

TONTOGANY VILLAGE COUNCIL

MEETING MINUTES FROM: March 15, 2021

Council called to order in regular session at 7:00 p.m. with Mayor Matthew Shanahan presiding. Opening ceremony: Pledge of Allegiance to the Flag, led by Mayor Shanahan. Roll call of members: Brenda Mackey, here; Connie Mehring, here; Jamin Roe, here; Mark Smith, here; Robert Bergfeld, here; Damon Lee, here. Also present were Village Administrator/Utilities Superintendent/Meter Reader Chad Johnson, Zoning Inspector Brian Owens, Village Solicitor Paul Skaff with Associate Attorney Nicholas Wainwright, and Fiscal Officer/Utilities Clerk Ryan Harnishfeger. Visitors present: Bowling Green Utilities Director Brian O'Connell and Bowling Green Electric Superintendent John Stewart. Minutes from the March 1 meeting were approved as submitted.

FINANCE and CLAIMS: A spreadsheet of the current invoices was reviewed and approved by members. Councilman Roe made a motion that these bills be allowed and orders drawn for same. Councilwoman Mehring seconded this motion. All were in favor; motion carried.

Mayor Shanahan did a third reading, by title only, of Ordinance #930-21, an ORDINANCE ADOPTING RIGHT OF WAY AND SIDEWALK REGULATIONS. Councilwoman Mackey made a motion to adopt Ordinance #930-21. Councilman Roe seconded this motion. All were in favor; motion carried.

ZONING: Nothing to report.

UTILITIES: Mayor Shanahan turned the meeting to focus on the school solar generator and billing situation. He welcomed Mr. O'Connell and Mr. Stewart from Bowling Green Utilities; he also acknowledged Solicitor Skaff and Attorney Wainwright, and he reported that Otsego School Superintendent Adam Koch could not be here tonight due to another commitment, but he has shown interest in continuing the conversation on this matter. The mayor then asked Utilities Superintendent Johnson to lead the discussion.

Mr. Johnson explained that the village had started discussing the proposed school solar field two or three years ago, but never got much expert feedback on how we should go with it. Mr. Johnson admitted that he is not an expert in electric and things of this nature. The process got rushed through and we were never given any instructions on the special metering for the solar installation. Mayor Shanahan commented that we discovered at the end of 2020 that we owed the school over \$48,000 in value, according to our agreement, for surplus energy put back on our grid over the year. Mr. Johnson went on to say that he just received a quote from a company called Utility Financial Solutions, LLC (UFS) to do an electric cost of service study for the village, which he wanted to discuss with members at this meeting as well, to help the village get our electric finances, expenses, and rates organized and in line with real costs. He asked Mr. O'Connell and Mr. Stewart if they had any information to share that they thought would be helpful.

Mr. O'Connell began by sharing, in great detail, how Bowling Green handles billing and credit for solar installations put in by their retail utility customers. He commented that Bowling Green uses a different company to do their cost of service studies, but that UFS is a well-known company that should be able to help the village determine what our electric rates should be and what value we should give the school for surplus solar energy. Rates at which a solar customer gets credit for surplus power can be modified and changed by the utility company. The aim is to give them a credit rate that is fair for all involved, including the other customers. One customer should not be subsidizing another customer. If you end up paying more credit than the real value of the surplus solar energy, then all of the rest of your customers end up paying for that service that is overvalued. Value has to take into consideration the fact that a solar customer now pays you less than a non-solar customer, yet still expects to use your electric infrastructure and services 24/7 to get electric from you whenever they need it, and to put excess energy onto your grid, without which their excess energy would be totally lost. So, there is a value for all

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of the surplus energy produced by a solar generator, but if you are giving a retail rate of credit for it, you are paying too much. You should be crediting the surplus power at a calculated rate that is comparable to the rate that you pay your other wholesale supplier(s).

Mr. O'Connell went on to say that it is possible to set a limit on how much surplus energy your utility will buy from a solar customer. However, Bowling Green does not do that; instead, the size of the solar installation allowed is limited to a size that would produce about the amount of energy they would use in a year and no more. Also, another monthly charge has been added to those customers, based on the size of their installation, because they still require a full level of service, but are not paying like other customers. Bowling Green does not do a net billing like your village agreement. We bill a retail rate for energy delivered to a solar customer, and we credit them for surplus energy received back separately at a wholesale rate.

Solicitor Skaff asked Mr. O'Connell to explain how net metering credit works. Mr. O'Connell replied that there are different ways you can do it. Years ago, a simple retail credit was given for surplus power from renewable energy installations. When Bowling Green set up its crediting system, we deemed that an unfair crediting system for energy coming back to the city. We worked with our consultant to come up with the market value for energy bought back from a customer with a solar generator, paying the customer the same that they pay their other energy suppliers, taking into consideration things like capacity and transmission charges. The rate can be reevaluated periodically. Mr. Skaff asked if Bowling Green, then, gives them credit for any power they put back on the grid. Mr. O'Connell answered that they do. Mr. Skaff responded that he doesn't read our agreement as saying that we give credit for any surplus energy, but only for an amount that exceeds the amount of power the customer is buying from the village. Utilities Clerk Harnishfeger explained his understanding of the village's agreement, that in months where the village supplies more power to the school than they put back on the grid, we are to give them a net (reduced) billing, which is a way of "crediting" them for the energy they put back on the grid by the value received in reduced billing. When they put more surplus energy back on the grid than they purchased from the village, then there is no billing for electric and kilowatt-hour tax, but just a pure credit put on their account for those parts of their bill. The only time the agreement speaks of "credit" is when the surplus energy coming back is more than the energy supplied by the village. But there is in kind credit for surplus power in a net billing month. The big question, which Mr. O'Connell answered very well, is whether or not we should be giving credit for surplus solar energy at a retail rate or not, and the answer is that we should not. Councilman Smith agreed that we are losing our shirt on that. Councilman Roe asked Mr. Harnishfeger if he had been billing like the agreement states all of last year. Mr. Harnishfeger replied that he did not, because he never got any readings in 2020 for power put back on the grid by the school. He supposed that the new bidirectional meters must be giving a pre-calculated net meter reading, so he just billed like normal. We found out differently when Adam Koch sent us a spreadsheet from Dave Baus after the first of the year, showing amounts supplied to the school from the village and amounts sent back onto our grid from the school. Therefore, we owe the school a combined value of net (reduced) billing and credit for all of the surplus power put back on our grid in 2020, which comes to a total retail value of \$48,900.71, according to our agreement, as it is currently written. Mr. Skaff commented that he is still not 100% sold that the village owes that much credit. He said we need to look at each month to see if the village owes them credit, rather than just look at the year as a whole. He asked if the \$48,000 represents more energy they supplied than the village supplied to them. Mr. Harnishfeger responded that he gave Council a summary of the yearly totals, but he also has a breakdown of the monthly figures, if Mr. Skaff wants them. The reason we owe the whole amount is because no value was ever given the school for any energy put back on the grid, either by way of reduced billing in months where that was called for or by way of pure credit in months where that was called for. I think we are getting hung up on the word "credit." Mr. Roe asked if we could tell the school that giving credit for surplus energy at the retail rate was a mistake.

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Mayor Shanahan asked if there were any more questions for Mr. O'Connell and Mr. Stewart before they were free to leave the meeting. Mr. Johnson answered that he would like to talk about the matter of changing out bad electric poles. We try to have the poles inspected each year and he has asked Bowling Green about the critical ones that need changed, but they haven't been changed. Councilman Roe asked if Bowling Green would allow us to call in another contractor, if we are told we have a pole in really bad shape, but Bowling Green says they are super busy and can't get to it any time soon. He asked if we have a contract with Bowling Green. Mr. Stewart answered that there is no contract and the village could call in another contractor, if we wish, but they would rather we didn't; if a pole is really bad, just call and they will get someone over here to change it. He went on to say that the only really critical pole on the last list from Epic was near the elevator, and it is still standing. It is on his list and he will get it changed, but it is still standing because it is being pulled in every direction and it is not going anywhere. It is true that they are extra busy changing out 200 poles in Bowling Green, because of Buckeye Cable. Mr. Stewart said that when he received our list he came and looked at all of the poles on it. While doing that, he noticed that we have some trees that need branches trimmed away from lines. He said that a lot of the poles on the list say "shell rot," which means that just the outside of the pole is coming apart, but the core is still good. If it says the core is bad, it needs changed. Mr. Roe asked Mr. Stewart if the same goes for changing bad street lights, because we have some that have gone for months without being fixed. Mr. Stewart answered that he changed out the original nine street lights on the list we gave him, and, if we have more, just get a list to him and he will get them done for us. He said they usually do street lights on Fridays. He said they would rather we didn't call in another contractor and then, when they leave, call Bowling Green again. Just call them and they will get it done. Members assured Mr. Stewart that the village had no complaints about the work they have done for us in the past, which has always been great. Mr. Stewart responded that he understands our concern about bad poles, but he does come and look at them. He also comes to look when we call for temporary service, verifies the location, and makes sure it is inspected. He texts Mr. Johnson and they get it hooked up, once it is inspected. With no more questions from members, Mayor Shanahan thanked the gentlemen from Bowling Green Utilities and they left the meeting.

Solicitor Skaff asked why the village owes the school so much credit, if our agreement says any unused credit for surplus power is supposed to be cancelled out at the end of the year. Mr. Harnishfeger answered that, ordinarily, we would cancel any unused credit at the end of the year, but no net billing or crediting was done monthly through the year, and at the end of the year any credit was used up, leaving none to cancel. Therefore, we owe them the value of all of the reduced net billing and credits for surplus energy put back on our grid throughout the year. Councilman Roe said he thought we should tell the school we owe them for the surplus energy they put back on the grid in 2020, but we don't think the credit value should be calculated at retail, but at a wholesale rate. Mayor Shanahan commented that we would have to redo the contract. We will wait on giving the \$48,000 due, until Solicitor Skaff advises us on the right way to do it. Mr. Skaff said it should have been done monthly and zeroed out at the end of the year. He asked Mr. Harnishfeger if he had been able to do it monthly yet. Mr. Harnishfeger answered that he has not, because he still is not getting the meter readings on what surplus power is coming back to us. Mr. Johnson said that he was told by Dave Baus that he only needed to get the same readings as we got before, so that is what he had been getting. Dave gets the amount that the school is giving us. Mr. Harnishfeger said he shouldn't be depending on Dave Baus for our readings; we need to have our own readings to figure our own billing to the school, which our state auditors can inspect. Councilman Smith commented that, going forward, we need to be collecting our own information for what we provide them and what they provide us. And we need to renegotiate the contract; we cannot be paying retail prices for someone putting extra electricity on our grid. Mr. Johnson suggested that we share our readings with Dave Baus. Mr. Harnishfeger said he didn't see the need to do so, but he will do so, if Mr. Baus would like the information. Mayor Shanahan asked Mr. Johnson if he is going to start getting all of the readings this month. Mr. Johnson said he would do so. The mayor asked Mr. Skaff if he

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had anything else on the topic. Mr. Skaff said he would like to see if we could recreate each month for 2020, to see if the total amount owed to the school is correct, since it is not supposed to be done as a yearly calculation, but monthly. Mr. Harnishfeger said he has the monthly numbers. The mayor said that we will let Mr. Skaff and Mr. Harnishfeger work that part out.

Utilities Superintendent Johnson pointed out that everyone received a copy of the proposal from Utility Financial Solutions, LLC (UFS) for an electric cost of service study. Councilwoman Mackey asked if the bottom-line cost was \$15,000. Mr. Johnson said it was, although, if they have to come here to meet with anyone, it costs extra money. This is basically the same thing Haskins did. It is recommended to be done about every five years, but we have never done it before. Mr. Harnishfeger told members that it scares him because he realizes that he will be the one who has to try to supply all of the information they will ask for and they are talking about a three-month timeframe, with any delays in getting information to them costing more time. He works four days a week for the village, hustling to get all of the work done as fiscal officer and utility clerk, often staying extra hours just to get his normal duties accomplished. He said he just wants to warn members that adding a large project like this will be difficult for him to accomplish in an optimal timeframe. The mayor and members suggested that Utilities Superintendent Johnson could coordinate the project. Members also offered a suggestion about hiring extra help to do some of Mr. Harnishfeger's normal work while he works on the cost of service research. Mr. Harnishfeger responded that his work is very technical in nature and he would have to stand over someone to tell them how to do it, so that wouldn't be helpful. Also, he is bonded for doing the work. Members decided that we need to do a cost of service study to get our electric fund back in good shape and to set proper rates for buying back surplus solar energy. They asked if we could get two or three quotes, including a quote from the company that does a cost of service study for Bowling Green. Mr. Johnson said he would ask for that.

Mr. Harnishfeger asked if we might want to raise the electric rates a flat ten percent right now to get some more money coming in while we wait to complete a cost of service study. He also said we need to be raising our electric tap fee, because we recently lost about \$6,000 on a tap on Tontogany Creek Road. Mr. Johnson commented that we should immediately raise the tap fee, because we are charging \$500 and the real cost is more like \$5,000, with our policy requiring it to be underground. Mayor Shanahan asked Solicitor Skaff if we would need an ordinance to raise the tap fee. Mr. Skaff responded that we would. Councilman Roe asked Mr. Johnson what is the normal cost of an electric tap. Mr. Johnson answered that it is according to the size of the lot and how much excavating is needed. He said he would recommend setting the tap fee at \$4,000, with the stipulation that, if the cost is above that, the customer must pay the difference. Councilwoman Mackey asked if the village's responsibility stops at the street. Mr. Johnson responded that our responsibility stops at the meter, which is on the house. Ms. Mackey asked if we can do something about raising the rates today. Mr. Skaff answered that you want to wait for the rate study. Councilman Smith added that we are trying to get accurate information for adjusting the rates, so we are not just shooting from the hip. The mayor commented that we are basically waiting for a rate study and then planning on raising the rates early next year. Councilwoman Mehring commented that she thinks we should raise the rates by ten percent now. After a little more discussion, members asked Mr. Johnson to find out how much Bowling Green raised their rates in 2018, 2019, and 2020, since the last time we raised our rates was in 2017. Then we can further discuss what we want to do at the next meeting. Mr. Roe commented that we also need to be working on updating our solar agreement. Mayor Shanahan asked if members wanted him to invite Adam Koch to the next meeting. Members said they would like to have him come so they can ask him about changing the rate for surplus solar power, although he will probably need to seek the school board's approval.

Mr. Johnson reported that he did a zoning permit in Washington Township for a new house at Bobel Road and Tontogany Road. The owner will be seeking a water tap from Tontogany, which will require boring under Tontogany Road.

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Councilwoman Mackey asked if we are still going to have Schwind remove the lights. Mayor Shanahan asked if members wanted to approve the overall estimate that Schwind gave us. Members gave their approval, with no one voicing opposition. The mayor said he will follow up with Schwind.

STREETS and ALLEYS: Mayor Shanahan reported that Toledo Flags, which was sold to another company, will not be allowed by the new company to honor the \$300 installation estimate they had previously given us, but it would now be \$700 for installing the new flags downtown. If we don't want to pay \$700 for installation, we can still get the flags and brackets at the original quoted price, and we can install them ourselves. Councilwoman Mackey asked if the banner brackets are included. The mayor said he will have to look again to see if they are included or not. Councilman Smith suggested it might be best to install the flags and save \$700. Members agreed.

Mayor Shanahan reported that he had emailed the sign of veteran names that was given to him from the Legion, for hometown heroes banners. He said he had talked with the company in Findlay. They need to know how many, the dimensions, and what we want on the banners. It is a three-day turnaround once we get them the order. Obviously, we can't do all of the names at once. We can decide what names we want to do and then we will need to ask them for a photo of them in uniform. Councilman Roe suggested that we start with veterans who are still alive and live in town. The mayor asked members to put together a list for Council to decide on, to get this project going.

Councilman Roe reported that Morlock had called him, inquiring if we had any work we needed them for and he asked them for an estimate on crack sealing for Tontogany Creek Road. The quote was emailed to the village and the fiscal officer forwarded it to the mayor and members. Mayor Shanahan responded that he had sent that quote on to the Washington Township Trustees. They have a meeting on Wednesday and will discuss splitting the cost with Tontogany for the estimated price. We didn't do a vote, but we all thought it was a reasonable price, especially if we split it with the township. Members agreed, with no one voicing opposition.

Mayor Shanahan reported that he sent members a quote that Bill Gase received for a new marquee sign in front of the fire hall. He said Fiscal Officer Harnishfeger had put together some numbers for what we would need to do, if we pay half of the cost: The total tax-exempt price of the marquee would be \$21,280. Tontogany's part would be \$10,910. \$5,455 would need to be paid up front and then the remaining \$5,455 would be due when the sign is finished. We would need a supplemental appropriation ordinance to add \$8,000 to account number 1000-390-329 in the general fund. Councilwoman Mehring said she thought that was a lot of money that might be better spent on something else right now and she wondered how many residents would actually drive by the sign and view it regularly. The mayor commented that the cost would be a lot more if we tried to do it on our own, instead of sharing the cost with the township. Councilwoman Mackey asked if the fire department would be paying part of the cost. The mayor answered that he thinks they would, so it may be a three-way split, but the township was just hesitant to do it on their own. Ms. Mackey reminded the mayor and members that we were asked at the last minute last fall to go in with the township on paving a stretch of Tontogany Creek Road, without giving us ample time to make an educated decision about it. She said she is not in favor of having anything else sprung on us at this point. Councilman Smith commented that he likes the idea, but we are in a kind of holding pattern right now. Councilman Roe commented that he thinks the best way to get information out to people would be to set up an email communications system. Mayor Shanahan responded that he got the account set up and sent the information to Haley, our web maintenance lady. He is waiting to hear back from her. He said he will tell Bill Gase that we are on hold for the marquee sign right now.

SIDEWALKS and TREES: Councilman Roe said he is finally on the same page with the fiscal officer about the sidewalk letter and will get him the digital file he needs to have the print job done. Administrator Johnson asked if the sidewalk in front of the school is still in the works or not. Mr. Roe answered that we

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have plans for it. Mr. Roe asked the mayor if he had spoken with School Superintendent Adam Koch about someone contacting Mr. Roe about working with him on the ODOT program, since someone from the school has to be involved. The mayor answered that he would follow up with Mr. Koch on that.

DRAINS and SEWERS: Nothing to report.

CITY HALL and PARKS: Councilwoman Mackey reported that she was contacted by a representative from the Methodist Church in town. They would like to reserve Centennial Park for April 3rd, the day before Easter, at 2:00 p.m., for a community Easter egg hunt. They want to open it up to the community, not just their church. They were going to contact the school and publicize it through the school. Ms. Mackey gave them Bill Gase's number to contact about putting it on the fire hall sign. She also told them we would try to get it on our website. She said she would ask them to email a flyer to the village for posting on our website.

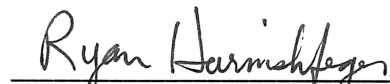
Councilwoman Mackey reported that she was contacted by the owner of the company that will be doing our playground mulching. They want to install the mulch sometime in the next couple of weeks, if we are agreeable to that. She asked him about preparing the existing mulch before installing the new mulch. He came over today and looked at the mulch at the parks. He said they will spread it out where it needs to be spread, in preparation for installing the new mulch. Members voiced approval, with no objections, so Ms. Mackey said she would tell them to go ahead.

Councilwoman Mackey asked if members would like for her to contact Stripe It Up to go ahead with the \$750 striping of the basketball court. Members agreed with having it done, as long as the weather conditions are good for it.

Mayor Shanahan reported that he spoke with Solicitor Skaff about the suggestion of naming something, such as the Centennial Park pavilion, in honor of Ronald Current. Whatever we decide, we will just give the information to Mr. Skaff and he will write up a resolution for us. Members voiced agreement with the idea of naming the pavilion after Mr. Current. Mr. Skaff asked members to give him a little background information about Ronald Current and what he did for the village. Councilwoman Mackey said she would try to get the information from Mr. Current's daughter. Mr. Skaff said he can put in the resolution whatever members want to recognize Mr. Current for. The mayor said we would probably plan a ceremony on a certain date and invite the family to the pavilion for the event. Councilman Roe asked if we will get a plaque made. The mayor responded that we would have a plaque made saying something like "The Ronald Current Pavilion." Administrator Johnson commented that the one in Dunbridge is in the peak of their pavilion. He offered to send a picture of it to members.

With nothing further to discuss, Mayor Shanahan declared the meeting adjourned at 9:09 p.m.


Matthew Shanahan, Mayor


Ryan Harnishfeger, Fiscal Officer