

Board of Municipal Utilities
Meeting Minutes
June 7, 2022
201 Miller Road
Avon Lake, Ohio

Call to Order – Roll Call

The meeting was called to order at 6:30 PM. The meeting was held in-person using web-based video conferencing technology and streamed live over Facebook.

Present: Mr. Abram, Mr. Dzwonczyk, Mr. Rickey, and Mr. Rush.

Also present: CUE Munro, CUO Yuronich, and Attorney Rinker of Mansour Gavin.

Excused: Mrs. Schnabel.

Approve Minutes

Chairman Dzwonczyk presented the Minutes of the May 17, 2022 regular meeting. With no changes, additions or corrections noted, he ordered that the minutes stand and be distributed as presented.

Public Speakers

None.

Correspondence

None.

Expenditures

Following review of expenses dated June 7, 2022, for funds and amounts as follows, Mr. Abram moved, Mr. Rickey seconded, to approve the expenditures of May 13 through June 2, 2022:

Water Fund 701	\$	309,247.84
Wastewater Fund 721	\$	294,545.61
MOR ETL1 Fund 703	\$	11,668.91
MOR ETL2 Fund 762	\$	122,159.97
LORCO Fund 749	\$	11,334.70
Water Construction Fund 704	\$	1,476,433.99
Wastewater Construction Fund 724	\$	146,265.19
West Ridge Interconnect Fund 702	\$	282.08

Ayes (per roll-call vote): Abram, Dzwonczyk, Rickey, and Rush.

Nays: None

Motion carried.

Laborer

Mr. Munro said as an information item to the Board, there is an open position in our Distribution & Collection group. Staff interviewed Laborer candidates from the certified Civil Service list and

unanimously selected Adam Schultz to fill the position. Mr. Munro said Mr. Schultz has successfully completed the physical, drug screening, and background check. He will start on June 20, 2022 as a Laborer, Step 3. We (ALRW) welcome Mr. Schultz to our organization.

Mr. Rush asked about Mr. Schultz's experience. Mr. Munro responded that Mr. Schultz currently works for Cuyahoga County and lives locally. He brings a lot of relevant work experience including excavation and concrete work. Chairman Dzwonczyk asked about safety training for new employees. Mr. Munro responded that Mr. Yuronich is coordinating the safety training for Mr. Schultz.

Chemicals Supply Update

Mr. Munro said if you recall, we (ALRW) typically do our supplies bid annually in September. While referring to a PowerPoint slide, Mr. Munro said when we (ALRW) bid in September 2021, the bid price for Chlorine came in at \$1,400.00 for a one-ton cylinder. This was a significant increase from what we (ALRW) were paying prior to that of \$490.00 per ton. The \$1,400.00 was a price guarantee for six (6) months and we (ALRW) had choice because there was only one bidder. Mr. Munro said the \$1,400.00 price has expired and the bidder has not raised the price immediately, but we (ALRW) did just receive the latest price increase and it is \$1,800.00 per one-ton cylinder.

Mr. Munro said as part of the improvements at the Water Filtration Plant (WFP), the design was done for a bulk sodium hypochlorite system. When we (ALRW) went through the due diligence of our design process, we (ALRW) looked at on-site generation for sodium hypochlorite using salt. Mr. Munro said there currently are no other water utilities in the State of Ohio that have an on-site generation system. When staff attended the state water conference in Cincinnati, we (ALRW) visited two facilities in Kentucky that had on-site generation. Mr. Munro said one of the hurdles that we (ALRW) ran into is Ohio EPA does not necessarily know how to handle on-site generation in Ohio. In our discussions with Ohio EPA, Mr. Munro said Ohio EPA is going to require two complete systems for redundancy. We (ALRW) designed our system to have on-site generation and then as a backup, the bulk delivery. Mr. Munro said Ohio EPA verbally indicated that this would probably not be acceptable. To continue on with design, we (ALRW) did make the decision to move forward with the bulk sodium hypochlorite.

Mr. Munro said based on what we (ALRW) are seeing now with increase of Chlorine and sodium hypochlorite, we (ALRW) are seeing those types of supply and demand issues with huge increases in costs. Also, US EPA has promulgated a new rule for chemical manufacturing that is scheduled to take into effect later this year. That new rule is affecting the manufacturers of chlorine and sodium hypochlorite. There are three companies that own ten (10) production facilities in the United States. Mr. Munro said one of the facilities is going offline due to age this year so that leaves us with nine (9) facilities. The estimated financial contribution by these companies to upgrade to meet this new rule is almost \$2 billion. That cost will most definitely be passed on to us (ALRW) as cost increase above what we (ALRW) are already seeing. Mr. Munro said the design with the sodium hypochlorite bulk deliveries included an option that in the future we (ALRW) could add the on-site generation as a future project. Mr. Munro said staff meet with HDR last week and asked HDR to provide staff with a scope of services and fee schedule for moving forward with that design. One of our thoughts is to solve a problem for not for just ourselves, but for some of our surrounding neighbors and bulk customers. Again, there is a thought being that the on-site generation systems are scalable. Mr. Munro said we would design this to be what is needed for our process with maybe a little extra and we (ALRW) can add units and the thought is we (ALRW) could eventually be a source to provide sodium hypochlorite to our bulk customers.

While showing pictures on the screen from the visit to the facilities in Kentucky, Mr. Yuronich said there are a couple different manufacturers of this equipment. On the left side the of the screen are the day tanks, the bulk tanks pumping into their system. On the right side, one of the main components of producing your own sodium hypochlorite is salt. Mr. Yuronich said salt, softened water, and electricity are the components to produce sodium hypochlorite on-site. As the softened water and brine solution goes into those tubes, the electric current is passed through there and what comes out is the sodium hypochlorite and hydrogen gas. The hydrogen gas is vented into the atmosphere in a safe manner. Mr. Yuronich said then fill the day tanks and storage tanks on-site with the sodium hypochlorite solution.

Chairman Dzwonczyk inquired about if backup generation system is sufficient to run the plant and this additional equipment simultaneously since part of why we (ALRW) are doing this is failure nationwide of supply chains. Chairman Dzwonczyk said the Board did see this coming a year ago and that's why we (ALRW) went to the trouble of going to this plant. Unfortunately, it has come to pass that we (ALRW) are going to need alternative to sky-rocking costs for Chlorine for the water treatment process.

Chairman Dzwonczyk asked what has changed with Ohio EPA regarding on-site generation. Mr. Munro responded what has changed is the way we (ALRW) are going to approach Ohio EPA about on-site generation. Mr. Munro said we (ALRW) are going to continue moving forward with what is designed for our bulk sodium hypochlorite system and the bulk deliveries. The main variable with that system was the safety of getting away from Chlorine gas and having to spend a lot of money on our containment system for the Chlorine gas. The sodium hypochlorite is much safer not only for employees that are working with it, but the public. Mr. Munro said instead of approaching Ohio EPA with an on-site generation system as our main form of a disinfection system, we (ALRW) are currently preparing the application for Ohio EPA of everything that was designed at the WFP. This would be an alternative solution almost a secondary type of system, backup system and staff feel will be more accepted by Ohio EPA that it's not our primary source.

Chairman Dzwonczyk asked if this will go through Ohio EPA without objections. Mr. Munro responded he didn't think there would be objections, but certainly some hurdles. Staff and HDR are taking the approach that this is the right thing to do for us and also for the potential for providing a solution for others. We (ALRW) have had a lot of communication with Ohio EPA on these issues with supply demand and cost. Mr. Munro said it is an essential chemical that we (ALRW) need for the process. Ohio EPA is hearing what we (ALRW) have to say as far as the issues everyone is facing. Even though we (ALRW) have not raised our rates in two years, at some point if we keep experiencing these drastic changes in costs, we are going to have to adjust our fees and rates. Right now, we (ALRW) have chosen to absorb the cost increases by trying to make cuts elsewhere.

Mr. Rickey asked about chemical composition of the bulk system versus on-site generation. Mr. Munro responded in the bulk system its design at 12% and the reason it's at a greater concentration in bulk deliveries is because of degradation. With the on-site generation systems, it comes in at 0.8%. Mr. Yuronich added 0.8% is what is typically produced that does not degrade as quickly. What most places will do is when they get the deliveries of the 12.5% is they will immediately add softened water cutting it in half so you have a 6.25% solution and it does not degrade as quickly has the higher concentration.

Mr. Rickey asked about point of application and how ALRW would supplement our bulk deliveries with on-site generation. Mr. Munro responded that initially the bulk system will be on-line before the on-site generation system so think of it in the respect that you have a bulk system where we are receiving deliveries and when the on-site generation system is able to

come on-line, it gives us a lot of latitude from an operational standpoint, working out some of the intricacies of a new system and we are not 100% reliant on that system. Mr. Munro said we (ALRW) would work through that and eventually work to a point for a proof of concept to eventually transiting that to our main supply using the truck deliveries as a backup.

Mr. Yuronich said at the Moore Road ETL Pump Station we (ALRW) do add Chlorine there as we (ALRW) do at Island Road. Our bulk customers do add Chlorine at the Spieth tanks when they withdraw water from there. Mr. Munro said or they (our bulk customers) are buying 150-pound cylinders of Chlorine gas. Mr. Yuronich added the other benefit of doing it this way is it's not necessarily a new technology, but a new to Ohio EPA regulated technology by getting the sodium hypochlorite system and installing anyways it also gives a bit of leeway with working out SOPs and provisions with the EPA and it does not hold up the project.

Mr. Munro said everyone is paying more. Chairman Dzwonczyk said the Board realizing that this was going to happen. Mr. Rickey commented about how one price is high and one price is low. Mr. Munro responded that right now, both are high. Mr. Yuronich said it's pretty consistent. Mr. Rickey commented about prices based on seasons.

Mr. Rush asked how to account for one system being at 0.8% solution and another at 6.25% solution. Mr. Yuronich responded that with the dosages at the pumps, the operator would speed up or slow down the chemical feed pump. One of things we (ALRW) have always incorporated in to make it a little bit easier say on our intermediate Chlorine is we (ALRW) have analyzers to will analyze the water and base the dosage off of the residual so that would be a pretty easy setup in the SCADA system. There would be two different calculations depending upon the solution. If you were switching to the on-site generation, you would start your base calculation accounting for that 0.8% solution. Mr. Yuronich said then as your analyzer sees the residual, it would either increase or decrease the dosage. One of the things with sodium hypochlorite is the strength does degrade and that would be accounted for within that program. Mr. Rush said so you could share the same tanks with this, just keep separate tanks for dosing. Mr. Yuronich said it would vary the strength of the solution and we would obviously monitor so that could all be accounted for based off of the concentration of sodium hypochlorite you were dealing with.

Mr. Rush said with this being the direction we are going and we don't see things getting better anytime soon, when we (ALRW) would plan for the second facility. Mr. Munro responded staff asked HDR for a scope of services and also fee schedule for those additional design costs and we (ALRW) would like start moving forward with that. We (ALRW) have a few different thoughts and ideas on the table. One thought is to scale this larger in the future, maybe it would not be located at our WFP. Mr. Munro said maybe it would be located at some of our available land. Mr. Munro described the force main moving alum sludge from WFP to the wastewater plant and how there could be a transfer line over to the WFP to fill our storage tanks.

Mr. Rush asked redundancy of the system. While referring to the PowerPoint, Mr. Munro described the banks of the system. Mr. Munro said when we (ALRW) talked with Ohio EPA about this concept, initially, Ohio EPA was telling us that they were requiring us to have two complete units which would double our capital costs. Mr. Munro said we (ALRW) felt it could not absorb those costs all at once.

Mr. Abram asked if the new tanks will be at the WFP. Mr. Munro responded that the current design has the new tanks going in at the WFP for bulk deliveries. For the on-site generation system, again, we (ALRW) have not decided where it would be located. It could potentially be located at the WFP, but then we would be limited to future scalability so that is why we discussed potentially locating it somewhere else because it is a little difficult to see the picture on the left, this is indoors; the tanks you see on the left are finished solution which are actual

storage tanks. On the right are what you have to have for your salt slurry with the softened water. Mr. Munro said we would also propose as part of our design to basically construct a salt dome. One of takeaways from visiting these facilities is they have gone through the trials and tribulations of this system. The salt that you get for the system is the equivalent of table salt. When they put it out to bid, the product comes from Richmond, Ohio; from the salt mine. Thinking long-term of our sustainability, being able to disinfect and have our product on hand, we want to make sure we have enough salt on hand to create that product.

Mr. Abram asked what would be the cost savings. Mr. Munro responded he could not tell the Board that because he does not have a bid price on sodium hypochlorite. Staff is in the process of preparing new bid and bidding the Chlorine gas and the sodium hypochlorite in anticipation of the new system.

Chairman Dzwonczyk said you cannot have water without chlorine so this is a serious situation. Mr. Rush asked about supplying our bulk customers with chemicals in the future. Mr. Munro responded yes, because these systems are scalable, we (ALRW) could add additional units. I think that possibly in our land at our facilities would make more sense because in the future if we had to put in an additional storage tank, if they were having trucking companies coming here getting truckloads of it. Chairman Dzwonczyk added so the public is not coming in. Mr. Munro said he has the mindset of just how we (ALRW) provide bulk water to our customers think of this in the same regard that we (ALRW) could potentially be bulk sodium hypochlorite in the future to our customers. We (ALRW) start out with our needs first.

Project Updates

ETL Design Services: Mr. Yuronich said staff received the 100% design drawings for the new 42-inch suction line from HDR. Staff will review and offer comments to HDR.

WFP Improvements: Mr. Yuronich said the application submittal is being finalized for Ohio EPA for approval of the design.

WFP Filter Repairs: While showing pictures of the filters, Mr. Yuronich said S&S Filter has installed the new tiles and began adding the bottom layer of stone media in two filters. The sand layer will be installed next. The disinfection process for two of the filters will begin Friday (June 10th). Mr. Yuronich said next week (week of June 13th), we plan to have the filters back into service.

Mr. Yuronich said there was damage to one of the flume blocks in filter #18 so an additional block had to be removed. The replacement was ordered and arrived onsite today (June 7th).

Spieth Road Water Tank Mixers: Mr. Yuronich said the tanks are back in operation with the mixers running. WFP staff are following the new operating procedures and this project will now be closed out.

2022 Water Line Bundle Project: Mr. Yuronich said Underground Utilities, Inc. (UUI) completed mainline storm sewer work on Armour Road. UUI began storm sewer work on Avon Point and this will continue for the next few weeks. Roadway restoration work on these streets is tentatively scheduled to begin the week of August 8th.

Mr. Dzwonczyk asked with Lake Road will be paved. Mr. Munro responded that staff held it might not be until 2023. Mr. Abram asked about Walker Road. Mr. Munro responded that as part of the Water Bundle Project, we do have some work on Walker Road from Moore Road to the railroad tracks. This work will be night work to have the least impact on traffic.

CUE Report

Mr. Munro said the pond at the Administration Building is draining into footer tiles from previous homes on the property. The footer tiles go to the sanitary sewer and there will be a small project to correct it.

Miscellaneous & Member Reports

Mr. Abram said he wanted to provide a LORCO update. Mr. Abram said there is a new development called The Woods at Eaton and a model home is under construction. The location for The Woods at Eaton is Eaton Township off of Cooley Road and north of Route 82. The first phase is 51 homes and the full development will be 250 homes. Also, Mr. Abram said the LORCO Board has a Policy Committee and is to leave the considering the \$8,000 tap-in fee requirement for each house, but any future Grinder pump unit installed will be under private ownership for each individual resident to purchase, maintain, and be responsible for.

Chairman Dzwonczyk added that he and Mr. Rush attended a LORCO update meeting with Mr. Munro.

Public Speakers

None.

Executive Session

Mr. Rush moved, and Mr. Abram seconded, to meet in executive session as allowed by ORC §121.22 G (2) and ORC §121.22 G (3) to consider the purchase and/or sale of property and pending legal matters and to include the CUE, the CUO, and representatives from Mansour Gavin.

Ayes (per roll-call vote): Abram, Dzwonczyk, Rickey, and Rush.

Nays: None

Motion carried.

The Board reconvened at 8:03 PM.

Adjourn

As there was no further business, Mr. Abram moved to adjourn, and Mr. Rush seconded. The meeting adjourned at 8:03 PM.

Ayes (per voice vote): Abram, Dzwonczyk, Rickey, and Rush.

Nays: None

Motion carried.

Approved July 5, 2022.

John Dzwonczyk, Chairman

Robert Munro, Clerk