

Board of Municipal Utilities  
**Regular Meeting Minutes**  
**August 15, 2017**  
201 Miller Road  
Avon Lake, Ohio

***Call to Order – Roll Call***

The meeting was called to order at 6:30 PM.

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

Also present: Chief Utilities Executive Danielson, WPCC Manager Baytos, Community Outreach Specialist Arnold, Mayor Zilka, Attorney Bruce Rinker, Attorney Dennis O'Toole, Attorney Matt Dooley, David Marquard, and Westlake's Mayor Clough, City Engineer Kelly, and Law Director Wheeler.

***Approve Minutes***

Chairman Dzwonczyk presented the minutes of the July 11, 2017, regular meeting and with no changes, additions or corrections noted, ordered that the minutes stand and be distributed as presented.

***Public Speakers***

Westlake Mayor Dennis Clough, City Engineer Robert Kelly, Law Director John Wheeler, and Attorney Dennis O'Toole were present to update and reaffirm their City's interest in purchasing water from Avon Lake Regional Water. Attorney O'Toole introduced himself as Special Counsel to the City of Westlake in the Cleveland Water/Westlake dispute, briefed the Board on litigation thus far, and advised that Westlake prevailed in trial on all accounts regarding the City's ability to seek and enter into agreement with an alternate water supplier. Mayor Clough said that Westlake is still very much interested in pursuing the opportunity to purchase water from Avon Lake Regional Water, however talks were halted due to Cleveland's pending legal actions. Mayor Clough further explained that by Westlake's City Charter, they cannot commit to Avon Lake Regional Water as their exclusive water source, but that their intent is to establish themselves as a significant bulk customer through Agreement as an alternate source. That interest was formalized in writing as a letter presented to Chairman Dzwonczyk and CUE Danielson. Former Board Chairman David Marquard explained that the Board recognized the value of a Westlake/Avon Lake alliance ten years ago when it was originally discussed, and said he believes such opportunities essential for Avon Lake Regional Water's growth and their customers' benefit. City Engineer Kelly offered that customer service issues with the City of Cleveland prompted Westlake's original discussions with Avon Lake; and said that although Cleveland's customer relations have improved, Westlake still believes an agreement with Avon Lake Regional Water would better serve their customers and community. Thank yous were exchanged by all and the Westlake group then left the meeting at 6:55 PM.

## **Correspondence**

CUE Danielson advised that five additional meter change-out billing errors were discovered since the Board's last meeting and the affected customers then notified by letter.

## **Expenditures**

Following review of expenses dated July 18, 2017, for funds and amounts as follows, Mr. Phillips moved, Mr. Rush seconded, that all be approved and paid per budget:

Water Fund 701	\$	211,987.91
Wastewater Fund 721	\$	124,210.59
MOR Fund 703 ETL1	\$	234,589.47
MOR Fund 762 ETL2	\$	347,958.67
LORCO Fund 749	\$	22,551.32
Waterworks Construction Fund 704	\$	220,532.60

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel

Nays: None

Motion carried.

Following review of expenses dated August 1, 2017, for funds and amounts as follows, Mr. Dzwonczyk moved, Mr. Rush seconded, that all be approved and paid per budget:

Water Fund 701	\$	157,067.83
Wastewater Fund 721	\$	207,551.77
MOR Fund 703 ETL1	\$	24,700.94
MOR Fund 762 ETL2	\$	15,402.52
LORCO Fund 749	\$	3,365.10
Waterworks Construction Fund 704	\$	16,474.44
Wastewater Construction Fund 724	\$	72,277.92
Lateral Loan Fund 765	\$	8,000.00

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel

Nays: None

Motion carried.

Following review of expenses dated August 15, 2017 for funds and amounts as follows, Mr. Rush moved, Mr. Rickey seconded, that all be approved and paid per budget:

Water Fund 701	\$	105,659.31
Wastewater Fund 721	\$	56,722.72
MOR Fund 703 ETL1	\$	200,804.33
MOR Fund 762 ETL2	\$	665,687.14
LORCO Fund 749	\$	15,465.27
Waterworks Construction Fund 704	\$	344,931.10
Wastewater Construction Fund 724	\$	195,147.00
Lateral Loan Fund 765	\$	26,540.00

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel

Nays: None  
Motion carried.

**Property Purchase**

Following the 2014 icing event, the Board instituted a number of safeties (an ice break/air burst system installed on an intake, additional clearwell capacity added, an elevated storage tank is under construction, and an agreement was executed between Elyria, Rural Lorain County Water Authority and Avon Lake Regional Water for additional emergency water supply) to limit potential events adversely affecting Avon Lake Regional Water customers' service. In order to effectuate the agreement for the additional water supply, construction of a booster pumping station is required. To that end, a parcel in Amherst Township was identified, negotiated, and staff now requests the Board's approval of that purchase. Because it is a land purchase, however, both Board and Council authorizations are required and information prepared for Council's consideration at their legislative meeting August 28, 2017, was provided. Mr. Rickey said that he compared the information presented with that of the County Auditor's and questioned the purchase price against market value. The Board discussed the perceived discrepancy at some length and conceded that although possibly high, the property is of value to Avon Lake Regional Water and was determined a "fair price" by a professional negotiator. Mrs. Schnabel then moved, Mr. Phillips seconded, to authorize the CUE to work with appropriate City representatives to purchase approximately 0.7498 acres of vacant land in Amherst Township comprising a portion of Lorain County Permanent Parcel Number 05-00-083-000-017 as described in the legal description for a price of \$40,000 to be used for construction of an emergency booster pumping station.

Ayes: Dzwonczyk, Phillips, Rush, Schnabel  
Nays: Rickey  
Motion carried.

**Award Contracts – Water Distribution System Supplies**

Following review of the August 4, 2017, annual bid tabulations and staff's recommendations for awards, Mr. Rickey moved, Mr. Phillips seconded, that the annual Water Distribution System Supplies bids be awarded in accordance with the following:

Supplier: **Ferguson Waterworks**  
Bid Items: 16  
Total Contract: **\$50,217.70**

Supplier: **HD Supply**  
Bid Items: 1, 1A, 6, 7, 8, 10, 10A, 10B, 10C, 10E, 10F, 10G, 10H, 10J, 10L, 10M, 10N, 11, 11A, 11B, 11C, 11D, 11E, 11F, 11G, 11H, 11I, 11J, 11K, 11L, 11M, 11N, 11O, 11P, 11Q, 11R, 11S, 11T, 11U, 11V, 11W, 11X, 11Y, 12, 12A, 12B, 12C, 12D, 13, 13A, 13B, 14, 14A, 18  
Total Contract: **\$73,676.79**

Supplier: **Trumbull**  
Bid Items: 2, 2B, 2D, 2E, 3, 3A, 3B, 3C, 4, 4A, 4B, 5A, 5B, 5C, 5D, 5G, 5J, 5K, 5L, 9, 9A, 9B, 15, 15A, 15B, 16A

Total Contract: **\$79,634.42**

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel  
Nays: None  
Motion carried.

***Award Contracts – Chemicals***

Bid tabulations dated August 4, 2017 were presented and following their review, Mrs. Schnabel moved, Mr. Rickey seconded, that the annual Chemical Supplies bids be awarded in accordance with the following:

<u>Supplier</u>	<u>Chemical</u>	<u>Contract Award</u>
USALCO	Alum	\$337,044.00
Mississippi Lime	Lime	\$3,709.00
Bonded Chemical	Sodium Silicofluoride	\$70,080.00
JCI Jones	Chlorine	\$54,000.00
Bonded Chemical	Potassium Permanganate	\$38,148.00
SNF Polydyne	Dry Polymer	\$31,000.00
SNF Polydyne	Liquid Polymer	\$7,840.00
PVS	Ferrous Chloride	\$37,405.00
Bonded Chemical	Carbon	\$190,200.00
Sal Chemical	Liquid Orthophosphate	\$29,280.00

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel  
Nays: None  
Motion carried.

WPCC Manager Baytos noted an error in the lime quantity on the tabulation form which transferred into a reduction of the total contract amount. To correct that oversight, Mrs. Schnabel moved, Mr. Rickey seconded, that the contract for Lime be amended and awarded to Mississippi Lime for a total quantity of 250 tons at \$148.36/ton..

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel  
Nays: None  
Motion carried.

***Revision to Regulations***

At the last meeting, the CUE informed the Board about a potential issue where, due to specific words used in Avon Lake Regional Water Regulations, there may be conflict with intent and the way wording could be interpreted. The potential conflict relates to the definition of “Unimproved Land” or “Unimproved Real Property”. The intent related to water using/wastewater generating improvements. However, the improvement process could be interpreted more broadly. The CUE worked with the Law Director regarding potential changes, and he indicated the revisions proposed would meet the intent regarding the imposition of fees. After some discussion and with the understanding that this revision cannot be retroactive, Mr. Dzwonczyk moved, Mr. Rush seconded, to approve the proposed revisions to Avon Lake Regional Water Regulations.

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel  
Nays: None  
Motion carried.

### ***Reports/Updates***

#### *Employee Development and Continuous Improvement*

On August 10, 2017, Mrs. Schnabel and the CUE met with Tri-C to discuss their initial proposal. The discussion led to improved ideas about first focusing on a specific department to help with employee development and to begin drafting SOPs. A revised proposal is expected soon, but in the interim, the CUE plans to meet with LCCC to discuss their ideas for comparison and assurance.

#### *CUO Search*

The CUE and Community Outreach Specialist have conducted an initial investigation of search firms and their capabilities, have received one proposal, and should receive a second proposal within the next week. The CUE and Mr. Rush will then review the proposals and select the best firm to begin the search.

#### *Lateral Updates*

An additional 301 Resolution of Necessity letters have been sent since the last update, bringing the total to 936 out of 1296 (72%). Those letters resulted in an additional 65 more inspections and 29 loan applications.

#### *Lateral Loan Program*

The Sanitary Lateral Separation Project compliance and outstandings and Lateral Loan Program numbers were updated by copy of this meeting's write-up. Mr. Rickey said that he was contacted by another landlord questioning the Program's "responsible party" references and requesting that the credit applicable to their rental property be transferred to their residence. The Board briefly reviewed their original discussion regarding such situations and concurred that due to the complexities of the transactions they stand by their decision that the loans and credits stay with the service property.

#### *Chairman/Committee/Member Reports*

Mr. Rickey reported on the August 10, 2017, LORCO Board meeting advising that an FPA swap between Elyria and LORCO is being considered and potential tie-ins for Eaton Estates and Brentwood Village are being discussed, and the Cinnamon Lakes agreement in Ashland County is proceeding.

#### *CUE Action Items*

- ◆ *Cleveland Water Alliance Presentation:* As per the Board's request, Cleveland Water Alliance is planning to make a presentation to the Board at a work session in mid-September regarding their organization and the potential benefits that may be realized by Avon Lake Regional Water.
- ◆ *Publish story about low-interest loans:* The July 26, 2017, issue of *The Press* had a piece about lateral separations and the low-interest loans.
- ◆ *Accounting for Lateral Loan Program:* Now that the loan has been awarded by the state, staff is preparing to submit to OEPA/OWDA the first payment request.

Some sort of graph and/or table will be established to help keep track of the money.

- ◆ *Lateral separation video:* We are working on ideas for a lateral separation video now and hope to be able to create one in the upcoming weeks.
- ◆ *Flushing video:* Flushing is intended to begin the week of August 14, 2017. Before creating a video, we want to see how the initial days proceed and what type of disturbances there may be. This will allow us to tailor the video and make it relevant to customers.

### ***Executive Session***

Mr. Rush moved, Mr. Rickey seconded, to meet in Executive Session as allowed by ORC 121.22 (G)(4) to discuss collective bargaining and by ORC 121.22 (G)(3) to discuss legal matters and to include the Chief Utilities Executive, the Wastewater Manager, and Bruce Rinker or Mansour Gavin as legal counsel in the discussion.

Ayes per roll call vote: Dzwonczyk, Phillips, Rickey, Rush, Schnabel  
Nays: None  
Motion carried.

The Board reconvened at 9:41 PM.

### ***Adjourn***

As there was no further business, Mr. Rush moved, Mrs. Schnabel seconded, that the meeting adjourn at 9:41 PM.

Ayes: Dzwonczyk, Phillips, Rickey, Rush, Schnabel  
Nays: None  
Motion carried.

Approved September 5, 2017

John G. Dzwonczyk, Chairman

Todd A. Danielson, Clerk