Call to Order – Roll Call

The meeting was called to order at 5:57 PM.

Present: Mr. Abram, Mr. Dzwonczyk, Mr. Rush, Mrs. Schnabel, and Mr. Phillips.

Also present: CUE Danielson, CUO Munro, Technical Support Specialist Collins, Councilwoman Jennifer Fenderbosh, Mayor Greg Zilka, Finance Director Steve Presley, Jamie Gellner and Tony Farina (Hazen and Sawyer), and Community Outreach Specialist Arnold (arrived partway through the meeting).

Residuals Master Plan

The CUE introduced the two members from the firm Hazen and Sawyer (Hazen), Jamie Gellner and Tony Farina, to the Board. Mr. Gellner presented the overview to the Board regarding the residuals master plan. In brief, the digesters at the Water Reclamation Facility (WRF) are reaching a stage where significant repairs/modifications/improvements will need to be made in order to continue making a “Class B” biosolids. Before staff goes through the design process for those changes, staff has worked with Hazen to undertake a study that would look at alternatives to establish options for residuals management and determine the “best value” paths forward that may either reduce customer rate impacts or provide additional benefits. During the presentation, Mr. Gellner and Mr. Farina asked preferences of the Board regarding high-level questions such as would they entertain a private company operating facilities within Avon Lake Regional Water’s WRF site.

Following the presentation, Mr. Abram requested that Hazen provide “dashboards” for the Board to use to compare different alternatives and their effectiveness. Mr. Gellner said that their firm uses “Power BI” to create the dashboards and will provide access for all interested parties to review the alternatives. The Chairman also requested that there be a baseline (“do nothing”) model for the plans to help provide more understanding for the Board. Mr. Gellner also informed the Board that the dashboards that they will be providing will allow the Board to proactively manage and make changes for the future.

Mr. Rush asked why Avon Lake Regional Water needs the assistance of Hazen for the Residuals Plan. Mr. Gellner explained that, while the Board would be able to get the desired results in-house, Hazen has experts on staff who could quickly provide a number of different alternatives to consider and work through, and that they have assisted in a number similar projects for other utilities. The Chairman expressed concern that the plans and, ultimately the construction, that might be recommended by Hazen could be deemed no longer within regulation by the EPA and therefore an irredeemable loss. Mr. Gellner informed the Board that, in his opinion, the EPA is driven by “economic impacts.” He also indicated that the plan would likely include staged or phased implementation
and will have “off-roads” to know when to make changes due to changing regulations, etc.

Mr. Abram stated that he believed that the project should focus on a regional perspective. The Chairman agreed and brought up the French Creek facility that was close to Avon Lake Regional Water and the potential redundancy of the project. Mr. Gellner informed the Board that his team would be looking at all possibilities, including partnerships with local utilities and/or businesses. Mr. Gellner also brought up the option of a “P3”, or a Public-Private-Partnership, that they would be exploring for the residuals project. Mr. Phillips mentioned that he would be hesitant to comment regarding any preferences he had for alternatives before there was additional information provided through the study. Therefore, he would support the broad approach that Hazen proposes. Mayor Zilka informed Mr. Gellner that the community of Avon Lake has had problems in the past regarding yard waste and secondary concerns like smells that influence the perspective of the residents. Ms. Fenderbosh informed Mr. Gellner that there is a firm called “Scotts” that handles a lot of the residuals in Medina that may be open to discussions.

Staff has negotiated scope and budget with Hazen and will be requesting approval to enter into a contract during the regular meeting. This plan will provide the foundation for a major project that is part of the Revenue Diversification Initiative of the 2019 – 2022 Strategic Plan.

**Other Items**

Mr. Presley, the Finance Director, presented to the Board a change in the proposed structuring of the financing that Avon Lake Regional Water would be seeking. He stated that in the past meeting, he had advised a 30-year period for the wastewater bond and a 20-year period for the water bond were going to be used to refinance the outstanding notes of Avon Lake Regional Water. However, after discussions with Mr. Danielson, Mr. Presley understands the Board’s desire and ability to hasten repaying the water debt over a 10-year period. Furthermore, after working with Mr. Danielson, both recommend a 30-year, rather than a 20-year repayment schedule for the wastewater debt in order to either speed the Board’s ability to balance revenues and expenses to aid in bond rating or to help lessen upward rate pressure.

The Chairman asked that the Board be provided with more information and charts comparing and contrasting the differences between both plans. He said he would like the ability to forecast and plan for additional expenses that may be incurred, and asked if there is anything the Board should be considering for future financing. Mr. Presley indicated he has been very impressed how Mr. Danielson has been able to find the low and 0%-interest financing and that much more collaborative work has been able to be done in this City as a result of it. The Chairman also asked about any technologies that could be used to help Avon Lake Regional Water prepare for any additional future breaks. The CUE informed the Board that he and management staff have been reviewing different options to see what is available to help hedge against breaks and leaks. He said that staff has met with a company that specializes in reviewing satellite images that can identify potential pipeline leaks.
Adjourn

With no other business before the Board, Mr. Dzwonczyk adjourned the work session at 7:05 PM.

Approved _________________ 2019

John Dzwonczyk, Chairman               Todd Danielson, Clerk