

Board of Municipal Utilities
Meeting Minutes
July 10, 2018
201 Miller Road
Avon Lake, Ohio

Call to Order – Roll Call

The meeting was called to order at 6:55 PM.

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

Also present: CUE Danielson, CUO Munro, Councilmember Fenderbosch, and Mayor Zilka.

Excused: Mrs. Schnabel

Approve Minutes

Chairman Dzwonczyk presented the minutes of the June 19, 2018, 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 July 10, 2018, for funds and amounts as follows, Mr. Abram moved, Mr. Rush seconded, that all be approved and paid per budget:

Water Fund 701	\$	255,155.37
Wastewater Fund 721	\$	276,080.54
MOR Fund 703	\$	24,009.74
MOR Fund 762	\$	46,390.50
LORCO Fund 749	\$	1,043.09
Lateral Loan Fund 765	\$	21,500.00
Waterworks Construction Fund 704	\$	106,472.10
Water Construction Fund 724	\$	214,755.90

Ayes: Abram, Dzwonczyk, Phillips, and Rush

Nays: None

Motion carried.

Continuous Improvement Assistance

As presented in the work session, Avon Lake Regional Water has continued its relationship with Cuyahoga Community College (Tri-C) in order to launch the ISO 9001 continuous improvement program and is requesting the Board authorize the CUE to execute the Training Services Agreement. Approximately half will be paid from the 2018 budget and half from the 2019 budget.

After Board discussion, Chairman Dzwonczyk moved, Mr. Abram seconded to authorize the CUE to execute the Corporate College (Cuyahoga Community College) Continuous Improvement Training Services for \$81,900 based upon the current scope of work and up to an additional 10%.

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

On-Boarding Services Extension

As the CUE and CUO work with staff to implement continuous improvement and other initiatives, they will be most effective in doing so by best understanding each other's strengths, improving their own, and effectively working together to implement changes. The on-boarding of the CUO by Miles LeHane during the past three months has been helpful. During Dr. David Miles' last visit to Ohio, Dr. Miles and the Chairman discussed extending the engagement for the remaining nine months of the CUO's initial year with Avon Lake Regional Water. The CUE requested the Board authorize him to execute the attached extension letter.

Mr. Rush moved, and Chairman Dzwonczyk seconded to authorize the CUE to execute the on-boarding services extension with Miles LeHane for the remaining nine months of the CUO's initial year with Avon Lake Regional Water not to exceed \$15,000.

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

Pondside Drive Covenant & Sanitary Sewer Easement

In March 2018, Public Works Director Joe Reitz contacted Avon Lake Regional Water regarding sanitary connections for Ms. Marilyn Zeidner. Ms. Zeidner, residing at 31950 Krebs Rd., and Mr. & Mrs. Sheard, residing at 31960 Krebs Rd., are asking the Board to approve a covenant that would allow them to connect to the sanitary main located on Pondside Drive. Currently both of these properties have septic systems, and there currently is not a sewer main located on Krebs Road. Ms. Zeidner wishes to add an additional bathroom to the rear of her property. The Health Department has instructed Ms. Zeidner that she will need to connect to the public sanitary sewer in order to add an additional bathroom to her property. Currently the Pondside Drive sewer main stops at the north property line of Mr. & Mrs. Sheard. It is necessary for Ms. Zeidner to cross over the property of Mr. & Mrs. Sheard in order to connect to the Pondside Drive sewer main.

Law Director Lieberman was consulted on this issue and prepared the Covenant and Grant of Sanitary Sewer Easement for execution by both property owners upon approval by the Board.

Chairman Dzwonczyk moved, and Mr. Phillips seconded to authorize the CUE to execute as an interested party on behalf of Avon Lake Regional Water, the Covenant contingent upon the revisions as discussed (including a signature line for the CUE as representative of the Board and allowing the CUE, instead of the Board, to approve the connection location) and review of the Law Director for Ms. Zeidner and Mr. & Mrs. Sheard to connect to the sanitary sewer main at Pondsides Drive.

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

Sludge Hauling/Disposal Services – Contract Extension

It was discussed at the previous meeting that Avon Lake Regional Water will need to extend the contract with Republic Services for waste hauling and disposal services for the Water Reclamation Facility. This contract will be re-bid once the Biosolids Master Plan is completed in 2019. Republic Services agreed to hold their current rate of \$38.98/ton for the hauling and disposal of dewatered municipal sanitary sewer sludge through December 31, 2018.

Mr. Rush moved and Mr. Phillips seconded to authorize the extension of the current contract for hauling and disposal of dewatered sludge by Republic Services at the current rate of \$38.98/ton through December 31, 2018.

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

Equipment Purchases

The CUE and CUO were informed by the Finance Director that the auditors require acknowledgement by the Board of the purchase of the F-550 that was originally included in the 2018 budget. Staff requested more information about this requirement, as it was not done for the mini excavator earlier this year that was also part of the 2018 budget, and it was not done for the F-750 in 2016. Councilmember Fenderbosch explained that the Finance Director requested “then and after” motions in the minutes regarding specific approvals for the equipment purchases.

Mr. Rush moved and Mr. Phillips seconded to approve the purchase of the F-550 that was originally in the 2018 budget.

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

Mr. Rush moved and Mr. Phillips seconded to approve the purchase of the mini excavator that was originally in the 2018 budget.

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

Mr. Rush moved and Mr. Phillips seconded to approve the purchase of the F-750 that was originally in the 2016 budget.

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

Tours of Water and Reclamation Facilities

A tour of the water and wastewater facilities for Senator Gayle Manning and Representative Nathan Manning is scheduled for 7/18/18, beginning at 2PM. The tour will begin at the water plant, before heading to the reclamation facility. The focus of the tours will be on the vital public health role water and wastewater utilities play, the benefits of regionality, and the importance of the state funding programs that save our customers millions of dollars. Board members, the Mayor, Council President, and Public Works Director have been invited to take part in the tour and represent the City.

Lockbox/E-lockbox

Upon reviewing the recording of the May 1st meeting, the CUE realized he did not mention the implementation of lockbox and e-lockbox during the meeting. Responding to questions at the June 19th meeting, the CUE presented the information below.

Lockbox is a process where Avon Lake Regional Water contract with an outside firm (in this case, Huntington Bank) to receive and process payments and then send a digital file for incorporation into the customer information system. E-lockbox is a similar concept to lockbox. When customers work through their individual banks for online bill paying, Avon Lake Regional Water will receive checks directly from their banks. Rather than receiving those checks at 201 Miller Road, Huntington Bank will receive those checks, process them, and transmit to Avon Lake Regional Water the payment information.

There will be virtually no difference seen by customers, except they will be mailing their payments to a PO Box in Cleveland with an addressed envelope Avon Lake Regional Water provides. Customers will still be able to come to the office and pay their bills in person, pay at Drug Mart, pay through their bank, and pay online.

This service by Huntington Bank will cost approximately \$13,000/year more than Avon Lake Regional Water is currently paying them.

However, there will be significant personnel savings. The CUE has indicated that once the new purchase order and customer information systems are fully functional and the lateral separation work is complete, optimal staffing should be able to decrease from four full-time employees to three full-time employees and a part-time staff member. However, with the exception of summer help, our union agreement does not allow part-time workers in union roles for periods longer than 90 days. The union has been unwilling to remove the part-time clause from the agreement. Because the agreement also states Avon Lake Regional Water will not contract out services that would result in a layoff of union staff, staff decided to move forward with lockbox and e-lockbox now because Avon Lake Regional Water staffing is down. In the long-run, due to this change, Avon Lake Regional Water should be able to maintain three, rather than four, employees in the Customer Service group. Even at the base level of \$14/hr, the loaded expense is about \$43,000/year for a Customer Service Clerk. So, it will save Avon Lake Regional Water

and customers at least \$30,000/year and possibly as much as \$90,000/year, depending upon the level of Customer Service Clerk/Representative.

With this explanation, members indicated comfort with moving forward with lockbox/e-lockbox. The Chairman also indicated that maybe it would be possible to pay these additional expenses out of some of the interest received from the bank, rather than out of cash. The CUE indicated he would investigate that. The Board requested that the CUE report back with details before executing any contract.

New Laborer

As was presented in the 2018 budget and stated in the December 5, 2017, write-up, the Distribution and Collection Department staffing will be increased by one during 2018 in order to better be able to manage responsibilities such as valve exercising, hydrant maintenance, and wet weather investigation. Staff interviewed candidates from the Civil Service-approved Laborer list and extended an offer to the best-qualified candidate. Tim Bradley successfully passed the physical, drug screening, and background checks and began employment as a Laborer, Step 1C on July 9, 2018.

Mr. Abram requested an opinion from the Law Director regarding the CUE hiring staff without a motion.

LORCO Transfer

The 2018 budget included an \$800,000 advance from the Water Construction Fund to the LORCO Fund. During July, the \$200,000 of that will be advanced to LORCO in order to assist with the July OWDA debt service payment.

Notes

During the previous few months, the CUE worked with the Finance Director regarding the rollover of the Bond Anticipation Notes (Notes) that were used to fund the Moorewood sewer separation, and the Walker Road water line replacement. Notes were originally issued in 2016. With the rollover, \$250,000 was paid on the Moorewood sewer note, which leaves \$4,750,000 outstanding. For the Walker Road water line, \$500,000 was paid, which leaves \$2,000,000 outstanding. An approximately 1% bond premium was paid to the City, which led to a net interest rate of 1.961% for the one-year notes. With the rising short-term interest rates, staff is focused on paying down these notes as quickly as reasonable.

Facility Planning Area Changes

NOACA has been working through the process of updating Facility Planning Areas (FPA) across the five northeast Ohio counties. FPAs are areas that provide bounds on which wastewater may be collected and sent to a management entity's treatment facilities. The FPA for Avon Lake includes part of Avon because wastewater is collected from parts of Avon and sent to the Avon Lake Water Reclamation Facility. NOACA has prepared a draft update to the Avon Lake FPA, which includes very minor boundary changes within Avon (requested by Avon) that result in a small amount of area now designated to be served by the Avon Lake WRF and a slightly larger amount of area now designated to be served by the French Creek treatment facility (a net change of approximately 68 acres). These changes were "clean-up" to move FPA boundaries to align with property lines or allow properties to drain by gravity to sewers, rather

than require pumping stations. As this was the justification that originally allowed much of the Avon flow to be directed to Avon Lake, staff supports the minor “clean-ups” that allow the area to be most effectively served.

Additionally, the modifications change the “prescription” of several areas within Avon Lake from “Sewers Expected Within 20 Years” to “Currently Sewered” or “Limited Sewers Likely Within 20 Years.” Practically, that does not limit Avon Lake Regional Water’s ability to provide sewer service in any part of Avon Lake. It just updates the map with the current understanding for sanitary sewer service.

NOACA requested signed acknowledgement of the Avon Lake FPA boundaries within which Avon Lake Regional Water’s facility serves or intends to serve. The CUE will sign this acknowledgement later in July.

Durrell/Waterbury/WRF Plat Consolidation

The plan to consolidate the Water Reclamation Facility (WRF) plat with the existing “paper” streets adjacent to the Administration Building and the WRF is proceeding. The CUO met with Law Director Lieberman and Public Work Director Reitz and discussed the existing Verizon Cell Tower lease and whether or not it was necessary to notify neighbors. It is the opinion of Law Director Lieberman that there is sufficient language in the current lease contract that allows Avon Lake Regional Water to consolidate these properties while still allowing ingress/egress to their tower site. The current lease will not need to be amended due to the consolidation. In regard to notifying the public about the planned vacation/consolidation, the Law Director does not feel that it is necessary to publicize. Since the only properties abutting that portion of Durrell to be vacated are owned by the City, notice is not required. His legal opinion is based on R.C. § 723.05, § 723.06, § 723.07. This consolidation plat is scheduled to be on the agenda for the August 3, 2018, Planning Commission meeting.

Wet Weather Flow Investigation

The CUO met with representatives from Brown and Caldwell on Monday July 2, 2018, to discuss wet weather flow monitoring activities and a path forward for continuing to identify areas of concern for Inflow & Infiltration (I&I). Brown and Caldwell has been retained by Avon Lake Regional Water for several years to create the wet weather flow model and Long-Term Control Plan (LTCP). The CUO has asked Brown and Caldwell to provide a proposal for continuing these services in our ongoing effort to eliminate storm sewer flows from our sanitary sewer flows. This proposal will be presented at a future meeting shortly after the Board’s summer recess.

Communications

Waterfront Wine Festival: On June 23, 2018, Avon Lake Regional Water participated in the Waterfront Wine Festival in Avon Lake. Avon Lake Regional Water provided attendees with complimentary water. During the event, Avon Lake Regional Water received at least 20 positive comments from Avon Lake residents as well as residents of Avon Lake Regional Water’s bulk customers on the quality/taste of the water.

2018 Consumer Confidence Report (CCR): During the week of June 25th, Avon Lake residents received the 2018 CCR via mail. This annual publication provides water quality statistics for

2017. Copies of the CCR may be found at the WFP, City Hall, the Old Firehouse Community Center, and the Avon Lake Public Library.

Recent Media Articles: On June 11, 2018, *The Morning Journal* carried a piece on Avon Lake Regional Water being nominated for the USEPA PISCES award, and on June 27, 2018, *The Press* carried a similar piece.

Project Updates

45 Project: At the previous meeting Mr. Rush inquired about the progress on the 45 project. At approximately 9 months into a 24 month project, the overall project is 53.5% complete. The breakdown of specific work is as follows:

Part	Percent Complete
A – Water	80.3%
B – Sanitary	56.6%
C – Storm	57.7%
D – Road	16.3%
Total	53.5%

Curtis Area Sanitary Sewer Rehabilitation Project: Storm sewer work began the week of July 2nd and is progressing as scheduled.

Wastewater Plant: The top coat of asphalt is currently being laid. The temporary press has been removed from the premise. New screw presses are operational and functioning properly. Staff continues to fine tune the screw presses to attain optimum performance. All tanks have been rehabilitated with new equipment and are in service.

Lateral Updates

The lateral separation program continues to progress. As of July 5, 2018, letters have been sent to 3,047 residents indicating that they may have clean water entering their sanitary lateral and requesting Avon Lake Regional Water be contacted to determine whether this may be the case. To date, 2,895 (95%) have responded (up 4 since 6/19/18, an average of 2/wk). Of the 2,895, 2,389 either have come into compliance or were already in compliances (~8 confirmed each week) and 506 either have problems or are believed to have problems. By extrapolation, approximately 607 (506 + ~67% of homes not inspected) may need to do some work to come into compliance.

As of July 5, 2018, 62 of the homeowners with the 11/30/18 deadline have yet to respond and have their free inspection. It is anticipated, approximately 235 need to do some work to comply by 11/30/18 (~10/wk).

The total executed Lateral Loan Program agreements are now at 292 with \$1,034,248 committed and \$620,840 paid to contractors so far. The average loan request is for approximately \$3,436. Cumulatively, 179 of the 657 (27%) whom have separated laterals have used the lateral loan program.

Staff is focusing on the approximately 49 (down from 62) that have not responded by making phone calls and door knocking. Staff has made progress and anticipate significant progress by the next meeting in August.

The CUO added that through his phone calls to residents, reasons for not responding are becoming more specific. One area that is a concern are the approximately 30 residents that are habitually delinquent which leads staff to believe they cannot afford to have their laterals separated.

The CUO will meet with one of the contractors regarding invoices and payments. The main reason for the slow process points to residents not returning disbursement letters. That particular contractor was provided with a list of their residents and they will follow up. Councilmember Fenderbosch stated that Council is investigating the concept of a 3-part form for contractors to use in order to assist contractors in getting paid for work that they have done.

CUE/CUO Report and Action Items

Action items were presented with the write-up. Action Items are available on the Board Dashboard webpage.

Chairman/Committee/Member Reports

LORCO Report

Mr. Abram stated that for the past six months, southern Lorain County has had continuous new house construction. Because of these new residential developments, LORCO requested that payments from the Custodial Account from Avon Lake Regional Water to LORCO be reduced from \$12,000 per month to \$10,000 per month effective July 2018. After discussion, it was decided to put a motion before the Board at the next meeting.

Adjourn

As there was no further business, Mr. Abram moved, Mr. Rush seconded, that the meeting adjourn at 8:16 PM.

Ayes: Abram, Dzwonczyk, Phillips, and Rush

Nays: None

Motion carried.

Approved August 21, 2018

John Dzwonczyk, Chairman

Todd A. Danielson, Clerk