

Board of Municipal Utilities
Meeting Minutes
October 15, 2013
201 Miller Road
Avon Lake, Ohio

Call to Order - Roll Call

The meeting was called to order at 6:30 PM.

Present: Mr. Abram, Mr. Dzwonczyk, Mr. Hessel, Mr. Marquard.

Excused: Mr. Phillips.

Also present: Chief Utilities Executive Danielson, Chief of Utility Operations Eberle, and Mike Chambers and Jim Hunt of Utility Service Partners, Inc.

Approve Minutes

Chairman Marquard presented the minutes of the October 1, 2013 regular meeting and with no changes, additions or corrections noted, ordered the minutes stand as presented.

Expenditures

Following review of expenses dated October 15, 2013 for ALMU funds and amounts as follows, Mr. Abram moved, Mr. Dzwonczyk seconded, that all be approved and paid per budget:

Water Fund 701	\$	174,456.56
Wastewater Fund 721	\$	226,754.32
MOR Fund 703 ETL1	\$	145,888.39
MOR Fund 762 ETL2	\$	267,318.40
LORCO Fund 749	\$	23,339.93

Ayes: All

Nays: None

Motion carried.

Utility Service Partners Presentation

Utility Service Partners (USP) representatives Mike Chambers and Jim Hunt were present at Mr. Abram's invitation to speak to the Board about the NLC Service Line Warranty Program. Mr. Abram said he believes that ALMU and its Avon Lake residential customers could benefit from such a program and the floor was then opened to their presentation and the Board's questions. Mr. Chambers explained that USP partners with the National League of Cities (NLC) to offer this service line warranty program to residents as an affordable assurance to help ease the financial burden of unanticipated water/sewer line repairs and replacements for costs that are beyond the city's responsibility. Mr. Chambers further explained that this is a turn-key program, completely managed by USP, with ALMU receiving fifty cents per service contract for their endorsement of the program. USP handles all sales, billing, marketing, customer service, and claims, and only works with local, licensed contractors familiar with ALMU regulations and the City's building codes. The Board's questions regarding the program's underwriting, policing of claims, bonding, rates, participating communities, and general scenarios were discussed during a lengthy

discussion. The discussion concluded at 7:07 PM with the Board's initial questions answered, and Mr. Chambers and Mr. Hunt then thanked the Board and left the meeting.

LORCO

Per previous discussion and the CUE's update and recommendation, Mr. Dzwonczyk moved, Mr. Hessel seconded, that the CUE notify LORCO that due to the impending loan payment shortfall, the monthly LORCO operating payment be ceased effective December 31, 2013.

Ayes: All

Nays: None

Motion carried.

Vehicle Allowance Policy

Per discussion at the Board's last meeting, CUE Danielson's revised Vehicle Allowance Policy was presented for approval. Mr. Hessel moved, Mr. Dzwonczyk seconded, that the policy be approved as follows:

AVON LAKE BOARD OF MUNICIPAL UTILITIES
P O L I C Y

VEHICLE ALLOWANCE FOR ELIGIBLE EMPLOYEES

The Board will provide eligible positions with a monthly vehicle allowance as appropriate for the position and its duties. The employee shall use his vehicle for business-related activities within a specified radius of the City without additional reimbursement and shall name Avon Lake Municipal Utilities as an additional insured on any insurance policy for any vehicle used in the scope and course of employment with Avon Lake Municipal Utilities.

In addition to providing evidence of insurance to the city, the employee shall be responsible for all maintenance, upkeep, fuel and consumable items in connection with the vehicle, which must be maintained in reasonable condition, commensurate with the employee's position and recognizing that it represents ALMU and its constituents.

Ayes: Dzwonczyk, Hessel, Marquard

Nays: Abram

Motion carried

Vehicle Allowance Eligible Positions

Upon presentation of stipulations to the Vehicle Allowance Policy as recommended by the CUE, Mr. Abram moved, Mr. Hessel seconded, that the following be established with respect to the Vehicle Allowance Policy:

All employees covered by the Vehicle Allowance Policy are expected to use personal vehicles for organization-related travel within a 100 mile radius of the City and to carry a minimum liability insurance of \$100,000/\$300,000/\$100,000 per person bodily injury, per accident bodily injury, and per accident property damage, respectively. Beyond 100 miles, the employee may either be reimbursed at one-half the then-eligible government-approved rate for the mileage beyond a 200 mile round trip, may use a company vehicle, or may establish with the employee's manager some other means. Tolls and parking will be reimbursed regardless of mileage.

The currently eligible positions and allowances are as follows:

Position
Chief Utilities Executive

Monthly Vehicle Allowance
\$675

Mr. Dzwonczyk said he would prefer tabularizing the particulars and after some discussion, Mr. Abram moved, Mr. Dzwonczyk seconded, that approval of the Policy be postponed for further revision.

Ayes: All

Nays: None

Motion carried.

CUE Danielson asked for further clarification of the Board's concerns for fear that he may again waste the Board's time and have the matter again postponed at their next meeting. Mr. Hessel agreed, and following more discussion, Mr. Dzwonczyk moved that the previous motion related to the Vehicle Allowance Eligible Positions be rescinded and Mr. Hessel seconded.

Ayes: All

Nays: None

Motion carried.

After discussion, Mr. Dzwonczyk moved, Mr. Hessel seconded, that the Vehicle Allowance Policy be amended by establishing the following with respect to such:

All employees covered by the Vehicle Allowance Policy are expected to use personal vehicles for organization-related motor vehicle travel. These individuals are to carry a minimum liability insurance of \$100,000/\$300,000/\$100,000 per person bodily injury, per accident bodily injury, and per accident property damage, respectively.

The current eligible positions and allowances are as follows:

Position
Chief Utilities Executive

Monthly Vehicle Allowance
\$675

Ayes: Dzwonczyk, Hessel, Marquard

Nays: Abram

Motion carried.

Reports / Updates

Management Reviews

Management reviews and associated recommended wage adjustments will be presented at the Board's next meeting for consideration and approval.

Belmar Combined Sewer Separation

The project is proceeding as scheduled and without incident.

Chili Cook-Off

ALMU's annual chili cook-off is scheduled Friday, October 25, and Board members were invited to attend and/or submit an entry.

Committee Reports

- Mr. Dzwonczyk reported that the Branding Committee has met with several consultants and the re-branding project is moving forward.
- Mr. Dzwonczyk also reported that this month's Sewer Committee meeting was cancelled.
- Chairman Marquard asked that a Board sub-committee be formed to further investigate the value of a Water/Sewer Line Warranty Program and Mr. Abram volunteered to Chair that committee.

CUE Report

- The Wyland Foundation's hands-on exhibit was extremely well-received by the first round of local students today and will be available to residents through Thursday.
- The recent publicity regarding Westlake's consideration of changing water providers was noted.
- CUE Danielson is investigating financing options regarding the upcoming \$85 million capital improvement program and recently met with the Finance Director and bond counsel regarding debt refinancing.

Adjourn

As there was no further business, Mr. Abram moved, Mr. Dzwonczyk seconded, that the meeting adjourn at 7:53 PM.

Ayes: All

Nays: None

Motion carried.

Approved November 5, 2013

David J. Marquard, Chairman

Todd A. Danielson, Clerk