



**The Lima Story: First Integrated Plan
Approval in Ohio and USEPA Region 5**

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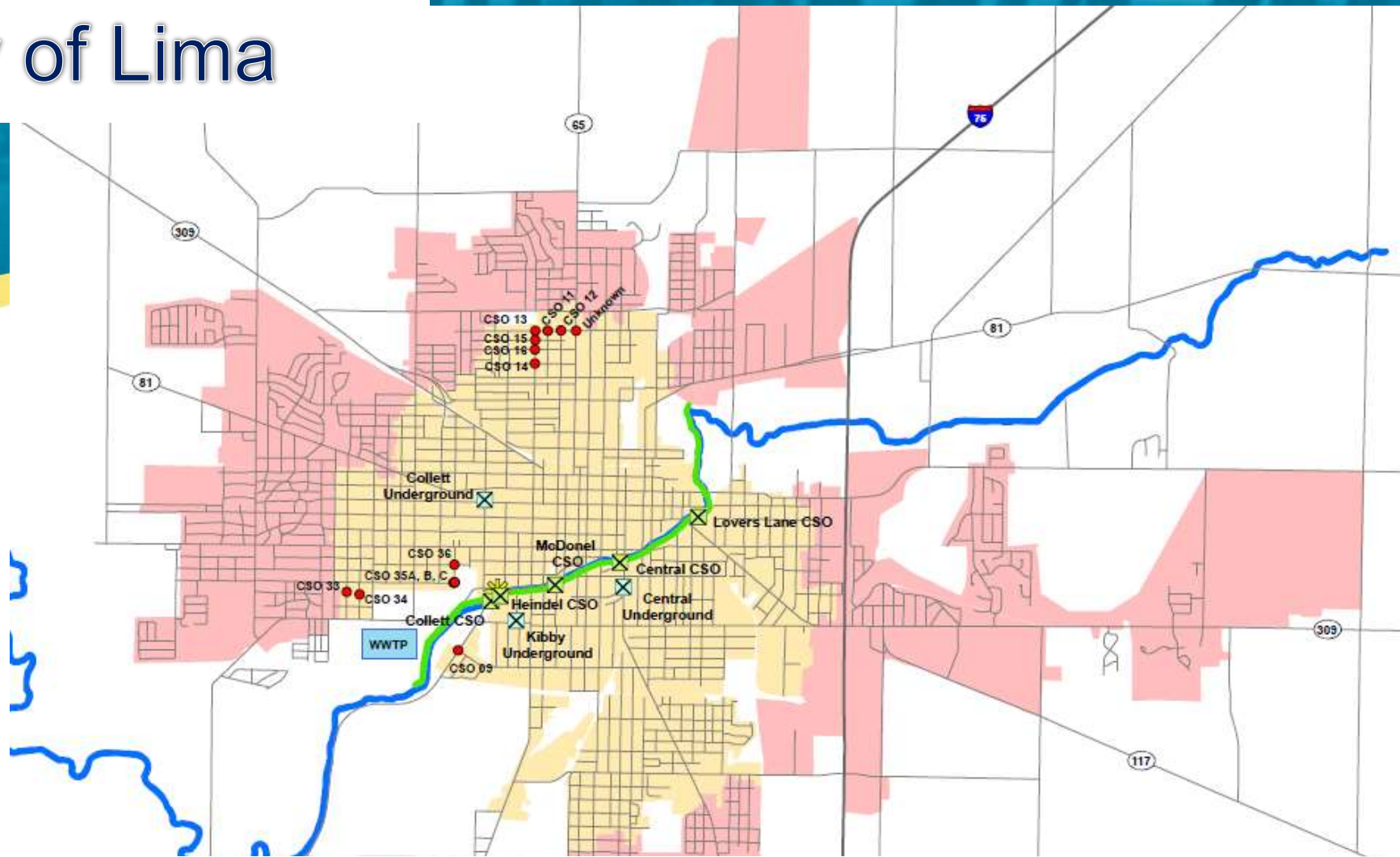
**OWEA Annual Conference
June 24, 2015**

Let's take a look at the City of Lima

- Service Population/Accounts
 - Sewer 47,920/16,000
- Sewer Collection System
 - 251 miles of sewer lines (60% combined)
 - 20 Combined Sewer Overflows
 - 32 Sanitary Sewer Overflows
 - 25 pump stations
- Wastewater Treatment Plant
 - Average dry weather flow capacity of 18.5 MGD (tertiary with P removal) ;
 - Peak flow capacity of 96.0 MGD (*under construction*)
 - Peaking Factor greater than 5



City of Lima



Wastewater Utility:

- 20 Combined Sewer Overflows (CSOs)
- 32 Sanitary Sewer Overflows (SSOs)

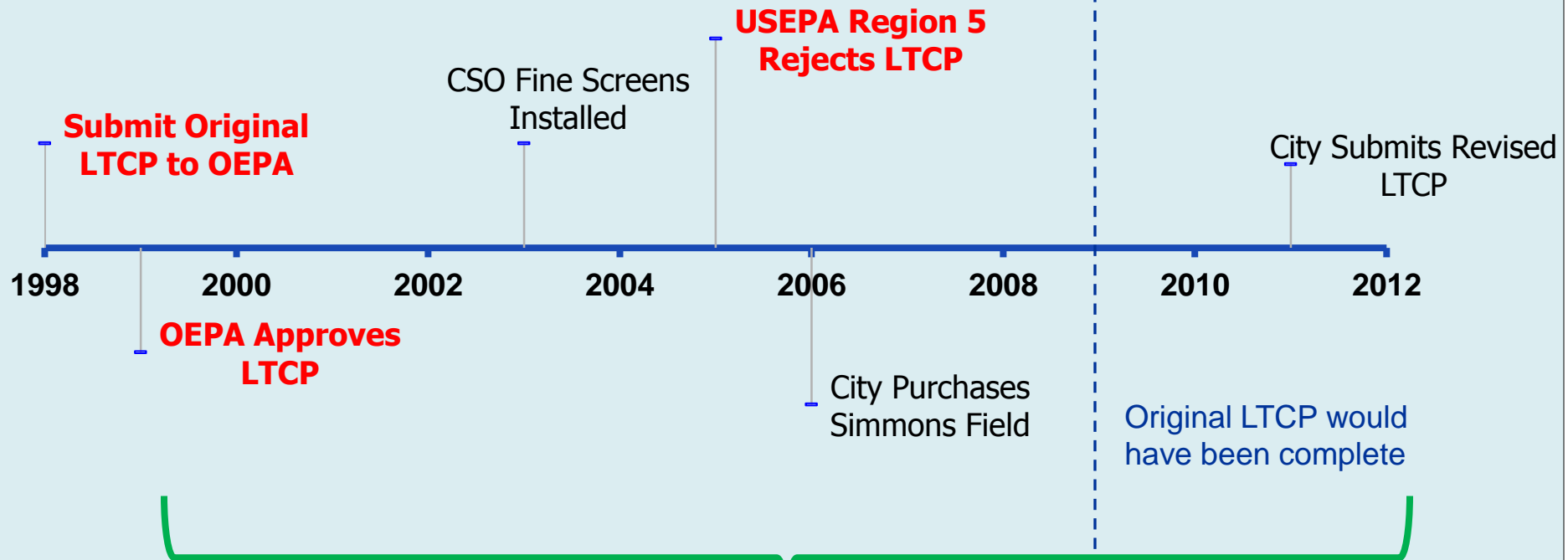
- Stormwater Utility
- Water Supply System

The Problem: Lima LTCP History



Lima's LTCP History

City of Lima, Ohio LTCP History



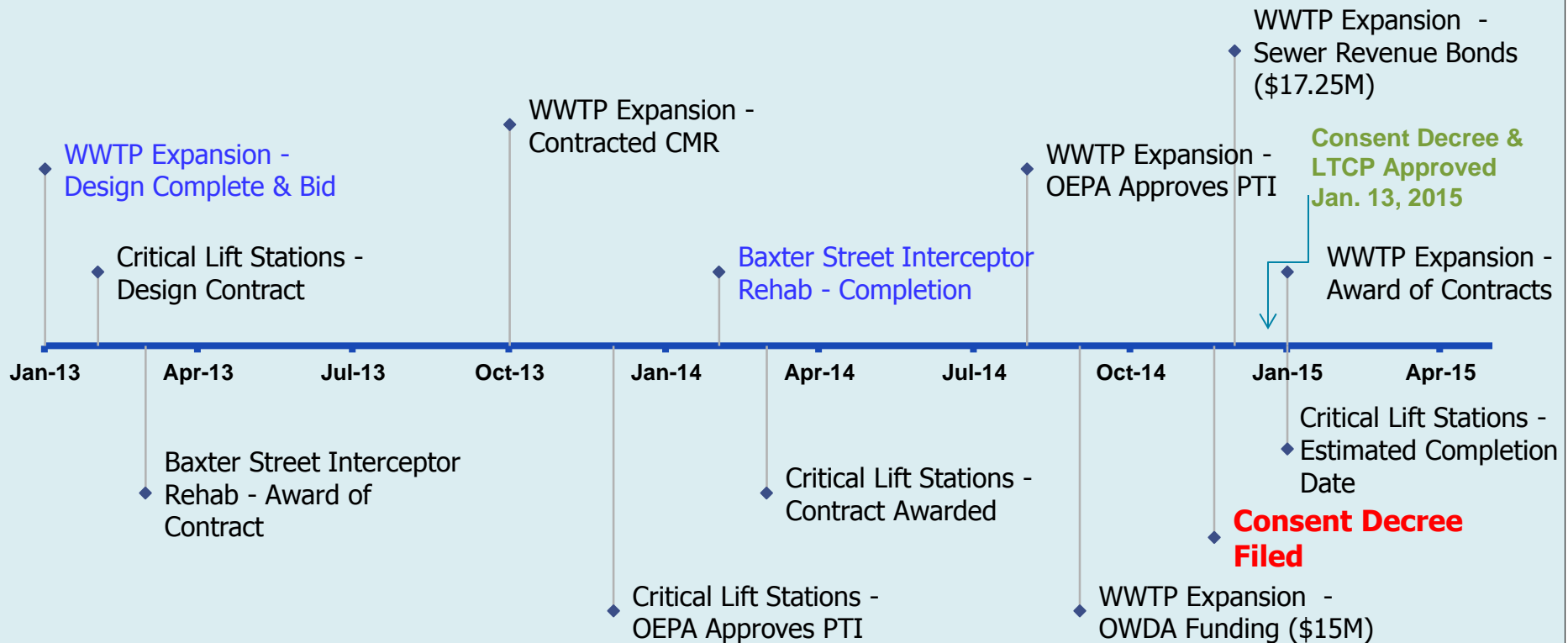
City has spent ~\$10M on studies, engineering, legal

Lima's LTCP History

City of Lima, Ohio LTCP History



Lima's LTCP History



Burden will be on the Ratepayers



Lima Faces Extreme Economic Challenges

- City population: 38,838 and declining
- Wastewater utility service area population ~47,920
- City MHI \$26,943 and declining
 - this is \$3,607 *below* the Ohio **Very Low Income** (VLI) Threshold of \$30,550 (50% of Ohio MHI)
- 34.7% of City residents below poverty level
- Unemployment 20.2% (2X Nat'l Avg.)

The Solution: Integrated Plan

- Fund Projects with Greatest Benefits
- Schedule and Plan Flexibility
- Partners vs. adversaries



History of Integrated Planning (IP)

- Inflexible EPA positions on decrees, Long-Term Control Plans, SSOs, other CWA issues
 - **2% of MHI / 20 years / 4 overflows per year**
- Communities faced substantial costs without significant improvements to water quality
- WEF, NACWA and US Conference of Mayors voiced concerns to EPA - **EPA not using the flexibility in existing Agency policies**
- Communities need to be able to determine how to maximize environmental benefit of their CWA actions given limited resources

Development of Integrated Planning (IP) Framework

- Memo issued Oct. 27, 2011 by Office of Water and Office of Enforcement
 - **Stated EPA intention to develop integrated planning framework**
 - **Plans should use existing flexibility while maintaining regulatory standards**
 - **A municipality's ability to pay should consider ALL Clean Water obligations**
- Final framework issued June 5, 2012
- Communities are now developing or considering integrated plans in OH, MA, IN, MD, RI, CO, NH, NY, MO, TX and other States

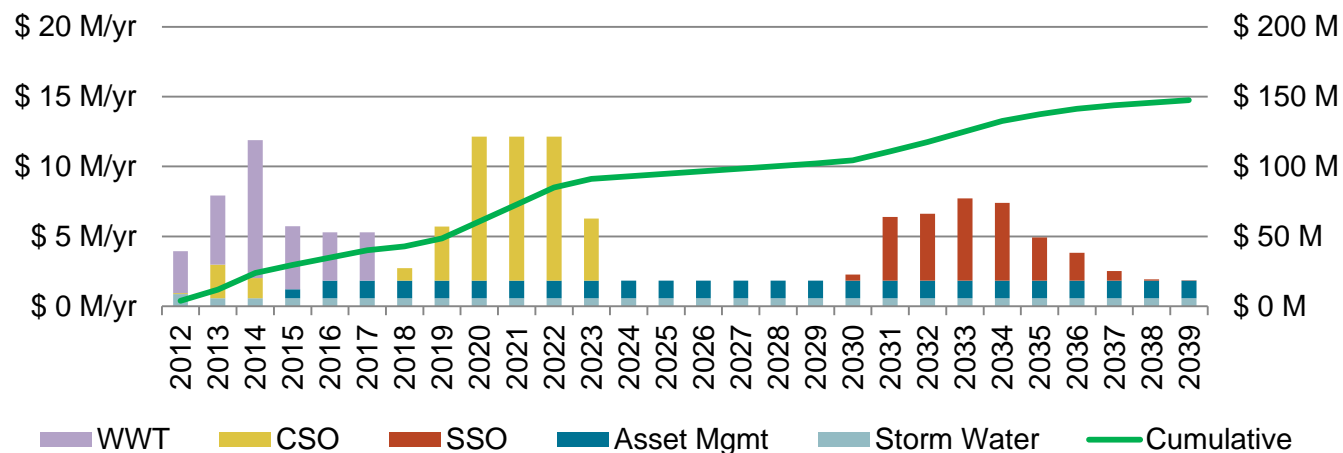
Integrated Plan is a “Leap of Faith”

- EPA – realize there are financial implications to municipalities
- Municipalities – demonstrate the cost-benefit
- Stakeholders – Support the plan that is best for the community



The Benefits: A Cost-Effective Roadmap to a Sustainable Utility

- Integrates a Utility Plan with wastewater, stormwater for new and existing infrastructure
- Optimizes capital and environmental benefits
- Stretching out schedule reduces rate payer impacts



The Benefits: A Cost-Effective Roadmap to a Sustainable Utility

- Flexibility to changing regulations, economics and political conditions
- Partnerships with regulators, other stakeholders
- Existing Capital Improvement Plan verification

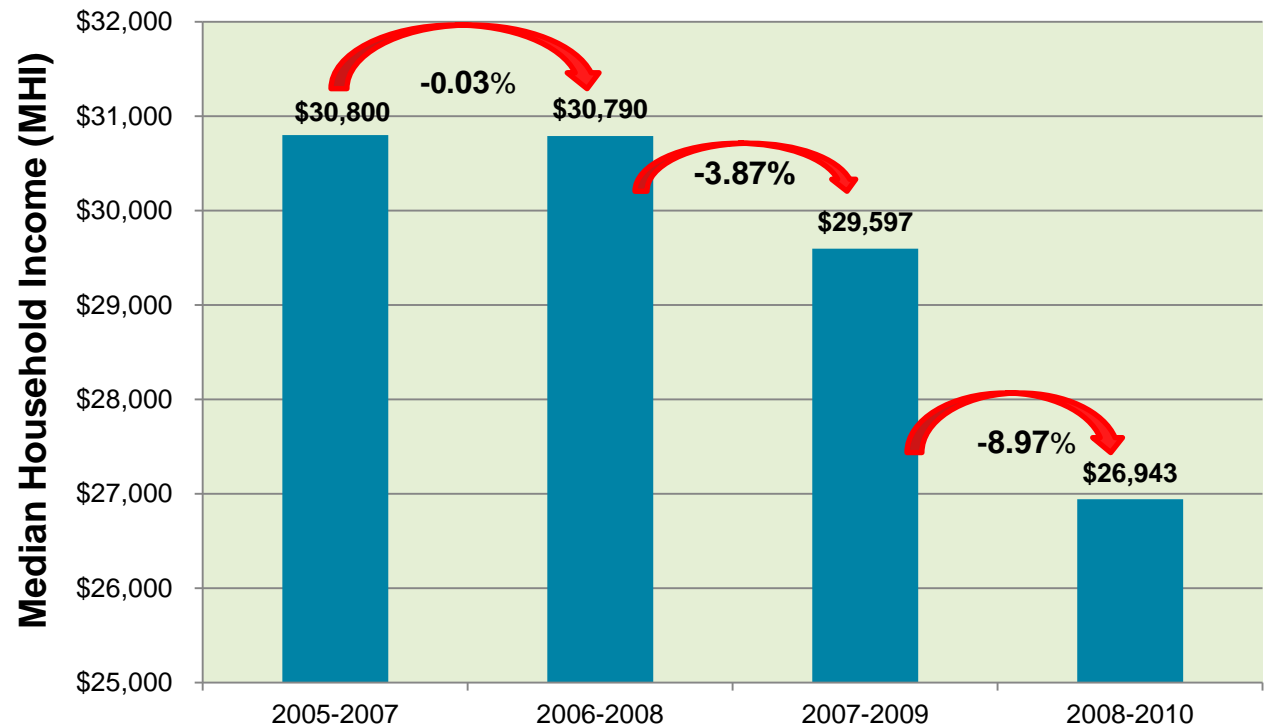




Lima's Proposed Integrated Plan

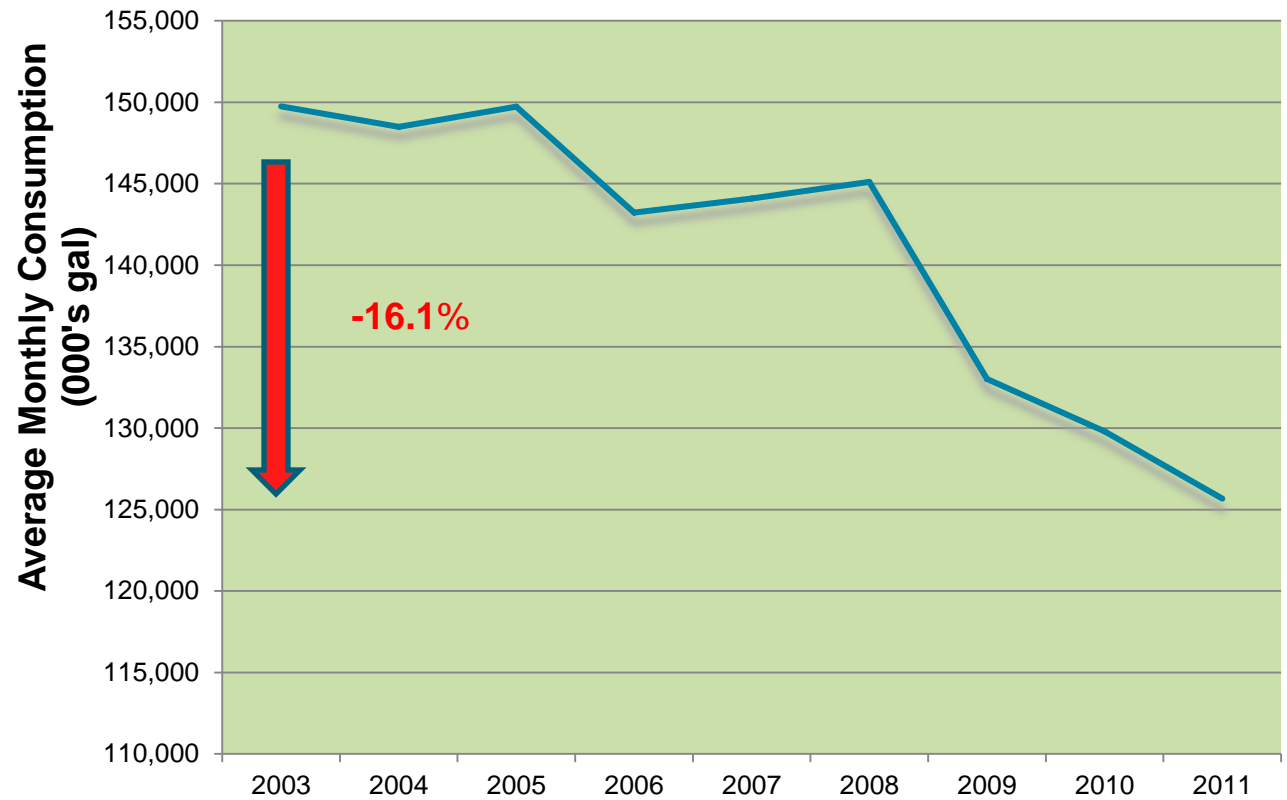
Economic Challenges

- Median Household Income has declined dramatically in recent history



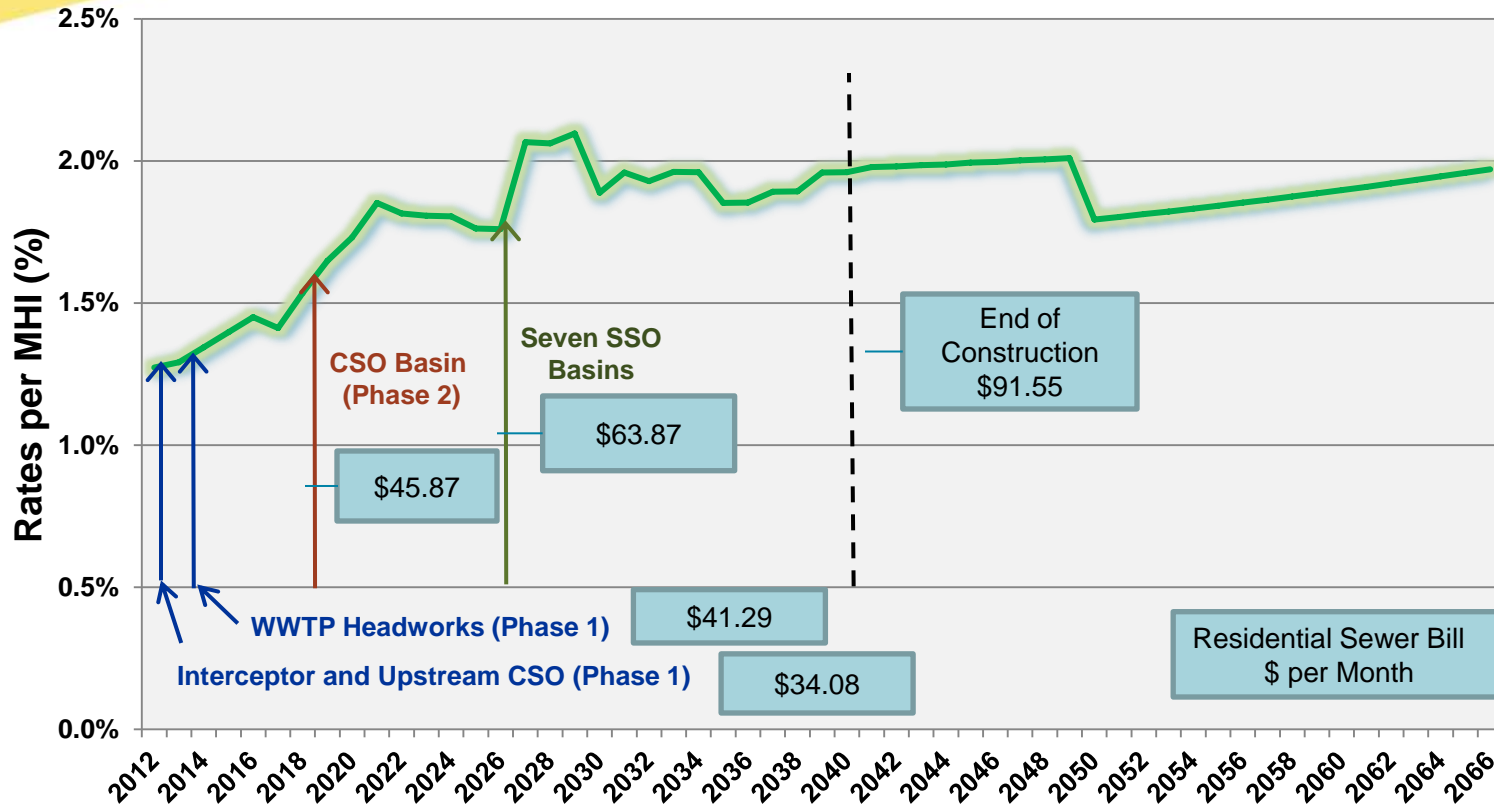
Economic Challenges

- Sewer usage has also been steadily declining



Affordable Implementation of Plan Based on Optimistic Economic Conditions

Peak Growth, Average Inflation



Peak Historical Annual Growth:

MHI: 2.11% (Hist. Annual Average ('00-'10): 0.43%)
 Usage: 1.57% (Hist. Annual Average ('03-'12): -1.9%)

Average Historical Annual Inflation:

Construction: 2.60% (ENR-CCI 5-Yr Avg ('05-'10) Cinci & Detroit)
 O & M: 3.07% (City 10 Year '03-'12 Avg)

Lima Agreement – Key Aspects

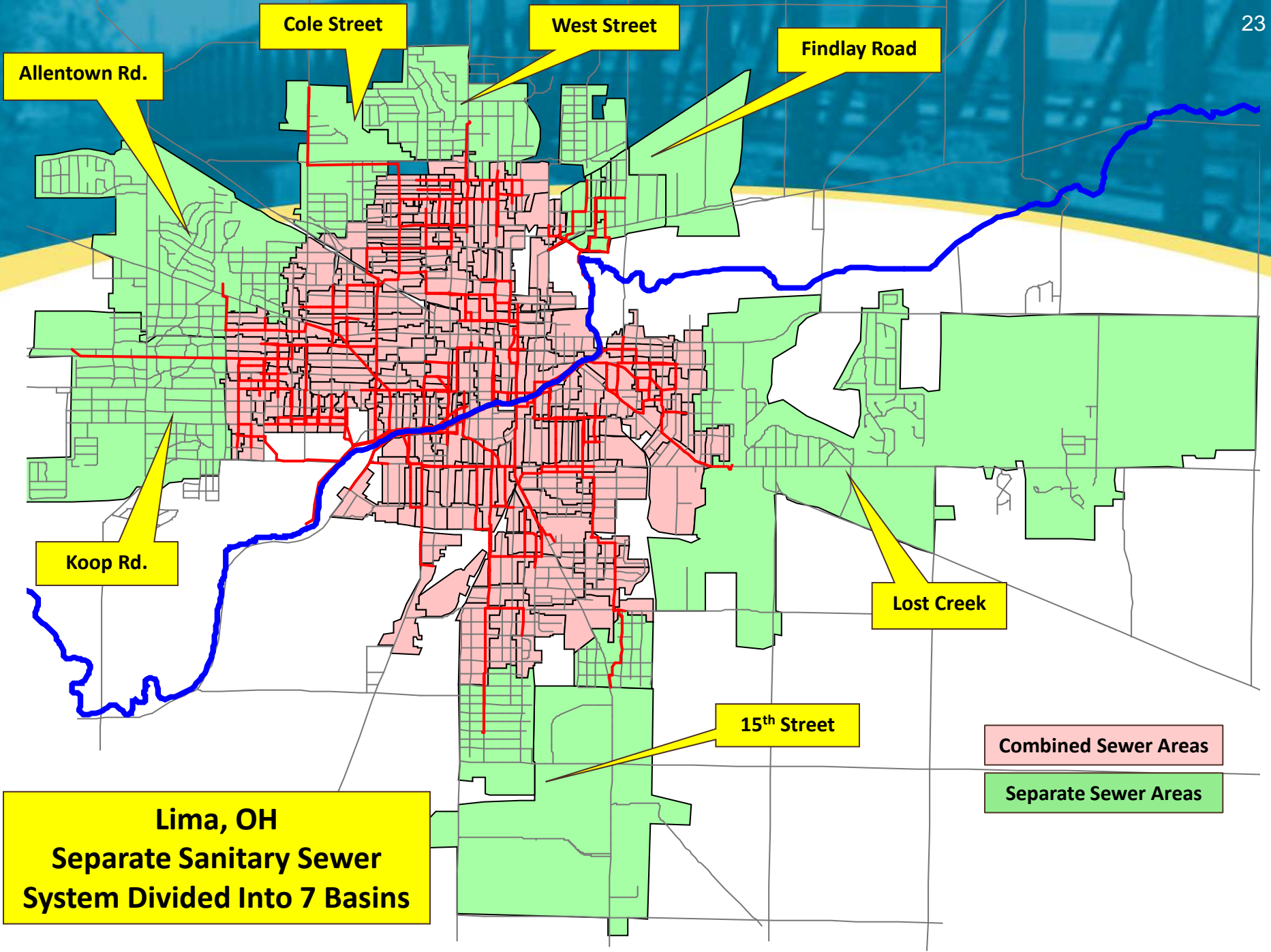
- Consent Decree – filed on Nov. 19, 2014
- Consent Decree and Integrated Plan (LTCP) final into Federal Court Jan.13, 2015
- Schedule extends into 2038
- Sequenced to achieve greatest environmental benefits first
- Bonding cycles affected schedule
- Reopeners for affordability, affecting schedule and changes in controls
- Also reopener for adaptive management, green infrastructure, and economic reasons

Lima Agreement – Key Aspects

- Integrates WWTP, CSO, and SSO issues as well as asset management and stormwater system improvements:
 - Early Action Projects
 - Increase WWTP capacity first
 - Then implement CSO controls to achieve 97.5% capture
 - Finally, implement SSO abatement for a level of control design storm
 - Annual renewal and replacement program to maintain deteriorating system
 - Annual stormwater system improvements to address quality and quantity issues

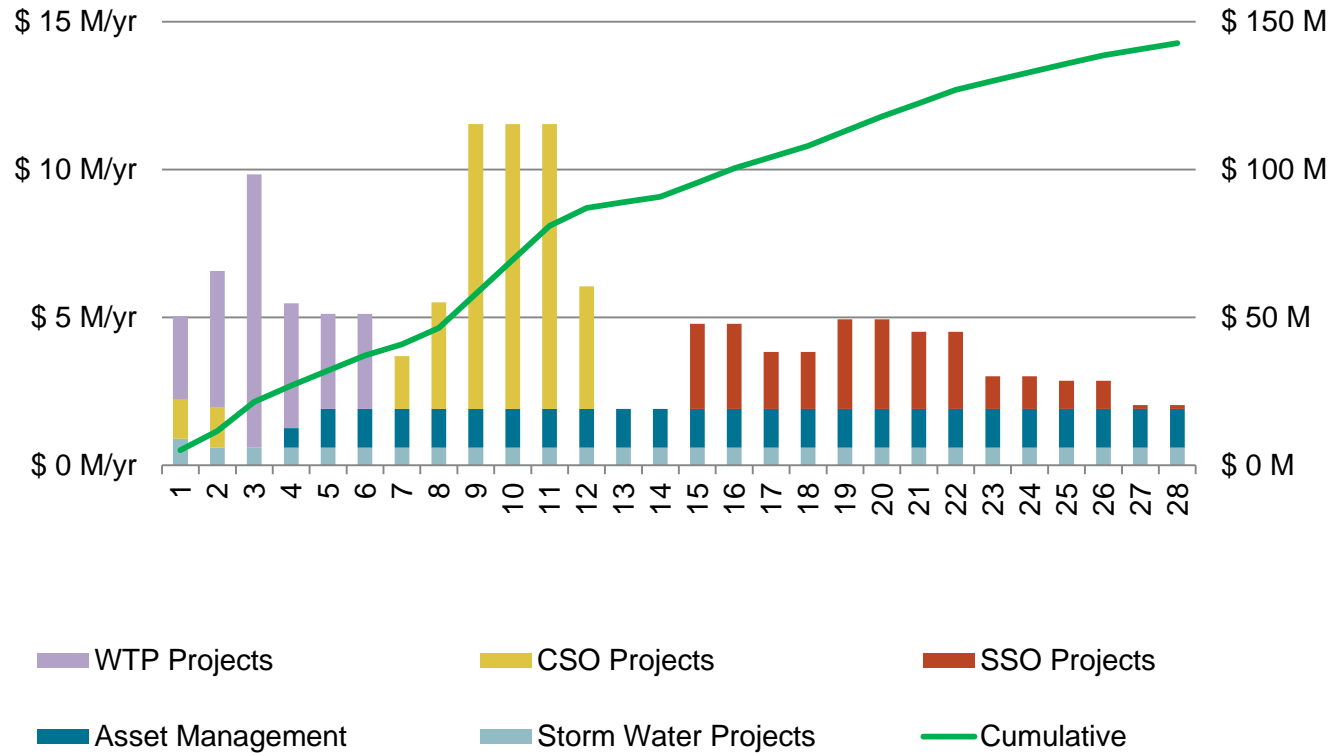
Elements of Lima Plan/Decree

- Treatment plant upgrade to expand wet weather capacity – done in 4 years
- CSOs – target of 5 overflows/year, reached in 10 years
- SSOs – different design storms for different basins (5-year or 25-year) – done in 24 years
- Civil penalty of \$49,000
- SEP of tree planting along Ottawa River - \$218,400 cost



Proposed Integrated Plan

- Total cost \$147.6 million over 28 years (2011 \$)
- \$87 million to be spent in first 12 years (2011 \$)
- 2.58% MHI per EPA guidance
 - Over 4% for more than one third of Lima's families



Proposed Improvement Costs

CSO Improvements	\$40.73 million
13 mg CSO Tank + 30 mgd Pump Station	\$36.84 million
Upstream Sewer Separation)	\$2.88 million
RTC Improvements	\$1.01 million
WWTP Improvements	\$29.21 million
Headworks, Primaries (53 mgd)	\$19.33 million
Interceptor (96 mgd)	\$2.99 million
Peak Wet Weather (70 mgd)	\$6.89 million
SSO Abatement Improvements	\$30.33 million
Allentown Rd.	\$7.15 million
West St.	\$ 5.33 million
Koop Rd.	\$ 7.54 million
Lost Creek	\$ 5.14 million
Cole St.	\$ 2.91 million
Findlay Rd.	\$ 2.06 million
Fifteenth St.	\$ 0.20 million
Asset Management (\$1.3M/Year)	\$30.80 million
Stormwater (\$0.6K/Year)	\$16.54 million
Total	\$147.61 million

Lima Reopener Language

- Notwithstanding anything else in this Decree, Lima may propose, and the United States and the State may consider, any amendments to Appendix A to accommodate changed circumstances that may include but are not limited to: (i) financial and budgetary considerations identified in Appendix D; (ii) adaptive management considerations yielding equal or better environmental outcomes than particular projects identified in Appendix A; and/or, (iii) green infrastructure projects.

Lima Appendix D Factors

- Any factor referenced in U.S. EPA's "Combined Sewer Overflows Guidance for Financial Capability Assessment and Schedule Development," EPA 832-B-97-004, published February 1997 ("FCA Guidance"), including but not limited to the Residential Indicator (the cost per household expressed as a percentage of the Median Household Income for Lima's service area);
- Economic conditions and trends, such as service area poverty levels;
- Service area unemployment data and trends ;
- Service area population data and trends;

More Lima Appendix D Factors

- Service area size, including any changes in size or boundaries such as realignment of part of the service area to Allen County or other service providers;
- Service area revenue data and trends, including changes such as water conservation efforts;
- Lima's account base data and trends, including changes such as closure of major industrial or institutional wastewater accounts;
- Changes in the costs of wastewater operations;

Contact us



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