

**Water and Sewer Services Agreement Facts**  
"What Is This Talk of Annexation All About?"

This narrative was prepared to explain Andover Village's position as to why customers outside the village were asked to sign the Water and Sewer Services Agreement. It is important that questions and concerns be addressed to the source, to clear up confusion or misconceptions. Rumors and misinformation serve no purpose other than to create controversy where none should exist.

1. When the Andover Village Water and Sewer Department was established in 1967, the systems were intended to be for the sole use of village residents. There were 2 time periods when council chose to extend the water and sewer lines outside the village limits.
  - a. The first period, from October of 1971 to September of 1972, allowed for the Pymatuning Valley Local School District to connect its newly constructed buildings to the water and sewer systems without annexing to the village. At that time, several residents took advantage of this window of opportunity and also connected to the systems without annexing.
  - b. The second period began in 1993. Council engaged in an experiment and allowed the extension of water and sewer lines into the township without requiring annexation. Both systems were aging and would soon need costly upgrades. Council's goal was to expand the customer base of the water and sewer systems and encourage growth in both the village and the township.
  - c. To allow the extensions, council chose to enter an agreement with the Ashtabula County Commissioners because the county has jurisdiction over all water and sewer lines outside the village limits.
  - d. The experiment failed. Growth took place primarily in the township. From 2004 until May of 2011, 11 taps were granted inside the village, but 34 were granted outside it. The village has received no real estate taxes or income tax revenue from those 34 customers.
  - e. Council attempted to terminate the agreement in 1994, partly because the extra demand on the system was expected to be far greater than the potential revenue to be received from the township customers. The attempt was unsuccessful.
2. Since the early 1970s, some properties adjacent to the village had septic system issues and were allowed to tap into only the sewer system. No approval can be found in the council minutes for those taps. Today, these properties pose a problem. Their water usage is not metered because each one has a well, so it is possible those customers are being undercharged for their sewer use.
3. When the EPA mandates improvements and upgrades to the water or sewer systems, the village has to pay for them even if the water and sewer capital budgets are insufficient to bear the cost. Village taxpayers then subsidize a portion of the costs associated with the systems. Township customers pay a 40% surcharge (only on their water usage), but the amount is only about \$6 per month more than if the properties were located in the village.
4. The school district built a new building in the township, increased the real estate taxes in the district to do so (which includes the village and the township), then demolished the primary school building in the village. All the primary school employees were relocated outside the village, decreasing the village's income tax revenue. The village asked the school board to consider annexation, but the request was rejected.
5. In March of 2013, the village terminated the old agreement with the county and entered a

- new one. Council enacted legislation which states that the water and sewer systems will not be extended beyond their current limits unless the premises to be served are annexed to the village.
6. In August of 2013, council approached the township trustees about the possibility of forming a Joint Economic Development District (JEDD). It would have mutually benefitted both the township and village by allowing a portion of municipal income taxes and real estate taxes to be shared.
    - a. After several meetings between councilmember Curt Williams and trustees Matt Hockran and Glenn Day, council concluded that a JEDD was not feasible.
    - b. During a meeting of the JEDD committee in September of 2013, it was proposed that the current township water and sewer users be "grandfathered in". They would not be required to annex to the village in order to continue to receive water and sewer services.
    - c. At the 8 October 2013 council meeting, the village's JEDD committee reported on its deliberations and made the recommendations noted. No action was ever taken on the committee's recommendations. The recommendations of a committee cannot bind the village. Without action by council, no agreement on this matter was ever reached between the village and the township.
  7. Andover's position on annexation changed because the law changed. Bakies v. Perrysburg, an Ohio Supreme Court case, was decided in 2006. The court held that a municipality that has historically provided water and sewer services to township customers can require annexation as a condition to continuing to receive water and sewer services. Since the law changed, the mayor and council decided to take charge of the village's destiny.
  8. Andover's current contract with Ashtabula County provides that, after 2015, "nothing contained in [the] agreement shall prohibit the Village from requiring annexation . . . as a condition to receiving or continuing to receive Water and Sewer Services". The contract expires in less than 5 years. The village now seeks to rely on a contract with each township customer individually, rather than renegotiate another county contract.
  9. Ordinance No. 2017-19-O requires township customers to execute a Water and Sewer Services Agreement. The village's primary concern in operating its water and sewer systems is the safety, health, and welfare of the village residents. The mayor and council believe this condition of signing an agreement to continue to receive water and sewer services is reasonable. It bears a legitimate and rational relationship to the safety, health, and welfare of the village residents. The agreement will:
    - a. Eliminate the need to renegotiate future contracts with Ashtabula County since the village will instead contract with each township customer individually.
    - b. Allow the village to enforce its water and sewer ordinances against the township customers, even though they do not reside within the village limits, including collecting unpaid user charges.
    - c. Allow the village to use the water and sewer easements that were originally granted to the county rather than to the village.
    - d. Require the township customers to annex to the village if all other conditions have been satisfied (primarily the property must be contiguous to the village limits) and if the village requests it (which it has not).
  10. By allowing water and sewer connections without annexation, the village inadvertently created a shell around itself of township properties already served by the water and/or sewer systems. Property must be contiguous to the village to be annexed, so this

situation impedes future expansion and development of the village beyond its current limits. This is a situation that the village seeks to correct.

11. Having an existing township customer agree to annex upon request is therefore a crucial component of the agreement. At present, if an owner of property on the other side of a township customer applies for water and sewer services, the request must be denied because the applicant cannot annex to the village without being contiguous to it. An executed agreement will allow the village to compel the intervening owner to join in an annexation petition with the applicant. The lines can then be extended once the applicant's property is annexed.
12. Annexation benefits the village by increasing revenue from real estate taxes and the village's income tax. Increased revenue allows the village to maintain current levels of service, in spite of the ever-increasing costs of providing them, and to plan for future services.
13. The village provides many services, most of which benefit township residents as well as village residents. These include:
  - a. Street maintenance and repairs.
  - b. Street snowplowing.
  - c. Sidewalk maintenance and repairs.
  - d. Sidewalk snowplowing.
  - e. Tree limb pickup (in season).
  - f. Large items trash disposal (once per year).
  - g. Summer swim lessons (in conjunction with the township).
  - h. Mayor's court.
  - i. Maintenance and repairs at the Ohio Avenue ballfields.
  - j. Maintenance and repairs at the John R. Overly Recreation Park.
  - k. Andover Police Department, and all the safety and community services its officers provide.
14. The village real estate tax rate is within 0.2 mills of the township rate. Commercial rates are actually lower in the village.
15. The real estate tax revenue the township receives will not immediately stop after a property is annexed. It is reduced slowly, over a 12-year period, to allow the township to adjust its budget.
16. Because the 3 schools are located in the township, the village loses approximately \$90,000 annually in income tax revenue. Annexation will not increase the school district's budget because the school employees will pay the income tax, not the district. Actually, the district will achieve a reduction in its water and sewer bill of about \$8,000. Annexation will also place the school property under the jurisdiction of the Andover Police Department.
17. The village is also concerned about uncoordinated, uninvited growth that can occur around the village. If development occurs outside the village limits, the village has no way to control that development to best serve the safety, health, and welfare of the village residents.

The water and sewer services agreement is a vital part of planning for the long term development of the village.