for the fulfillment of any of the terms and conditions of this Agreement.

Section 4.2. It is agreed that, no later than June 15 and December 15 of each year.
of the Contract Period of Years, the OWDA shall invoice the LGA for the sum payable by the
LGA pursuant to Section 4.1 and that payment of each such invoice shall be made by the LGA to
the OWDA not later than the first day of the following month. No failure by the OWDA to send
any such invoice and no failure by the LGA to receive any such invoice shall relieve the LGA
from its obligation to pay the amount due hereunder on the applicable Due Date.

Section 4.3. The LGA hereby agrees that: (a) from and after the completion and
placement into operation of the Project Facilities, it will at all times prescribe and charge such
rates for the services of the System as shall result in Pledged Revenues at least adequate to
provide for the payments required by Section 4.1 hereof and shall from time to time at the
request of the Authority cause a study of the sufficiency of the LGA’s rates for that purpose to be
done by an independent expert acceptable to the OWDA; (b) the LGA will furnish to the OWDA
annually reports of the operation and income of the System and also an annual report of the
accounts and operations of the System and such other documents as the OWDA may reasonably
request in order to respond to requests for documentation from rating agencies or providers or
potential providers of credit enhancement for debt obligations of the OWDA, and the LGA will
permit the authorized agent of the OWDA to inspect all records, accounts and data of the System
at all reasonable times; and (c) that the LGA will segregate the revenues, funds and properties of
the System from all other funds and properties of the LGA. All of the obligations under this
Section are hereby established as duties specifically enjoined by law and resulting from an
office, trust or station upon the LGA within the meaning of Section 2731.01 of the Ohio Revised Code.

Section 4.4. If the LGA pays all or any portion of the Semiannual Payment Obligation from Special Assessment Funds and if any payor of the Special Assessment Funds elects to pay the special assessments in a one-time, lump-sum payment in lieu of having the special assessments certified to the appropriate county auditor for periodic collection, then the LGA may elect to apply the amount of such payment in a reduction of the Original Loan Amount by including that amount with its next payment of the Semiannual Payment Obligation pursuant to Section 4.1 hereof, accompanied by a written notice to the Authority identifying the amount so included and directing the Authority so to apply that amount. Upon the receipt of such payment and notice, the Authority shall recompute the remaining payments of the Semiannual Payment Obligation based on the reduced Original Loan Amount and shall notify the LGA in writing of the reduced amount of the remaining payments.

Section 4.5. In order to enable the OWDA to comply with the requirements of federal securities laws (including, without limitation, Rule 10b-5 and Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended), the LGA agrees to prepare and file with the OWDA or, at the direction of the OWDA, to file with the Municipal Securities Rulemaking Board ("MSRB"), any one or more nationally recognized municipal securities information repositories ("NRMSIRs") or state information depository ("SID"), any annual financial information or material events disclosures that the OWDA may determine it requires to achieve such compliance. The LGA consents to the OWDA's incorporation by reference into OWDA official statements or other OWDA filings with the MSRB, any NRMSIR, or any SID of any official statements or portions thereof, financial statements, or other documents that the LGA may have filed or may file with the MSRB, any NRMSIR, or any SID. In the event the LGA fails to prepare any financial statement or other financial information that this Section requires the LGA to prepare and file with or at the direction of the OWDA, then the OWDA shall have the right (in addition to any other rights it may have to enforce the obligations of the LGA hereunder) to inspect all records, accounts and data of the System and cause the preparation of the required financial statement or information and to employ such professionals as it may reasonably require for that purpose, and to be reimbursed from any available Pledged Revenues for the costs of its doing so. This Section shall not be construed to limit the generality of Section 4.3 hereof.

ARTICLE V - MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 5.1. The LGA agrees that during the Contract Period of Years that: (a) it will, subject to its right to contest in good faith the issue of non-compliance, operate the Project Facilities and the System, or cause them to be operated, in compliance with all applicable federal, state and local environmental laws and regulations in effect during such period, and (b) it will, subject to its right to discontinue use or operation of the Project Facilities or the System or any part thereof in accordance with this Agreement, keep the Project Facilities and the System, including all appurtenances thereto and the equipment and machinery therein, or cause them to
be kept, in good repair and good operating condition so that the completed Project Facilities and System will continue to operate with substantially the same efficiency as when first constructed.

The LGA shall have the privilege of making additions, modifications and improvements to, making deletions from and discontinuing the use or operation of all or any part of, the Project Site, the Project Facilities, and the System from time to time; provided, that the cost of any additions, modifications and improvements shall be paid by the LGA, and the same shall be the property of the LGA, and be included under the terms of this Agreement as part of the Project Site or the Project Facilities, as the case may be, and the System; and provided further that the LGA shall make no modification to, or discontinuation of the use or operation of all or any part of, the Project Site, the Project Facilities, or the System, the result of which would be a material decrease in the Pledged Revenues without first obtaining the written consent of the OWDA thereto.

Section 5.2. The LGA agrees that it will commence, or will cause to be commenced, operation of the Project Facilities immediately upon the completion of the construction thereof and the receipt of any governmental approvals required for the commencement of their operation, and shall not discontinue operation of the Project Facilities or any other part of the System without meeting all conditions to and requirements for such discontinuance imposed by law and this Agreement. The LGA agrees that it will provide adequate operation and maintenance of the Project Facilities and the System to comply with all applicable water quality standards established for the river basin served by the Project Facilities and with all applicable rules and regulations of the Director of Environmental Protection of Ohio. The LGA agrees that sufficient qualified operating personnel will be retained by the LGA to operate the Project Facilities and the System, or will be required to be obtained by any independent contractor engaged by the LGA to operate the Project Facilities and the System or any portion thereof, and that all operational tests and measurements necessary to determine compliance with the preceding sentence will be performed to insure proper and efficient operation and maintenance of the Project Facilities and each other part of the System until the end of the Contract Period of Years or the discontinuance of the operation of the Project Facilities or of such other part of the System in accordance with Section 5.1 and this Section 5.2.

The LGA will permit the OWDA and its agents to have access to the records of the LGA pertaining to the operation and maintenance of the Project Facilities and the System at any reasonable time.

Section 5.3. The LGA agrees to insure, or cause to be insured, the Project Facilities and the System in such amounts as similar properties are usually insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the State of Ohio.

Section 5.4. Any insurance policy issued pursuant to Section 5.3 hereof shall be so written or endorsed as to make losses, if any, payable to the OWDA and the LGA as their respective interests may appear. Each insurance policy provided for in Sections 5.3 and 5.6 hereof shall contain a provision to the effect that the insurance company shall not cancel the
same without first giving written notice thereof to the OWDA and the LGA at least ten (10) days in advance of such cancellation.

Section 5.5. The net proceeds of the insurance carried pursuant to the provisions of Sections 5.3 and 5.6 hereof shall be applied as follows: (i) the net proceeds of the insurance required in Section 5.3 hereof shall be applied as provided in Section 5.9 hereof, and (ii) the net proceeds of the insurance required in Section 5.6 hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 5.6. The LGA agrees that it will carry, or will cause to be carried, public liability insurance with reference to the Project Facilities with one or more reputable insurance companies duly qualified to do business in the State of Ohio, in minimum amounts of $500,000 for the death of or personal injury to one person and $1,000,000 for personal injury or death for each occurrence in connection with the Project Facilities and $500,000 for property damage for any occurrence in connection with the Project Facilities. The OWDA shall be made an additional insured under such policies.

Section 5.7. Throughout the Contract Period of Years, the LGA shall maintain Workers' Compensation Coverage or cause the same to be maintained in accordance with state law.

Section 5.8. In the event the LGA shall fail to maintain, or cause to be maintained, the full insurance coverage required by this Agreement or shall fail to keep, or cause to be kept, the Project Facilities in good repair and operating condition, or shall fail to operate, or cause to be operated, the Project Facilities in accordance with Section 5.2 hereof, the OWDA may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary or may hire the necessary operating personnel to insure compliance with Section 5.2 and provide for payment thereof; and all amounts so advanced therefor by the OWDA shall become an additional obligation of the LGA to the OWDA which amounts, together with interest thereon at the Contract Interest Rate or at the rate of eight per centum (8%) per annum, whichever is greater, from the date thereof, the LGA agrees to pay.

Section 5.9. If prior to the completion of the Contract Period of Years the Project Facilities shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty, there shall be no abatement or reduction in the amounts payable by the LGA pursuant to Section 4.1 hereof, and the LGA will (i) promptly repair, rebuild or restore the property damaged or destroyed, and (ii) apply for such purpose so much as may be necessary of any net proceeds of insurance policies resulting from claims for such losses as well as any additional moneys of the LGA necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the LGA.

Section 5.10. In the event that title to or the temporary use of the Project Site the Project Facilities, or the System, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, there shall be no abatement or reduction in the amounts payable by the LGA pursuant to Section 4.1 hereof, and any net proceeds received from any
award made in such eminent domain proceedings shall be paid to and held by the LGA in a separate condemnation award account and shall be applied by the LGA in either or both the following ways as shall be determined by the LGA:

(a) The restoration of the facilities of the System to substantially the same condition as they existed prior to the exercise of said power of eminent domain, or

(b) The acquisition of additional real estate, if necessary, and facilities, by construction or otherwise, equivalent that, when added to the remaining real estate and facilities of the System, will cause the System to be substantially the equivalent of the System as it existed prior to the exercise of said power of eminent domain, which real estate and facilities shall be deemed a part of the Project Site or the Project Facilities, as the case may be, and the System, without the payment of any amounts other than herein provided, to the same extent as if such real estate and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings shall be paid to the LGA upon delivery to the OWDA of a certificate signed by an authorized officer of the LGA that the LGA has complied with either paragraph (a) or (b), or both, of this Section. The OWDA shall cooperate fully with the LGA in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project Site, the Project Facilities, the System, or any part thereof. In no event will the LGA voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project Site, the Project Facilities, the System or any part thereof without the written consent of the OWDA.

ARTICLE VI - REPRESENTATIONS AND AGREEMENTS
OF THE LGA IN REGARD TO ENVIRONMENTAL MATTERS;
EVENTS OF DEFAULT AND REMEDIES THEREFOR;
INDEMNIFICATION

Section 6.1. The LGA hereby represents that:

(a) It is, and the LGA hereby covenants that it shall remain, in compliance with all applicable federal, state and local environmental laws and regulations applicable to the System during the Contract Period of Years, subject to its right to contest in good faith the issue of non-compliance;

(b) There is no litigation or administrative action or proceeding pending or, to the best of its knowledge, threatened against the LGA, alleging a violation of any federal, state or local environmental law or regulation applicable to the System except as set forth in the attached;

(c) No judgment or consent order has been rendered against it, nor is it a party to any agreement, which consent order, judgment or agreement imposes, will impose or has imposed any fines or monetary penalties for the violation of any federal, state or local environmental law or regulation applicable to the System that have not been paid in full except as set forth in the attached; and
Section 6.2. The LGA agrees that each of the following shall be an event of default ("Event of Default") under this Agreement:

(a) The LGA shall fail to make any payment to the OWDA required pursuant to this Agreement when the same is due and payable, including, without limitation, any amount due and payable pursuant to Article IV hereof; or

(b) The LGA shall fail to observe and perform any other obligations, agreements or provisions herein, which failure shall continue for thirty (30) days after receipt of written notice thereof from the OWDA; provided, however, that such failure shall not constitute an Event of Default hereunder if the cure of such failure cannot be effected within thirty (30) days and if the LGA is taking all reasonably necessary actions to cure such failure with all deliberate speed.

(c) Any representations made by the LGA in Section 6.1. shall at any time during the Contract Period of Years prove to be false.

Section 6.3. Whenever an Event of Default shall have happened and be subsisting, the OWDA may exercise any and all rights and remedies for the enforcement of the obligations of the LGA hereunder. In addition to any other rights or remedies provided herein, by law or otherwise, the OWDA may:

(a) declare the full amount of the then unpaid Original Loan Amount to be immediately due and payable;

(b) to the extent permitted under any judgment, consent order or agreement affecting the LGA, require the LGA to agree to subordinate the payment of any fines or penalties imposed for the violation of any federal, state or local environmental law or regulation applicable to the System to the payment of the Original Loan Amount and the interest and any late charges due thereon, and the LGA hereby agrees to use its best efforts to effect such subordination.

Section 6.4. No right or remedy conferred upon the OWDA under Section 6.3 hereof is intended to be exclusive of any other right or remedy given herein, by law or otherwise. Each right or remedy shall be cumulative and shall be in addition to every other remedy given herein, by law or otherwise.

Section 6.5. The LGA releases the OWDA from, agrees that the OWDA shall not be liable for, and agrees, to the fullest extent permitted by law, to hold the OWDA, its officers, employees and agents harmless against, any loss or damage to property, or any loss or injury to or death of any person, or any other loss or damage, that may be occasioned by any cause whatsoever pertaining to the System, the Project Facilities, or the use thereof; provided that such indemnity under this Section shall not be effective for damages that result from negligent or intentional acts of the OWDA, its officers, employees and agents. The LGA further agrees, to the fullest extent permitted by law, to indemnify and hold harmless the OWDA and its officers, employees and agents against and from any and all cost, liability, expenses and claims arising from any breach or default on the part of the LGA in the performance of any covenant or agreement on the part of the LGA to be performed pursuant to the terms of this Agreement, arising from the acquisition, construction, installation, or improvement of the Project.
Facilities or arising from any act or negligence of or failure to act by the LGA, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm, or corporation resulting from the Project Facilities or the System (other than any accident, injury, or damage that results from negligent or intentional acts of the OWDA, its officers, employees and agents), and from and against all cost, liability and expenses incurred in or in connection with any such claim or action, arbitration or proceeding brought thereon.

In case any action or proceeding be brought against the OWDA by reason of any claim described in this Section, the OWDA agrees to cause written notice of such action or proceeding to be given to the LGA, and the LGA upon notice from the OWDA covenants to resist or defend such action or proceedings at the LGA's expense including all legal and other expenses (including reasonable attorneys' fees).

Section 6.6 Each party agrees that the venue of any suit, action or proceedings relating to this Agreement will be the courts of the County of Franklin, Ohio or the Ohio Supreme Court, and each party irrevocably waives any objection that it may have to that venue and waives any right to trial by jury for any such suit, action or proceedings.

ARTICLE VII - PRIVATE BUSINESS USE RESTRICTIONS

Section 7.1. With respect to the financing of Project Facilities by the OWDA as provided herein, the LGA agrees as follows:

(a) At no time will ten percent (10%) or more of any Project Facility or Project Site to be financed with funds borrowed from the OWDA ("OWDA Funds") be used for any private business use (as hereinafter defined) while at the same time the payment of the principal of, or the interest on, the OWDA Funds is directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business use or (B) payments made with respect to such property or (ii) derived from (A) payments with respect to such property (whether or not made to the OWDA) or (B) borrowed money used or to be used for private business use.

(b) No portion of the OWDA Funds will be used to make or finance loans to persons other than other governmental units.

Section 7.2. For purposes of this Agreement, "private business use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit (as hereinafter defined). Use of any Project Facility or Project Site as a member of the general public will not be considered a private business use. Any activity carried on by a person other than a natural person shall be treated as a trade or business. Use by an organization which qualifies under Section 501(c)(3) of the Internal Revenue Code of 1986, as it may be amended from time to time, shall be considered a private business use.

Section 7.3. For purposes of this Agreement, "governmental unit" means a political subdivision within the United States, including any political subdivision within the State of Ohio, but does not mean the United States or any of its governmental branches, departments or agencies.
Section 7.4. If there is any question about the application of the foregoing restrictions relating to private business uses or loans, the LGA agrees to immediately write the OWDA requesting assistance prior to entering into any agreement which may be prohibited as provided hereinabove.

ARTICLE VIII - MISCELLANEOUS PROVISIONS

Section 8.1. Any invoice, accounting, demand; or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by regular, registered or certified mail, postage prepaid, or delivered personally, and

(i) in the case of the OWDA, is addressed to or delivered personally to the OWDA at:

The Ohio Water Development Authority
480 South High Street
Columbus, OH 43215

and

(ii) in the case of the LGA, is addressed to or delivered personally to the LGA at the address listed on the Term Sheet as the “LGA Notice Address,” or at such other addresses with respect to either such party as that party may from time to time, designate in writing and forward to the other as provided in this Section.

Section 8.2. Any approval of the OWDA required by this Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth day following the submission of the matter requiring approval to the Executive Director of the OWDA unless disapproved in writing prior to such thirtieth day. Any provision of the Agreement requiring the approval of the OWDA or the satisfaction or evidence of satisfaction of the OWDA, shall be interpreted as requiring action by the Executive Director of the OWDA granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 8.3. Upon request of the OWDA, the LGA agrees to execute the information report required by Section 149 of the Internal Revenue Code of 1986, as it may be amended from time to time, with respect to this Agreement, such form to be completed by the OWDA on the basis of information provided by the LGA. The LGA hereby agrees that the OWDA may file such information report for and on behalf of the LGA with the Internal Revenue Service.

Section 8.4. This Agreement is made subject to, and conditional upon, the approval of this Agreement as to form by the General Counsel of the OWDA and upon the certification of availability of funds as provided in Section 3.8 hereof.
Section 8.5. This Agreement shall become effective as of the date first set forth hereinabove and shall continue in full force and effect until all obligations of the LGA under Section 4.1 hereof have been fully satisfied.

Section 8.6. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to any person, office, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Agreement shall not be assigned by the LGA without the prior written consent of the OWDA. The OWDA, at its option, may assign this Agreement without the consent of the LGA. All references to the Environmental Protection Agency of the United States of America or to the Director of Environmental Protection of the State of Ohio or to any offices or divisions of either shall include any successors thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first hereinabove written.

APPROVED AS TO FORM

OWDA General Counsel

APPROVED AS TO FORM

LGA Legal Officer or Counsel

By:

OWDA Executive Director

LGA:

By:

By:
Cooperative Agreement

OWDA

For the City of Piqua

(Exhibit A)

For planning and construction of a 6.75 million gallon per day water treatment plant, using surface water from multiple sources. Conventional water style treatment of flocculation/sedimentation and rapid sand filtration will be used. Water softening will be provided through a lime/soda ash method.

This loan will also be used to repayment a previous cooperative agreement with the OWDA Id# 6584 that was used to plan and design this water treatment plant.
RESOLUTION NO. R-124-14

A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, ACCEPT, AND ENTER INTO AN OHIO WATER DEVELOPMENT AUTHORITY (OWDA) FRESH WATER LOAN PROGRAM LOAN AGREEMENT ON BEHALF OF THE CITY OF PIQUA FOR CONSTRUCTION OF THE OFF-SITE PIPELINE FOR THE NEW WATER TREATMENT PLANT AND DESIGNATING A DEDICATED REPAYMENT SOURCE FOR THE LOAN

WHEREAS, the City of Piqua seeks to upgrade existing water facilities; and

WHEREAS, the City of Piqua intends to apply for OWDA Fresh Water Loan Program for the construction of the Off-Site Pipeline for the new Water Treatment Plant; and

WHEREAS, the OWDA Fresh Water Loan Program requires the government authority to pass legislation for application of a loan and the execution of an agreement as well as designating a dedicated repayment source.

NOW, THEREFORE BE IT RESOLVED by the Commission of the City of Piqua, Miami County, Ohio, the majority of all members elected thereto concurring, that:

SEC. 1: That the City Manager be and is hereby authorized to apply for up to $4,100,000 in an OWDA Fresh Water Program Loan, sign all documents for and enter into a Fresh Water Loan Program Loan with Ohio Water Development Authority (OWDA) for construction of the Off-Site Pipeline for the new Water Treatment Plant on behalf of the City of Piqua, Ohio;

SEC. 2: That the dedicated source of repayment will be Water Service Charges;

SEC. 3: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

LUCINDA L. FESS, MAYOR

PASSED: ____________________________

ATTEST: ___________________________

REBECCA J. COOL
CLERK OF COMMISSION
# Commission Agenda
**Staff Report**

**MEETING DATE**
November 18, 2014

**REPORT TITLE**
A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, ACCEPT, AND ENTER INTO AN OHIO WATER DEVELOPMENT AUTHORITY (OWDA) FRESH WATER LOAN PROGRAM LOAN FUND AGREEMENT ON BEHALF OF THE CITY OF PIQUA FOR CONSTRUCTION OF THE OFF-SITE PIPELINE FOR THE NEW WATER TREATMENT PLANT; AND DESIGNATING A DEDICATED REPAYMENT SOURCE FOR THE LOAN

**SUBMITTED BY**
Name & Title: Cynthia A. Holtzapple, Assistant City Manager/Finance Director
Department: Finance

**AGENDA CLASSIFICATION**
- [ ] Consent
- [ ] Ordinance
- [x] Resolution
- [ ] Regular

**APPROVALS/REVIEWS**
- [x] City Manager
- [ ] Asst. City Manager/Finance
- [ ] Asst. City Manager/Development
- [ ] Law Director
- [x] Department Director;
- [ ] Other:

**BACKGROUND**
Based on the age of the current Water Treatment Plant and its inability to maintain compliance with future Ohio EPA regulations, City Commission authorized staff to proceed with a new Water Treatment Plant. An Off-Site Pipeline is needed as a part of this project. Funding for the construction of the Off-Site Pipeline project is estimated to be $4.1 million. Currently, the interest rate on the 30 year loan we are applying for is 3.54% and may change from now until the loan is awarded in January 2015. We may also be eligible for a lower rate if approved.

**BUDGETING AND FINANCIAL IMPACT**
- Budgeted $: $4,100,000 Loan funds would be available in 2015-2016
- Expenditure $: $4,100,000 for Off-Site Pipeline Project. (Exhibit A)
- Source of Funds: Water revenues will be used to repay the loan.

**OPTIONS**
1. Approve the Resolution R-124-14 so application for the loan can be made early next year.
2. Reject the Resolution R-124-14 and reapply at a later time or consider other funding sources.

**PROJECT TIMELINE**
- January 2015 - Application for loan
- January 2015 - Loan award
- 2015-2016 - Construction

**STAFF RECOMMENDATION**
We recommend approval of the Resolution R-124-14 so that the loan application can be made as soon as possible, funding secured and then the contract awarded.
EXHIBIT A

OFF-SITE PIPELINE FOR NEW WATER TREATMENT PLANT
ESTIMATED USE OF LOAN PROCEEDS

Off-Site Pipeline Construction with Contingency $3,137,925

Construction Administration $545,775

Capitalized Interest $416,300

Total Amount of Loan $4,100,000
COOPERATIVE AGREEMENT FOR CONSTRUCTION, MAINTENANCE
AND OPERATION OF STATE WATER PROJECT OR WASTEWATER PROJECT

THIS AGREEMENT made and entered into as of the date specified on Schedule I hereto
(the “Term Sheet,” which is fully incorporated herein and made a part hereof) as the “Agreement
Date,” by and between the OHIO WATER DEVELOPMENT AUTHORITY, a body corporate
and politic organized and existing under the provisions of Chapter 6121 of the Revised Code of
Ohio (hereinafter referred to as the “OWDA”) and the governmental body specified as the
“LGA” on the Term Sheet (hereinafter referred to as the “LGA”), a governmental body
organized and existing under the laws of the State of Ohio and acting pursuant to an ordinance or
a resolution passed by the legislative authority thereof on the date specified on the Term Sheet as
the Resolution Date;

WITNESSETH:

WHEREAS, the OWDA has been created, among other reasons, to carry forward
the declared public policy of the State of Ohio to preserve, protect, upgrade, conserve, develop,
utilize and manage the water resources of the state, to prevent or abate the pollution of water
resources, to promote the beneficial use of waters of the state for the protection and preservation
of the comfort, health, safety, convenience, and welfare, and the improvement of the economic
and general welfare and employment opportunities of and the creation of jobs for the people of
the state, and to assist and cooperate with other governmental agencies in achieving such
purposes through the establishment, operation and maintenance of water development projects
pursuant to Chapter 6121 of the Revised Code; and

WHEREAS, the water system or wastewater system (hereinafter more fully
defined and referred to as the “System”) of the LGA will require the supply of services (the
“Services”) for the treatment and/or transmission of drinking water (in the case of a water
project) or for the treatment or disposal of wastewater (in the case of a wastewater project) from
the construction, operation and maintenance of new or additional facilities (which facilities are
hereinafter referred to as the “Project Facilities”); and

WHEREAS, the LGA is desirous of obtaining the Services for the System in
cooperation with the OWDA; and

WHEREAS, the OWDA is willing to cooperate with the LGA in obtaining such
Services, and the LGA has given the OWDA reasonable assurances that the LGA will make the
payments hereinafter provided for and will fulfill its other obligations hereunder; and

WHEREAS, the OWDA and LGA have determined to enter into this Agreement
to set forth their respective obligations with respect to the financing, construction, operation and
ownership of the Project Facilities;

NOW, THEREFORE, in consideration of the premises and the mutual covenants
herein contained, the parties hereto do hereby agree as follows:
ARTICLE I - DEFINITIONS

Except where the context clearly indicates otherwise, the following terms as used in this Agreement shall have the meaning ascribed to them in this Article:

DEFINITIONS RELATING TO PHYSICAL FACILITIES

(a) "Approved Application" means the application of the LOA dated as of the dated specified on the Term Sheet as the "LGA Application Date," submitted to the OWDA, together with all attachments, supporting documentation, amendments and supplements thereto as approved by the OWDA on the date specified on the Term Sheet as the "OWDA Application Approval Date," together with any amendments thereto approved by the LGA and the OWDA after the date of this Agreement.

(b) "Project Facilities" means the facilities to be constructed pursuant to this Agreement as described generally in Exhibit A attached hereto and made a part hereof and more particularly described in the Approved Application together with any changes therein made pursuant to Article III hereof.

(c) "Project Site" means all land, rights-of-way, property rights, easements, franchise rights or other interests in real estate necessary for the construction and operation of the Project Facilities.

(d) "System" means the facilities of the LGA specified as the "System" on the Term Sheet.

DEFINITIONS RELATING TO COSTS

(e) "Eligible Project Costs" shall include, whether incurred before or after the date of this Agreement (but if incurred prior to the date hereof subject to the restrictions set forth in the first proviso below), the following costs of the Project Facilities and the Project Site: the purchase price of the Project Site when acquired by purchase, or the value thereof when appropriated as found by the jury, together with the costs of the proceedings and the damages assessed in favor of any owner of the adjoining lands and interests therein, subject to the second proviso set forth below; the cost of demolishing or removing any buildings or structures on the Project Site, including the cost of acquiring any lands to which such buildings or structures may be removed, subject to the second proviso set forth below; the cost of diverting highways, interchange of highways, and access roads to private property, including the cost of easements therefor, subject to the second proviso set forth below; the costs of construction of the Project Facilities including, but not limited to, the cost of all machinery, furnishings and equipment included therein; interest on all funds disbursed by the OWDA (other than funds paid over to the OWDA by the LGA for disbursement by the OWDA) at the Contract Interest Rate from the date of disbursement by the OWDA of each portion thereof pursuant to Section 3.8 hereof to the first day of the January or the July next preceding the commencement of the Contract Period of Years based on the then existing cost allocations; engineering expenses for the Project Facilities including, but not limited to, the cost of preliminary and other surveys, the cost of preparing plans, estimates and specifications, the cost of all necessary soil and other investigations and laboratory testing, and resident engineering and inspection fees; the cost of printing and
publishing the notices and legislation required; legal expenses; administrative expenses of the OWDA in the amount of 0.35% of all Eligible Project Costs, other than such administrative expenses, or $400, whichever is the greater; any obligation for the repayment of borrowed money incurred by the LGA to the OWDA under any Cooperative Agreement for State Planning Project between the LGA and OWDA with respect to the Project Facilities, and any other necessary miscellaneous expenditures; provided, however, that Eligible Project Costs shall include costs incurred prior to the date hereof only if and to the extent that, in the opinion of nationally recognized bond counsel satisfactory to the OWDA, the payment of such costs by the OWDA would not cause the interest on any debt obligations of the OWDA to cease to be excluded from gross income for purposes of federal income taxation; and provided further, however, that Eligible Project Costs shall include costs for the acquisition of real property or interests therein (other than easements) only if the OWDA shall have received from the LGA reasonably sufficient assurances as to environmental matters related to such real property. Notwithstanding anything contained herein to the contrary, Eligible Project Costs shall not include any commissions, fees and/or expenses which may be owed by the LGA to a broker or finder as a result of or in connection with the OWDA’s agreement to pay the Eligible Project Costs to the LGA as provided herein.

DEFINITIONS RELATING TO PARTICIPATION IN COSTS

(f) "Original Loan Amount" means those Eligible Project Costs that are paid with moneys disbursed out of funds of the OWDA, which costs shall in no event exceed the amount specified on the Term Sheet as the "Maximum Original Loan Amount."

(g) "Semianual Payment Obligation" means the amount payable semianually by the LGA to amortize the Original Loan Amount over the Contract Period of Years with interest on the outstanding balance of the Original Loan Amount at the Contract Interest Rate. An estimate of the Semianual Payment Obligation based on the Maximum Original Loan Amount and the Contract Interest Rate is specified on the Term Sheet beneath the Maximum Original Loan Amount.

If the Contract Period of Years commences prior to the final determination of the Original Loan Amount, the Semianual Payment Obligation shall be based upon the best figures available at the time the computation of each semianual payment is required to be made. When such final costs are known, the Semianual Payment Obligation shall be recomputed and the next following semianual payment shall be either increased or decreased by a factor sufficient to correct for any overpayment or underpayment through the date of such recomputation so that the total amount received by OWDA over the Contract Period of Years will be the same amount as would have been received had the final Original Loan Amount been used in computing the Semianual Payment Obligation at the commencement of the Contract Period of Years. The interest during construction computed at the Contract Interest Rate shall, however, be computed based on the then existing cost allocations at the time of such computation and shall not be recomputed.

(h) "Contract Interest Rate" means the rate specified as such on the Term Sheet.
(i) “Contract Period of Years” means the period of the Contract Term specified in the Term Sheet, commencing on the date six months prior to the First Payment Date specified in the Term Sheet.

(j) “Default Rate” means a rate equal to the Contract Interest Rate plus three percentage points.

(k) “Pledged Revenues” means the revenues derived by the LGA from the ownership and operation of the System (including, without limitation, any Special Assessment Funds), net of the costs of operating and maintaining the System and paying all amounts required to be paid under any Mortgage, Indenture of Mortgage, Trust Agreement or other instrument heretofore or hereafter entered into by the LGA to secure debt obligations heretofore or hereafter issued or incurred by the LGA for the System.

(l) “Special Assessment Funds” means the proceeds from the special assessments to be hereafter levied, if any, by the LGA to pay all or a portion of the cost of the Project.

ARTICLE II - PROPERTY INTERESTS IN PROJECT SITE AND PROJECT FACILITIES AND RIGHTS OF ACCESS THERETO

Section 2.1. All real estate and interests in real estate and all personal property constituting the Project Facilities and the Project Site shall be acquired by and shall be the property of the LGA.

Section 2.2. The LGA agrees that the OWDA and its duly authorized agents shall have the right at all reasonable times to enter upon the Project Site and Project Facilities and to examine and inspect the same. The LGA further agrees that the OWDA and its duly authorized agents shall have such rights of access to the Project Site and Project Facilities as may be reasonably necessary to enable the OWDA to exercise its rights pursuant to Section 5.8 hereof.

ARTICLE III - ACQUISITION OF PROJECT SITE, CONSTRUCTION OF PROJECT FACILITIES AND PAYMENT OF COSTS THEREOF

Section 3.1. Subject to the terms and conditions of this Agreement, the LGA shall do all things necessary to construct the Project Facilities on the Project Site (which the LGA hereby represents has been acquired by the LGA) by means of the construction contract(s) specified on Exhibit 3 hereto. The LGA shall use its best efforts to cause the Project Facilities to be fully operational by the date specified on the Term Sheet as the “Operational Date.”

In connection with the construction of the Project Facilities, the LGA agrees that:

(a) The construction contract(s) will provide that the representatives of the OWDA will have access to the work whenever it is in preparation or progress and that the contractor will provide proper facilities for such access and inspection.
(b) The construction of the Project Facilities on the Project Site will be performed in compliance with all applicable federal, state and local environmental laws and regulations in effect as of the date hereof.

(c) All laborers and mechanics employed on the Project Facilities shall be paid at the prevailing rates of wages of laborers and mechanics for the class of work called for by the Project Facilities, which wages shall be determined in accordance with the requirements of Chapter 4115, Ohio Revised Code, for determination of prevailing wage rates.

(d) Prior to the commencement of construction, the LGA will arrange and conduct a preconstruction conference to include representatives of the OWDA, the LGA and the consulting or resident engineers of the LGA and each contractor.

(e) Each construction contract and contractor's estimate form will be prepared so that materials and equipment furnished to the LGA may be readily itemized.

(f) All requests submitted by the LGA for the payment or reimbursement of incurred Eligible Project Costs shall include evidence of the costs incurred and will be prepared so that such costs may be readily itemized.

(g) Any change or changes in a construction contract that would increase the contract price by an amount in excess of one percent (1%) or any change or changes regardless of cost that substantially modify the processes contemplated to be performed by the Project Facilities will be submitted to the OWDA for prior approval.

(h) Notification of all change orders not requiring prior approval of the OWDA will be submitted to the OWDA within one (1) month of the time at which they are ordered by the resident or consulting engineer of the LGA.

(i) The construction of the Project Facilities, including the letting of contracts in connection therewith, will conform to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(j) The LGA will proceed expeditiously with, and complete, the Project Facilities in accordance with the Approved Application and any surveys, plans, profiles, cross sections and specifications or amendments thereto approved by the Director of Environmental Protection of Ohio.

(k) Notwithstanding anything contained herein to the contrary, the obligation of the OWDA to pay Eligible Project Costs pursuant to the terms and conditions of this Agreement shall expire three (3) years from the date hereof. Upon the expiration of the aforesaid period of years, the OWDA shall not be obligated to pay any additional Eligible Project Costs to the LGA hereunder. In the event that the OWDA, in its sole discretion, decides to pay additional Eligible Project Costs after the expiration of its obligation to do so hereunder, it shall so notify the LGA. No such decision by the OWDA to pay any additional Eligible Project Costs hereunder shall be deemed to constitute an extension of its obligation to pay Eligible Project Costs hereunder.
Except as otherwise provided in this Agreement, the LGA shall have the sole and exclusive charge of all details of the construction of the Project Facilities.

Section 3.2. The LGA shall keep accurate records of the Eligible Project Costs. The LGA shall permit the OWDA, acting by and through the Executive Director of the OWDA or his authorized representatives, to inspect all books, documents, papers and records relating thereto at any and all reasonable times for the purpose of audit and examination, and the LGA shall submit to the OWDA such documents and information as they may reasonably require in connection therewith.

Section 3.3. The LGA shall require that each construction contractor shall furnish a performance and payment bond in an amount at least equal to one hundred percent (100%) of the contractor's contract price as security for the faithful performance of the contractor's contract.

Section 3.4. The LGA shall require that each of its contractors and all subcontractors maintain during the life of their contracts Workers' Compensation Insurance, Public Liability, Property Damage, and Vehicle Liability Insurance, in amounts and on terms that comply with all applicable legal requirements and that are commercially reasonable. Until the Project Facilities are completed and accepted by the LGA, the LGA, or (at the option of the LGA) the contractor shall maintain Builders Risk Insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project Facilities for the benefit of the OWDA, the LGA, the prime contractor, and all subcontractors, as their respective interests may appear.

Section 3.5. The LGA shall provide and maintain competent and adequate resident engineering services satisfactory to the OWDA covering the supervision and inspection of the development and construction of the Project Facilities and bearing the responsibility of ensuring that construction conforms with the approved surveys, plans, profiles, cross sections and specifications and certifying to the OWDA and the LGA at the completion of construction that construction is in accordance with the approved surveys, plans, profiles, cross sections and specifications or approved amendments thereto.

Section 3.6. Subject to the terms and conditions of this Agreement, the Eligible Project Costs shall be paid by the OWDA. In the event this Agreement is terminated by the OWDA pursuant to, and not in breach of, the provisions of this Agreement, or by subsequent agreement of the parties, or in the event this Agreement is terminated by the LGA, whether or not in breach of the Agreement, the Eligible Project Costs incurred prior to the date of the commencement of the construction of the Project Facilities or the date of such termination, whichever is earlier, shall be paid by the LGA. If such termination takes place following the date of the commencement of the construction of the Project Facilities, all Eligible Project Costs incurred following such commencement date and prior to the date of termination, with the exception of all costs attributable to the acquisition of the Project Site, shall be borne by: (i) the LGA if this Agreement is terminated at such time by the LGA; or (2) by the OWDA if this Agreement is terminated at such time by the OWDA, but in any event, all costs attributable to the acquisition of the Project Site shall be borne by the LGA. Any moneys paid by either party hereto pursuant to this Agreement which become the obligation of the other party under the
provisions of this Section shall be repaid in not more than three (3) years after termination with interest on the outstanding balances at the Contract Interest Rate.

Section 3.7. The OWDA may decline to deliver any further certificates of availability of funds pursuant to Section 3.8 hereof from and after any determination by the OWDA that any information furnished to the OWDA, in writing or otherwise, in connection with the LGA's application for the transactions contemplated by this Agreement was false or misleading in any material respect or that such information omitted any other information needed to make the information furnished not false or misleading in any material respect.

Section 3.8. Subject to Section 3.7 hereof, the OWDA shall deliver to the LGA a certificate, certifying that moneys in the amount necessary to pay the Eligible Project Costs obligated or to be obligated up to the Maximum Original Loan Amount are available or are in the process of collection and have been encumbered by the Authority. When such Eligible Project Costs have been incurred and payment requested from the OWDA by the LGA in form and detail satisfactory to the OWDA, the OWDA shall cause to be delivered checks in payment of the invoices, demands for payment, approved contractors' estimates or other evidence of cost incurrence to the persons or entities entitled to payment in conformity with the encumbrance of funds set forth to pay such obligated Eligible Project Costs. The "LGA" represents and agrees that it will not seek or obtain alternative funding for the Eligible Project Costs of the Project Site and the Project Facilities without the prior written consent of the OWDA.

Section 3.9. Upon completion of the Project Facilities, the LGA shall make a full and complete accounting to the OWDA of the final Eligible Project Costs.

ARTICLE IV - PAYMENTS BY LGA

Section 4.1. Subject to the further provisions hereinafter set forth, the LGA agrees to and shall pay semiannually on January 1 and July 1 of each year of the Contract Period of Years, commencing on the First Payment Date (each such date a "Due Date"), to the OWDA, but solely from the Pledged Revenues, the Semiannual Payment Obligation. In the event that the LGA pays less than the full amount due hereunder on any Due Date, then the amount so paid shall be applied first to interest payable hereunder, then to any late charges payable hereunder, and then to the Original Loan Amount payable hereunder. The LGA acknowledges and agrees that the OWDA afforded the LGA the opportunity to choose between a schedule of payments based on equal principal payments and one based on equal debt service payments and that the estimated Semiannual Payment Obligation shown on the Term Sheet reflect the choice of the LGA.

The obligation of the LGA to pay the charges set forth shall not be assignable, and the LGA shall not be discharged therefrom, without the prior written consent of the OWDA. In the event that services supplied by the Project Facilities or any other portion of the System shall cease or be suspended for any reason, the LGA shall continue to be obligated to pay the charges pursuant to this Section 4.1, but solely from the Pledged Revenues. If the LGA does not pay any of the charges set forth in this Section 4.1 on or before the 5th day after the Due Date, the amount of such default shall bear interest at the Default Rate from the Due Date until the date of
the payment thereof. Interest at the Default Rate shall be calculated for the actual number of days of default from the Due Date until payment on the basis of a 360 day year. If the LGA does not pay any of the charges set forth in this Section 4.1 on or before the 30th day after the Due Date, in addition to the interest calculated at the Default Rate, a "late charge" of one percent (1%) on the amount of each default shall also be paid to the OWDA by the LGA from the Pledged Revenues for failure to make the payment as provided herein. Thereafter, for each additional thirty (30) days during which the charges remain unpaid, the LGA shall continue to pay from the Pledged Revenues an additional late charge of one percent (1%) on the amount of such default until such charges are paid. In no event shall the OWDA collect interest or late charges in excess of the maximum amount permitted by law. In addition to the foregoing, in the event of a default as aforesaid, all of the costs incurred by the OWDA in curing such default including, but not limited to, court costs and attorney fees, shall (to the extent not previously repaid to the OWDA and to the fullest extent permitted by law) be paid as part of the Eligible Project Costs hereunder and be repaid by the LGA to the OWDA as part of the Original Loan Amount. The Borrower [in other agreements; the "LGA"] represents and agrees that it will not seek or obtain alternative funding for the Eligible Project Costs of the Project Site and the Project Facilities without the prior written consent of the OWDA."

Anything in this Agreement to the contrary notwithstanding, neither the general resources of the LGA shall be required to be used, nor shall the general credit of the LGA be pledged for the performance of any duty under this Agreement, but any payment to be made under this Agreement shall be required to be made only from the Pledged Revenues, which are hereby pledged to such payment; provided, however, that, if otherwise lawful, nothing herein shall be deemed to prohibit the LGA from using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of this Agreement.

Section 4.2. It is agreed that, no later than June 15 and December 15 of each year of the Contract Period of Years, the OWDA shall invoice the LGA for the sum payable by the LGA pursuant to Section 4.1 and that payment of each such invoice shall be made by the LGA to the OWDA not later than the first day of the following month. No failure by the OWDA to send any such invoice and no failure by the LGA to receive any such invoice shall relieve the LGA from its obligation to pay the amount due hereunder on the applicable Due Date.

Section 4.3. The LGA hereby agrees that: (a) from and after the completion and placement into operation of the Project Facilities, it will at all times prescribe and charge such rates for the services of the System as shall result in Pledged Revenues at least adequate to provide for the payments required by Section 4.1 hereof and shall from time to time at the request of the Authority cause a study of the sufficiency of the LGA's rates for that purpose to be done by an independent expert acceptable to the OWDA; (b) the LGA will furnish to the OWDA annually reports of the operation and income of the System and also an annual report of the accounts and operations of the System and such other documents as the OWDA may reasonably request in order to respond to requests for documentation from rating agencies or providers or potential providers or credit enhancement for debt obligations of the OWDA, and the LGA will permit the authorized agent of the OWDA to inspect all records, accounts and data of the System at all reasonable times; and (c) that the LGA will segregate the revenues, funds and properties of the System from all other funds and properties of the LGA. All of the obligations under this Section are hereby established as duties specifically enjoined by law and resulting from an
office, trust or station upon the LGA within the meaning of Section 2731.01 of the Ohio Revised Code.

Section 4.4. If the LGA pays all or any portion of the Semiannual Payment Obligation from Special Assessment Funds and if any payor of the Special Assessment Funds elects to pay the special assessments in a one-time, lump-sum payment in lieu of having the special assessments certified to the appropriate county auditor for periodic collection, then the LGA may elect to apply the amount of such payment to a reduction of the Original Loan Amount by including that amount with its next payment of the Semiannual Payment Obligation pursuant to Section 4.1 hereof, accompanied by a written notice to the Authority identifying the amount so included and directing the Authority so to apply that amount. Upon the receipt of such payment and notice, the Authority shall recompute the remaining payments of the Semiannual Payment Obligation based on the reduced Original Loan Amount and shall notify the LGA in writing of the reduced amount of the remaining payments.

Section 4.5. In order to enable the OWDA to comply with the requirements of federal securities laws (including, without limitation, Rule 10b-5 and Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended), the LGA agrees to prepare and file with the OWDA or, at the direction of the OWDA, to file with the Municipal Securities Rulemaking Board ("MSRB"), any one or more nationally recognized municipal securities information repositories ("NRMSIRs") or state information depository ("SID"), any annual financial information or material events disclosures that the OWDA may determine it requires to achieve such compliance. The LGA consents to the OWDA's incorporation by reference into OWDA official statements or other OWDA filings with the MSRB, any NRMSIR, or any SID of any official statements or portions thereof, financial statements, or other documents that the LGA may have filed or may file with the MSRB, any NRMSIR, or any SID. In the event the LGA fails to prepare any financial statement or other financial information that this Section requires the LGA to prepare and file with or at the direction of the OWDA, then the OWDA shall have the right (in addition to any other rights it may have to enforce the obligations of the LGA hereunder) to inspect all records, accounts and data of the System and cause the preparation of the required financial statement or information and to employ such professionals as it may reasonably require for that purpose, and to be reimbursed from any available Pledged Revenues for the costs of its doing so. This Section shall not be construed to limit the generality of Section 4.3 hereof.

ARTICLE V - MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 5.1. The LGA agrees that during the Contract Period of Years that: (a) it will, subject to its right to contest in good faith the issue of non-compliance, operate the Project Facilities and the System, or cause them to be operated, in compliance with all applicable federal, state and local environmental laws and regulations in effect during such period, and (b) it will, subject to its right to discontinue use or operation of the Project Facilities or the System or any part thereof in accordance with this Agreement, keep the Project Facilities and the System, including all appurtenances thereto and the equipment and machinery therein, or cause them to
be kept, in good repair and good operating condition so that the completed Project Facilities and System will continue to operate with substantially the same efficiency as when first constructed.

The LGA shall have the privilege of making additions, modifications and improvements to, making deletions from and discontinuing the use or operation of all or any part of, the Project Site, the Project Facilities, and the System from time to time; provided, that the cost of any additions, modifications and improvements shall be paid by the LGA, and the same shall be the property of the LGA and be included under the terms of this Agreement as part of the Project Site or the Project Facilities, as the case may be, and the System; and provided further that the LGA shall make no modification to, make any deletion from or discontinue the use or operation of all or any part of, the Project Site, the Project Facilities, or the System, the result of which would be a material decrease in the Pledged Revenues without first obtaining the written consent of the OWDA thereto.

Section 5.2. The LGA agrees that it will commence, or will cause to be commenced, operation of the Project Facilities immediately upon the completion of the construction thereof and the receipt of any governmental approvals required for the commencement of their operation, and will not discontinue operation of the Project Facilities or any other part of the System without meeting all conditions to and requirements for such discontinuance imposed by law and this Agreement. The LGA agrees that it will provide adequate operation and maintenance of the Project Facilities and the System to comply with all applicable water quality standards established for the river basin served by the Project Facilities and with all applicable rules and regulations of the Director of Environmental Protection of Ohio. The LGA agrees that sufficient qualified operating personnel will be retained by the LGA to operate the Project Facilities and the System, or will be required to be obtained by any independent contractor engaged by the LGA to operate the Project Facilities and the System or any portion thereof, and that all operational tests and measurements necessary to determine compliance with the preceding sentence will be performed to insure proper and efficient operation and maintenance of the Project Facilities and each other part of the System until the end of the Contract Period of Years or the discontinuance of the operation of the Project Facilities or of such other part of the System in accordance with Section 5.1 and this Section 5.2.

The LGA will permit the OWDA and its agents to have access to the records of the LGA pertaining to the operation and maintenance of the Project Facilities and the System at any reasonable time.

Section 5.3. The LGA agrees to insure, or cause to be insured, the Project Facilities and the System in such amounts as similar properties are usually insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the State of Ohio.

Section 5.4. Any insurance policy issued pursuant to Section 5.3 hereof shall be so written or endorsed as to make losses, if any, payable to the OWDA and the LGA as their respective interests may appear. Each insurance policy provided for in Sections 5.3 and 5.6 hereof shall contain a provision to the effect that the insurance company shall not cancel the
same without first giving written notice thereof to the OWDA and the LGA at least ten (10) days in advance of such cancellation.

Section 5.5. The net proceeds of the insurance carried pursuant to the provisions of Sections 5.3 and 5.6 hereof shall be applied as follows: (i) the net proceeds of the insurance required in Section 5.3 hereof shall be applied as provided in Section 5.9 hereof, and (ii) the net proceeds of the insurance required in Section 5.6 hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 5.6. The LGA agrees that it will carry, or will cause to be carried, public liability insurance with reference to the Project Facilities with one or more reputable insurance companies duly qualified to do business in the State of Ohio, in minimum amounts of $500,000 for the death of or personal injury to one person and $1,000,000 for personal injury or death for each occurrence in connection with the Project Facilities and $500,000 for property damage for any occurrence in connection with the Project Facilities. The OWDA shall be made an additional insured under such policies.

Section 5.7. Throughout the Contract Period of Years, the LGA shall maintain Workers’ Compensation Coverage or cause the same to be maintained in accordance with state law.

Section 5.8. In the event the LGA shall fail to maintain, or cause to be maintained, the full insurance coverage required by this Agreement or shall fail to keep, or cause to be kept, the Project Facilities in good repair and operating condition, or shall fail to operate, or cause to be operated, the Project Facilities in accordance with Section 5.2 hereof, the OWDA may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary or may hire the necessary operating personnel to insure compliance with Section 5.2 and provide for payment thereof; and all amounts so advanced therefor by the OWDA shall become an additional obligation of the LGA to the OWDA which amounts, together with interest thereon at the Contract Interest Rate or at the rate of eight per centum (8%) per annum, whichever is greater, from the date thereof, the LGA agrees to pay.

Section 5.9. If prior to the completion of the Contract Period of Years the Project Facilities shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty, there shall be no abatement or reduction in the amounts payable by the LGA pursuant to Section 4.1 hereof, and the LGA will (i) promptly repair, rebuild or restore the property damaged or destroyed, and (ii) apply for such purpose so much as may be necessary of any net proceeds of insurance policies resulting from claims for such losses as well as any additional moneys of the LGA necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the LGA.

Section 5.10. In the event that title to or the temporary use of the Project Site the Project Facilities, or the System, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, there shall be no abatement or reduction in the amounts payable by the LGA pursuant to Section 4.1 hereof, and any net proceeds received from any
award made in such eminent domain proceedings shall be paid to and held by the LGA in a separate condemnation award account and shall be applied by the LGA in either or both the following ways as shall be determined by the LGA:

(a) The restoration of the facilities of the System to substantially the same condition as they existed prior to the exercise of said power of eminent domain, or

(b) The acquisition of additional real estate, if necessary, and facilities, by construction or otherwise, equivalent that, when added to the remaining real estate and facilities of the System, will cause the System to be substantially the equivalent of the System as it existed prior to the exercise of said power of eminent domain, which real estate and facilities shall be deemed a part of the Project Site or the Project Facilities, as the case may be, and the System, without the payment of any amounts other than herein provided, to the same extent as if such real estate and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings shall be paid to the LGA upon delivery to the OWDA of a certificate signed by an authorized officer of the LGA that the LGA has complied with either paragraph (a) or (b), or both, of this Section. The OWDA shall cooperate fully with the LGA in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project Site, the Project Facilities, the System, or any part thereof. In no event will the LGA voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project Site, the Project Facilities, the System or any part thereof without the written consent of the OWDA.

ARTICLE VI - REPRESENTATIONS AND AGREEMENTS OF THE LGA IN REGARD TO ENVIRONMENTAL MATTERS; EVENTS OF DEFAULT AND REMEDIES THEREFOR; INDEMNIFICATION

Section 6.1. The LGA hereby represents that:

(a) It is, and the LGA hereby covenants that it shall remain, in compliance with all applicable federal, state and local environmental laws and regulations applicable to the System during the Contract Period of Years, subject to its right to contest in good faith the issue of non-compliance;

(b) There is no litigation or administrative action or proceeding pending or, to the best of its knowledge, threatened against the LGA, alleging a violation of any federal, state or local environmental law or regulation applicable to the System except as set forth in the attached;

(c) No judgment or consent order has been rendered against it, nor is it a party to any agreement, which consent order, judgment or agreement imposes, will impose or has imposed any fines or monetary penalties for the violation of any federal, state or local environmental law or regulation applicable to the System that have not been paid in full except as set forth in the attached; and
Section 6.2. The LGA agrees that each of the following shall be an event of default ("Event of Default") under this Agreement:

(a) The LGA shall fail to make any payment to the OWDA required pursuant to this Agreement when the same is due and payable, including, without limitation, any amount due and payable pursuant to Article IV hereof; or

(b) The LGA shall fail to observe and perform any other obligations, agreements or provisions herein, which failure shall continue for thirty (30) days after receipt of written notice thereof from the OWDA; provided, however, that such failure shall not constitute an Event of Default hereunder if the cure of such failure cannot be effected within thirty (30) days and if the LGA is taking all reasonably necessary actions to cure such failure with all deliberate speed.

(c) Any representations made by the LGA in Section 6.1 shall at any time during the Contract Period of Years prove to be false.

Section 6.3. Whenever an Event of Default shall have happened and be subsisting, the OWDA may exercise any and all rights and remedies for the enforcement of the obligations of the LGA hereunder. In addition to any other rights or remedies provided herein, by law or otherwise, the OWDA may:

(a) declare the full amount of the then unpaid Original Loan Amount to be immediately due and payable;

(b) to the extent permitted under any judgment, consent order or agreement affecting the LGA, require the LGA to agree to subordinate the payment of any fines or penalties imposed for the violation of any federal, state or local environmental law or regulation applicable to the System to the payment of the Original Loan Amount and the interest and any late charges due thereon, and the LGA hereby agrees to use its best efforts to effect such subordination.

Section 6.4. No right or remedy conferred upon the OWDA under Section 6.3 hereof is intended to be exclusive of any other right or remedy given herein, by law or otherwise. Each right or remedy shall be cumulative and shall be in addition to every other remedy given herein, by law or otherwise.

Section 6.5. The LGA releases the OWDA from, agrees that the OWDA shall not be liable for, and agrees, to the fullest extent permitted by law, to hold the OWDA, its officers, employees and agents harmless against, any loss or damage to property, or any loss or injury to or death of any person, or any other loss or damage, that may be occasioned by any cause whatsoever pertaining to the System, the Project Facilities, or the use thereof; provided that such indemnity under this Section shall not be effective for damages that result from negligent or intentional acts of the OWDA, its officers, employees and agents. The LGA further agrees, to the fullest extent permitted by law, to indemnify and hold harmless the OWDA and its officers, employees and agents against and from any and all cost, liability, expenses and claims arising from any breach or default on the part of the LGA in the performance of any covenant or agreement on the part of the LGA to be performed pursuant to the terms of this Agreement, arising from the acquisition, construction, installation, or improvement of the Project.
Facilities or arising from any act or negligence of or failure to act by the LGA, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm, or corporation resulting from the Project Facilities or the System (other than any accident, injury, or damage that results from negligent or intentional acts of the OWDA, its officers, employees and agents), and from and against all cost, liability and expenses incurred in or in connection with any such claim or action, arbitration or proceeding brought thereon.

In case any action or proceeding be brought against the OWDA by reason of any claim described in this Section, the OWDA agrees to cause written notice of such action or proceeding to be given to the LGA, and the LGA upon notice from the OWDA covenants to resist or defend such action or proceedings at the LGA's expense including all legal and other expenses (including reasonable attorneys' fees).

Section 6.6 Each party agrees that the venue of any suit, action or proceedings relating to this Agreement will be the courts of the County of Franklin, Ohio or the Ohio Supreme Court, and each party irrevocably waives any objection that it may have to that venue and waives any right to trial by jury for any such suit, action or proceedings.

ARTICLE VII - PRIVATE BUSINESS USE RESTRICTIONS

Section 7.1. With respect to the financing of Project Facilities by the OWDA as provided herein, the LGA agrees as follows:

(a) At no time will ten percent (10%) or more of any Project Facility or Project Site to be financed with funds borrowed from the OWDA (“OWDA Funds”) be used for any private business use (as hereinafter defined) while at the same time the payment of the principal of, or the interest on, the OWDA Funds is directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business use or (B) payments made with respect to such property or (ii) derived from (A) payments with respect to such property (whether or not made to the OWDA) or (B) borrowed money used or to be used for private business use.

(b) No portion of the OWDA Funds will be used to make or finance loans to persons other than other governmental units.

Section 7.2. For purposes of this Agreement, “private business use” means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit (as hereinafter defined). Use of any Project Facility or Project Site as a member of the general public will not be considered a private business use. Any activity carried on by a person other than a natural person shall be treated as a trade or business. Use by an organization which qualifies under Section 501(c)(3) of the Internal Revenue Code of 1986, as it may be amended from time to time, shall be considered a private business use.

Section 7.3. For purposes of this Agreement, “governmental unit” means a political subdivision within the United States, including any political subdivision within the State of Ohio, but does not mean the United States or any of its governmental branches, departments or agencies.
Section 7.4. If there is any question about the application of the foregoing restrictions relating to private business uses or loans, the LGA agrees to immediately write the OWDA requesting assistance prior to entering into any agreement which may be prohibited as provided hereinabove.

ARTICLE VIII - MISCELLANEOUS PROVISIONS

Section 8.1. Any invoice, accounting, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by regular, registered or certified mail, postage prepaid, or delivered personally, and

(i) in the case of the OWDA, is addressed to or delivered personally to the OWDA at:

The Ohio Water Development Authority
480 South High Street
Columbus, OH 43215

and

(ii) in the case of the LGA, is addressed to or delivered personally to the LGA at the address listed on the Term Sheet as the “LGA Notice Address,” or at such other addresses with respect to either such party as that party may from time to time, designate in writing and forward to the other as provided in this Section.

Section 8.2. Any approval of the OWDA required by this Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth day following the submission of the matter requiring approval to the Executive Director of the OWDA unless disapproved in writing prior to such thirtieth day. Any provision of the Agreement requiring the approval of the OWDA or the satisfaction or evidence of satisfaction of the OWDA, shall be interpreted as requiring action by the Executive Director of the OWDA granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 8.3. Upon request of the OWDA, the LGA agrees to execute the information report required by Section 149 of the Internal Revenue Code of 1986, as it may be amended from time to time, with respect to this Agreement, such form to be completed by the OWDA on the basis of information provided by the LGA. The LGA hereby agrees that the OWDA may file such information report for and on behalf of the LGA with the Internal Revenue Service.

Section 8.4. This Agreement is made subject to, and conditional upon, the approval of this Agreement as to form by the General Counsel of the OWDA and upon the certification of availability of funds as provided in Section 3.8 hereof.

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Section 8.5. This Agreement shall become effective as of the date first set forth hereinabove and shall continue in full force and effect until all obligations of the LGA under Section 4.1 hereof have been fully satisfied.

Section 8.6. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to any person, office, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Agreement shall not be assigned by the LGA without the prior written consent of the OWDA. The OWDA, at its option, may assign this Agreement without the consent of the LGA. All references to the Environmental Protection Agency of the United States of America or to the Director of Environmental Protection of the State of Ohio or to any officers or divisions of either shall include any successors thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first hereinabove written.

APPROVED AS TO FORM

OWDA General Counsel

APPROVED AS TO FORM

LGA Legal Officer or Counsel

APPROVED AS TO FORM

Ohio Water Development Authority

By: __________________________

OWDA Executive Director

By: __________________________

LGA: __________________________

By: __________________________

By: __________________________

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Cooperative Agreement

OWDA

For the City of Piqua

(Exhibit A)

For planning and construction of (approximately 5,400 linear feet) of dual 24 inch raw water mains, approximately 5,600 linear feet of dual 24 inch finished water mains, and approximately 3,200 linear feet of 6 inch sludge line.