

Board of Municipal Utilities
Meeting Minutes
June 20, 2023
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 Mrs. Schnabel.

Excused: Mr. Rush

Also present: CUE Munro, CUO Yuronich, and Attorney Bruce Rinker of Mansour Gavin. Attorney Connie Carr of Seeley, Savidge, Ebert and Gourash (arrived shortly after 7:00PM)

Approve Minutes

Mr. Dzwonczyk presented the Minutes of the June 6, 2023 regular meeting. With no additional 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 20, 2023, for funds and amounts as follows, Mr. Abram moved, Mr. Rickey seconded, to approve the expenditures of June 2 through June 15, 2023:

Water Fund 701	\$	227,329.35
Wastewater Fund 721	\$	216,934.50
ETL1 Fund 703	\$	187,466.97
ETL2 Fund 762	\$	474,228.36
LORCO Fund 749	\$	8,118.97
Water Construction Fund 704	\$	60,854.62
Wastewater Construction Fund 724	\$	60,854.62

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

Nays: None

Motion carried.

Water Filtration Plant Operator

Mr. Munro stated that the CUO and Water Filtration Plant Manager have been interviewing applicants for the open position of Operator. After in-house posting, external advertisement and interviews, Nick Jacobs has accepted an offer to join the Avon Lake Regional Water team. Nick will begin working as an Operator – Step 2 on July 5, 2023.

Fontus Blue

Mr. Yuronich informed the Board that a software company out of Akron, OH has been developing a program that allows you to input production and laboratory data from a water filtration plant and can help to predict chemical dosages based off of past performance of the facility. Numerous other water filtration plants have used this software and have seen very significant reductions in the amount of chemicals that they feed throughout the process. Fontus Blue offers a guarantee that if you don't cut your chemical usage by 5% in a year, you will receive the software to use free of charge for an additional year. Mr. Yuronich stated that based on chemical usage, 5% equates to about \$50,000. Mr. Dzwonczyk asked if this was considered Artificial Intelligence (AI) and Mr. Yuronich responded that it was not necessarily considered AI but took past results and suggested dosages that matched up with previous treatment successes. Mr. Munro added that another benefit is that with having multiple operators, this will help with the quality initiative of standardization. There may be multiple ways of treating the water and this will help suggest the most efficient combination.

Chlorine Re-Bid

Mr. Munro stated that when the chemical bids were opened there were several exceptions from both companies that submitted a bid for the liquid chlorine and no recommendation was presented to the Board. This chemical was re-bid and two companies submitted, Alexander Chemical Corporation and Jones Chemical Inc. Bids were opened on June 9, 2023 with several exceptions this time as well. Staff has discussed the exceptions listed on the bids with the Law Director and are recommending the award of the contract to Jones Chemical Inc. Mr. Munro stated that the exceptions by Alexander were: 1) Not being able to guarantee a six-month price and 2) There were different prices depending upon the size of the delivery. Jones Chemical Inc.'s only exception had to do with Force Majeure. This has been included in numerous contracts since COVID-19 began. Mr. Munro stated that the Law Director was going to clarify the language in the contract, but the clause would be acceptable once the language is updated. Mr. Munro stated that this was a reduction in price by approximately \$400/ton compared to recent contracts.

With no further discussion, Mrs. Schabel moved, Mr. Dzwonczyk seconded, to authorize the CUE to enter into a contract with Jones Chemical Inc. from July 1 to December 31, 2023 for the purchase of liquid chlorine.

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

Nays: None

Motion carried.

Inductively Coupled Plasma Mass Spectrometer

Mr. Yuronich stated that bids were opened last Friday, June 16, 2023, for the purchase of a new Inductively Coupled Plasma Mass Spectrometer. This will replace the Atomic Absorption Spectrophotometer that has reached the end of its life cycle in the Water Filtration Plant Lab. Bids were advertised on the Bid Express platform as well as in the Chronicle Telegram. There was one bid received from Thermo Electron North America LLC. Mr. Yuronich stated that after reviewing the bid, staff is recommending award of the contract in the amount of \$143,643.79.

Mr. Rickey asked if this was the price we were expecting. Mr. Munro stated that staff had expected it to be in the \$125,000-\$150,000 range based on estimates provided prior to bidding. Mr. Rickey also asked if this purchase was going to be a problem since it was not budgeted for. Mr. Munro stated that we will be able to procure this out of our equipment budget since some of the fleet vehicles that were budgeted for will not be delivered until the next budget year. Mr. Rickey inquired if leasing was an option. Mr. Yuronich stated that leases were looked at but with the additional fees and financing that were in the leases, there would not be a return on our investment to make it worthwhile.

Mr. Dzwonczyk asked if there was only one bid, is there a way to increase the number of bidders. Mr. Munro informed him that there were ten plan holders but could not give a reason why only one of those plan holders decided to place a bid. Mr. Dzwonczyk also inquired about the size of the unit and if it contained numerous microprocessors that would drive up the cost and decrease the number of available units or increase the lead time. Mr. Yuronich stated that it was approximately the size of the speaker's podium. Mr. Yuronich also stated that there are a very limited number of companies that manufacture specialized equipment such as the ICP-MS unit and that Thermo is one of the big three. Mr. Dzwonczyk asked if it still made sense to advertise in a local newspaper for bids such as this and Mr. Munro informed him that it is a requirement in the Ohio Revised Code as part of the bid process. Mr. Abram asked either Mr. Yuronich or Mr. Munro to explain the exception listed on page 2 of the bid documents. Mr. Munro stated that Thermo Electron requested to negotiate limited conditions on the covenants and conditions. These conditions are standard on every contract entered into so the Law Director will review these and make sure that the items they wish to tailor to this contract are not objectionable to Avon Lake Regional Water.

With no further discussion, Mrs. Schnabel moved, Mr. Rickey seconded, to authorize the CUE to execute a procurement contract with Thermo Electron North America LLC for the purchase of an Inductively Coupled Plasma Mass Spectrometer for the amount of \$143,643.79.

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

Nays: None

Motion carried.

Compact Track Loader

Mr. Munro informed the Board that a compact track loader is similar to a skid steer with the exception that it has tracks instead of wheels. He stated that this will allow better distribution of the weight of the unit over a larger area on the ground so that it is less likely to disturb the ground. This equipment has already been bid as part of the Sourcewell Purchasing Agreement of which Avon Lake Regional Water is a member. This will be used to help maintain the Eastern Transmission Line property easements. By maintaining the easements, we can help ensure that wetlands do not develop along those easements which would complicate and slow down any future work on the ETLs. Mr. Dzwonczyk inquired if Bobcat was the best choice and if there was any benefit to procuring a more expensive unit such as Caterpillar. Mr. Munro

stated that staff felt the Bobcat was still a very high-quality unit with the benefit that attachments already owned by Avon Lake Regional Water would also work with the new track loader.

With no further discussion, Mr. Abram moved, Mrs. Schnabel seconded, to authorize the CUE to execute a procurement contract with Clark Equipment Company dba Bobcat Company for the purchase of a Bobcat Compact Track Loader, and appurtenances, in the amount of \$85,304.45. Ayes (per voice vote): Abram, Dzwonczyk, Rickey, and Schnabel
Nays: None
Motion carried.

Water & Sewer Rates

Mr. Munro stated that at the previous meeting on June 6, 2023, there was a brief discussion about upcoming water and sewer rate adjustments for the years 2024 and 2025. He stated that ALRW has held rates static despite skyrocketing operating costs and inflation. He stated that he is proposing a rate increase for the board's consideration of 4% for water rates in 2024 and 2025 and a 2% rate increase for sewer rates in 2024 only, and a minor adjustment to the minimum service fee, which is based on the recent rate study report by Raftelis.

Mr. Dzwonczyk added that while no one likes an increase, ALRW made the decision early on in 2020 not to make things worse for those already struggling and held rates for the past three years.

Mr. Rickey stated that he feels the utility is in good enough shape financially to absorb these costs for another year. While he was presently surprised that the proposed rate increase was much smaller than he anticipated, he stated he'll be voting no on an increase this year. Mr. Rickey also questioned if the CUE was confident that the proposed increases were going to be enough for the next two years.

Mr. Munro responded that it seems that we've reached a plateau as far as increases in chemicals and supplies. Chlorine specifically has decreased, which is a positive sign. With a large improvement project coming, these slight increases will leave us in a good position to avoid a larger increase in the future. Raftelis had projected that a 5% increase in water rates each of the next two years was needed. Mr. Munro feels that 4% each of those years will be sufficient.

Mrs. Schnabel stated that compared to the increases in all other sectors of the economy, these minimal increases are completely reasonable.

Mr. Dzwonczyk asked how these increases would position Avon Lake Regional Water compared to other utilities throughout the state. Mr. Munro replied that except for the small community in southeast Ohio who has their water rates subsidized by a coal power plant, Avon Lake Regional Water will still have the lowest water rates in the state even with these increases.

With no further discussion, Mrs. Schnabel moved, Mr. Abram seconded, to set water and sewer rates in accordance with the following: water rates effective January 1, 2024, for the first 50,000 gallons \$2.16 per thousand gallons, next 200,000 gallons would be \$1.78 per 1000 gallons, next 250,00 gallons would be \$1.48 per thousand gallons, the minimum service fee would be \$6.38 which includes the first 2000 gallons. Water rates effective January 1, 2025, for the first 50,000 gallons \$2.25 per thousand gallons, next 200,000 gallons would be \$1.85 per 1,000 gallons, next 250,000 gallons would be \$1.54 per thousand gallons, minimum service fee of \$7.97 which includes your first 2,000 gallons. Sewer rates effective January 1, 2024, all sewer flow \$7.45 per 1,000 gallons. Minimum service fee of \$23.15 which includes the first 2,000 gallons. Sewer

rates effective January 1, 2025 all sewer flow \$7.45 per 1,000 gallons, minimum service fee of \$24.31 which includes the first 2,000 gallons.

Ayes (per roll-call vote): Abram, Schnabel, Dzwonczyk
Nays: Rickey
Motion carried.

Project Updates

Power Plant Update: Mr. Yuronich stated that the environmental remediation continues with a focus on the coal pile portion of the property and the demolition continues on the north side of the road. Staff continues regular contact with Avon Lake Environmental Remediation Group employees.

ETL Design Services: Mr. Yuronich stated that staff is working with United States Army Corps of Engineers regarding the application submitted in October 2022. Staff has not received much feedback other than that the application is still under review.

WFP Improvements: Mr. Yuronich stated that the Ohio EPA has informed staff that we can expect comments within a few weeks.

2022 Water Line Bundle Project: Mr. Yuronich stated that Underground Utilities Inc, has returned a second time to perform site restorations for some of those affected by their work. Some restoration may need to be done in the fall after further settling occurs and that additional seeding may be necessary. Mr. Yuronich stated that the Norfolk-Southern railway crossing at Jaycox will be closed the week of July 24, 2023 so the culvert removal and repair on Lear Rd. has been tentatively scheduled for the week of July 31, 2023. Due to the proximity of those closures, it is not permissible to have both of those roads closed at the same time. Staff will keep residents informed of when the culvert removal and road work will be performed along with coordinating with the City of Avon Lake and Police Department as to when the closure will take place.

Additional Storage Building: Mr. Yuronich stated that Northbay is continuing with the internal utility work and staff is also continuing to coordinate any site-work outside the building with Northbay so as not to interfere with them. Installation of the internal fire suppression system began on June 12, 2023. Northbay is still awaiting delivery of some of the major electrical equipment.

CUE Report

Mr. Munro stated that he is still working on the Lead Service Line Grant reimbursement that was awarded last year. The software for the camera truck totaled approximately \$67,000 and the grant will cover \$50,000 of that. This software will help us identify and label the materials used in service lines throughout our city and maintain compliance with the EPA requirements to have all lines identified.

As an information item for the Board, Mr. Munro informed the Board that staff is currently interviewing applicants for the Laborer and Lab Analyst positions. Mr. Munro is hopeful that those positions will be filled shortly.

Mr. Munro stated that on June 8, 2023 Mr. Dzwonczyk, Mr. Yuronich, Mr. Kimevski and himself attended a consortium meeting at Rural Lorain County Water Authority's office informing them of the proposed rate increases for 2024. It was a well-attended meeting and there was productive discussion regarding the rates. They were happy that Avon Lake Regional Water

was able to maintain rates during the last three years and that even some of the bulk customers had to raise rates even though ALRW had not.

Mr. Munro informed the Board that the travelling screen at the Water Filtration Plant is in need of an emergency repair. Mr. Munro stated that similar to the repairs of filters at the WFP, staff had hoped to be able to wait until the construction had begun but that an equipment failure like this would need to be done ahead of that project. It will cost approximately \$200,000 to \$250,000 and that there are enough funds in the water construction funds so Mr. Munro feels that we will not have to appropriate any funds to cover this. The screen is the original screen from the 1979 expansion and has exceeded its life cycle. Due to previous inspections by divers they had noted that the equipment was deteriorating so while not a surprise, it just couldn't wait until the construction project begins like staff had hoped.

Miscellaneous & Member Reports

Mr. Dzwonczyk stated that Mr. Munro, Mr. Yuronich and himself met with Jim Zimenik of the Lorain County Metroparks regarding the bike path that they plan on installing across property that Avon Lake Regional Water is in the process of purchasing.

Public Speakers

None.

Executive Session

Mr. Abram moved, Mr. Rickey seconded, to meet in executive session as allowed by ORC §121.22 (G)(2) and (G)(3) to discuss the purchase and/or sale of property and pending legal matters and to include the CUE, the CUO, Attorney Bruce Rinker of Mansour Gavin, and Attorney Connie Carr of Seeley, Savidge, Ebert and Gourash.

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

Nays: None

Motion carried.

The Board entered Executive Session at 7:42 PM (Mr. Dzwonczyk recused himself from the remainder of the meeting)

The Board reconvened the public meeting at 8:14 PM

Based on discussion in Executive Session, Mr. Munro asked the Board to consider two motions for approval.

Mr. Abram moved, Mrs. Schnabel seconded, to authorize the CUE to execute a real estate purchase agreement with Moore Road Investments LLC, for the not-to-exceed amount of \$465,000 plus closing costs, for the purchase of property described in Exhibit A of the agreement.

Ayes (per voice vote): Abram, Rickey, and Schnabel

Nays: None

Motion carried.

Mrs. Schnabel moved, Mr. Rickey seconded, to appropriate \$465,000 from the Water Fund balance to Fund 701.180.000.55008 – Capital Land & Land Improvements for the purchase of property.

Ayes (per voice vote): Abram, Rickey, and Schnabel

Nays: None

Motion carried.

Adjourn

As there was no further business, Mr. Abram moved, and Mr. Rickey seconded, to adjourn. The meeting adjourned at 8:16 PM.

Ayes (per voice vote): Abram, Rickey, and Schnabel

Nays: None

Motion carried.

Approved August 15, 2023.

John Dzwonczyk, Chairman

Robert Munro, Clerk