

Board of Municipal Utilities
Meeting Minutes
March 5, 2019
201 Miller Road
Avon Lake, Ohio

Call to Order – Roll Call

The meeting was called to order at 6:30 PM following the work session.

Present: Mr. Abram, Mr. Dzwonczyk, Mr. Rush, Mrs. Schnabel, and Mr. Philips.
Also present: CUE Danielson, CUO Munro, Technical Support Specialist Collins, and Councilman Zuber.

Approve Minutes

Chairman Dzwonczyk presented the minutes of the February 19, 2019, work session and regular meeting. With no changes, additions or corrections noted, he ordered that the minutes stand and be distributed as presented.

Public Speakers

No Public Speakers

Correspondence

The CUE included in the write-up information about a phone call from a resident who indicated he was very impressed with our crew responding to a water break and how quickly they were able to wrap-up the situation. He stated that the “crew was exceptional” and “in and out so quickly.” He appreciated that they knocked on all of the residents’ doors to notify them that the water would be off so he was able to fill some buckets of water while they waited for the service to return. He was happy to see how they “got right to work to finish in a few hours.” He said he knows people will call and complain and he wanted to make sure we knew what a great job he thought our crew did.

Expenditures

Following review and a brief discussion of expenses dated March 5, 2019, for funds and amounts as follows. During the discussion, Mr. Abram questioned the expense of over \$80,000 in property taxes when Avon Lake Regional Water is designated as tax-exempt. The CUE said he would find out the details of the expense. Mr. Abram moved, Mr. Rush seconded to approve the expenditures of March 5, 2019:

Water Fund 701	\$	318,442.58
Wastewater Fund 721	\$	263,016.01
MOR Fund 703	\$	10,541.89
MOR Fund 762	\$	3,747.19
LORCO Fund 749	\$	1,561.30
Lateral Loan Fund 765	\$	19,300.00

Ayes: Abram, Dzwonczyk, Rush, Schnabel, and Philips

Nays: None
Motion carried.

Residuals Master Plan

The Chairman asked that the topic of the Residuals Master Plan be postponed until a later date due to more pressing matters that require the immediate attention of the Board.

Authorization of Legal Expenditures

The Chairman informed the Board that Avon Lake Regional Water has been named as the defendant in an action filed in Bedford Municipal Court by Ohio Services - CLE, LLC dba Jani-King of Cleveland v. City of Avon Lake, Municipal Utilities Department, Case No. 19CVF00891 (the "Action"), arising out of a 2004 Maintenance Agreement. After a brief discussion, Mr. Phillips moved, Mr. Rush seconded, to, provided City Council consent, to retain the Law Director and Assistant Law Director to represent and defend the Board and the City in the Action taken by Ohio Services – CLE, LLC and authorize the expenses to be paid out of the revenues received from charges for utilities and utility services.

Ayes: Abram, Dzwonczyk, Rush, Schnabel, and Philips
Nays: None
Motion carried.

Underground Asset Locator

The CUE informed the Board that George Caruso successfully complete his first year as Underground Asset Locator on March 5, 2019. His manager recommended, and the CUO and CUE agreed, that he become a permanent employee and receive his step increase to Wage Step 2.

Draft Strategic Plan

The CUE brought to the Board's attention that he is working with staff to finalize the 2019 – 2022 Strategic Plan and will present it to the Board at its March 19th meeting. He asked for members to provide any final comments to him within a week so that it may be printed and presented to the Board at its next meeting.

Future Power Costs

The CUE informed the Board that he had received a report from Brakey Energy, Avon Lake Regional Water's energy advisor, regarding some of the electricity costs for the upcoming year. Through Brakey's recommendations, Avon Lake Regional Water has either taken part in or opted out of certain First Energy programs. In addition, through these recommendations, there has been a cut back in power consumption during peak periods of the summer, thus reducing certain expenses in for upcoming year. In the report, Brakey estimates that through these programs and the 2018 strategic energy conservation, Avon Lake Regional Water will save more than \$70,000 in the upcoming plan year, compared to the previous year, through lower rates.

Wards 3 & 4 Meeting

The CUE discussed the results of the February 27th Wards 3 & 4 meeting with the Board. The CUE spoke about rate changes, the lateral program, and the completed and upcoming projects to approximately 90 attendees. The CUE told the Board that he stated to the customers that the Board thanks them for their patience during all of the construction projects Avon Lake Regional Water has undertaken, their assistance to separate their laterals, and their understanding about the rate changes associated with all of the work. The CUE stressed to the meetings attendees that the Board would like staff, now that the sewer separations are concluding, to slow down the rate of undertaking projects in order to slow down the rate increases. The CUE told the Board that there were no specific questions about the rate changes and that there were a few individual, customer-specific questions that the CUE is investigating.

RLCWA Tour

The CUE communicated to the Board that RLCWA General Manager Joe Waldecker will be providing a tour of facilities to his Board members on Saturday, May 18th. One of the stops will be Avon Lake Regional Water's water filtration plant. The CUE asked the Board to let him know if any Board members would like to welcome the RLCWA Board to the WFP and take part in the tour. The CUO added that the group will be touring the ETL booster stations, as well, for those interested Board members. The Chairman requested that an invitation be extended to the Board from the management team.

City Shared Services

The CUE informed the Board that Avon Lake Regional Water reimburses the City of Avon Lake for the assistance they provide with payroll and accounting services necessitated by Avon Lake Regional Water. During 2019, the City will enlist the assistance of its outside accounting firm to assess if changes should be made to the expenses Avon Lake Regional Water pays. Avon Lake Regional Water will share the expenses, estimated at \$5,400.00, incurred by the firm to perform these services. The Chairman wished to understand the need for the accounting firm if the tasks were already being handled by the City's finance director. Mr. Rush posited that the services were being used as an audit for the City and Avon Lake Regional Water's finances.

Project Updates

45 Project: The CUO informed the Board that two crews have continued to make progress on the project. Lateral work continues on Lakewood Rd. He also told the Board that a crew is working south of Overlook, and they are working towards Grove. Moreover, lateral work has begun on Forest.

Elyria Interconnection Project: Generator load testing successfully took place on February 20th. Building the façade stone work was completed on February 22nd. Staff is developing a punch list to submit to EFI, Inc. for completion. The site restoration, paving, and fencing will take place in the spring to coincide with the groundbreaking ceremony.

Lateral Updates

As of Thursday, February 28, 2019:

- No inspections
 - Group A: 0
 - Group B & C: 4
- Work to complete
 - Group A: 111
 - Group B & C: 207

Member Reports

Mr. Rush told the Board that the City Council will be taking up an action regarding incentives for non-bargaining employees. He does not see the proposal getting much support due to vague language and a disagreement in the measures to incentivize.

The Chairman informed the Board that he and Mr. Philips met with the Law Director and the Prosecutor regarding those customers who have not had their sewers separated. He advised the Board that they will be finalizing their approach in the coming weeks and will bring the matter to the attention of the Board once the preliminaries are completed.

Miscellaneous

The CUE brought to the Board's attention the expense report that is issued at each meeting to review the expenses incurred by Avon Lake Regional Water. He informed the Board that the management team had reoriented the expense report for easier reading, clarity, and more detail for the Board's review. This is one step towards what the CUE sees as a better way for the Board to exercise their duties of financial review. Members expressed that the proposed changes helped them review the expenses and asked for staff to begin using it.

The CUO informed the Board that there is a bid for a valve maintenance contract that will be brought forth at the next meeting.

The CUO and CUE met with City Force to begin refreshing the proposal for mobile inspection software.

The CUO informed members that the tower lighting could take a possible 14 to 16 weeks due to the delayed delivery of materials.

Mr. Abram brought to the Board's attention the recent death of Lawrence Gates. The Gates family has lived in Avon Lake since the 1830's, and the family was one of the first water customers of Avon Lake Regional Water. Mr. Abram thanked the Gates family for their support of Avon Lake Regional Water and their positive impact on the community.

Executive Session

The Chairman requested for the Board to meet in an executive session to discuss compensation of public employees. Mr. Rush moved, Mr. Abram seconded, to move the meeting into an executive session as allowed by ORC 121.22 (G)(1) to discuss public employee compensation.

Ayes (per roll-call vote): Abram, Dzwonczyk, Rush, Schnabel, and Philips

Nays: None

Motion carried.

The Chairman resumed the Board Meeting following the conclusion of the Executive Session.

Adjourn

As there was no further business, Mr., Abram moved, Mr. Rush seconded, that the meeting adjourn at 8:21 PM.

Ayes: Abram, Dzwonczyk, Phillips, Rush, and Schnabel

Nays: None

Motion carried.

Approved _____ 2019.

John Dzwonczyk, Chairman

Todd A. Danielson, Clerk