

Board of Municipal Utilities
Meeting Minutes
September 6, 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, Mr. Rush, and Mrs. Schnabel.

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

Approve Minutes

Mr. Dzwonczyk presented the Minutes of the August 16, 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 September 6, 2022, for funds and amounts as follows, Mr. Abram moved, Mr. Rickey seconded, to approve the expenditures of August 11 through September 1, 2022:

Water Fund 701	\$	604,351.52
Wastewater Fund 721	\$	365,663.35
MOR ETL1 Fund 703	\$	47,671.53
MOR ETL2 Fund 762	\$	101,708.75
LORCO Fund 749	\$	6,529.91
Water Construction Fund 704	\$	92,985.47
Wastewater Construction Fund 724	\$	23,707.41

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

Nays: None

Motion carried.

Wetland Bank Agreement

Mr. Munro presented to the Board an agreement for the purchase of wetland bank credits for the upcoming Eastern Transmission Line (ETL) project. Mr. Munro stated that there are areas of the project that contain wetlands that will be disturbed and they need to be mitigated as part of the project. He also stated that the necessary wetland bank credits need to be purchased in order to submit the project to the United States Army Corps of Engineers for approval. Mr. Munro said that he spoke with Law Director Ebert regarding the agreement and he is reviewing it as to legal form.

Mr. Rush asked if the agreement included acquiring any new right-of-way and would this be a conflict of interest for him. Mr. Munro said that this agreement did not include acquiring any new right-of-way. Mr. Rickey asked if Avon Lake Regional Water will own the property once we pay for the land. Mr. Munro said that Avon Lake Regional Water does not own the land where the credits are purchased. Mr. Rickey asked who the money goes to when the credits are purchased. Mr. Munro said that the Stream & Wetlands Foundation is the entity that the money is paid to. The Stream & Wetlands Foundation partnered with another entity and established the wetland.

Mr. Dzwonczyk asked what would happen in the future if the area of the project where wetlands was disturbed, and credits are purchased to account for the disturbance, grows aquatic species such as cattails. Mr. Munro stated that the area of the project within the easements need to be maintained so that plant vegetation does not grow back. If it is not maintained properly then it could be deemed a wetland area again. Mr. Dzwonczyk stated that this is another tax on the public that is being collected through a utility and this is inter-governmental taxation.

With no further discussion, Mrs. Schnabel moved, and Mr. Rush seconded, to authorize the CUE to execute an agreement with the Stream & Wetlands Foundation for the purchase of wetland credits, to be used for the Eastern Transmission Line Redundancy Project, for the not-to-exceed amount of \$138,000.

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

Nays: None

Motion carried.

Onsite Sodium Hypochlorite Generation System

Mr. Munro stated that one of the upcoming improvements at the Water Filtration Plant will be replacing the chlorine gas system with a sodium hypochlorite system that will accept bulk truck loads of the chemical at a 12.5% solution. During the design phase of the project staff and HDR evaluated the bulk delivery system and also onsite generating systems. The decision was made to move forward with the bulk delivery system. Since that time, the cost of chlorine and sodium hypochlorite has increased over 300% and staff asked HDR to provide a scope and fee estimate to design an onsite generating system. Mr. Munro said that staff was recently introduced to representatives from the Cleveland Water Alliance regarding a project that they are working on with a manufacturer who would like to enter into the United States market with their high strength onsite generating system. Mr. Munro said that this could be a potential cost savings to the utility on construction and engineering for the project.

Mr. Abram asked what the 50% and 100% items represent that are listed in the scope of services with HDR. Mr. Munro said that those items represent design drawings and their completion percentage as HDR progresses through the design process. Mr. Abram asked if Avon Lake Regional Water would be the first utility in Ohio with an onsite generating system. Mr. Munro said that there is one utility south of Canton that just recently installed an onsite

generating system for sodium hypochlorite. Mr. Munro also said that he feels that Ohio EPA would support the approach we are taking with the design of the system. Mr. Abram asked what the estimate is for the cost of the system. Mr. Munro said that the initial high-level estimate is around \$6,000,000.

Mr. Rush asked if the onsite generating system would be designed to handle the 12.5% and the 0.8% solution in regard to corrosion. Mr. Munro stated that the system will be designed to handle the product that is produced or delivered and corrosion mitigation standards will be implemented. Mr. Dzwonczyk asked if the corrosion was a result of the humidity in the building. Mr. Munro acknowledged that the humidity is a cause for corrosion in these systems.

Mr. Rickey asked if the Water Filtration Plant was the only location that we used chlorine at. Mr. Munro said that chlorine is used for disinfection at the Water Filtration Plant and Ultra Violet equipment is used for disinfection at the Water Reclamation Facility. Mr. Rickey asked if there were any other locations in the water distribution system that use chlorine. Mr. Munro said that Avon Lake Regional Water has a chlorine system at the ETL station but it is rarely used. Mr. Yuronich said that chlorine gas is used at the Island Road pumping station in 150-pound cylinders. Mr. Rickey asked if chlorine gas would be eliminated and replaced with sodium hypochlorite at these locations. Mr. Munro said that would be the intention once the new systems are installed. Mr. Rickey stated that he is concerned with the capital cost of this new system and that the utility needs to evaluate this thoroughly before moving forward with construction.

Mrs. Schnabel asked who monitors or tracks the spending on the design amendment. Mr. Munro said that the Engineering Services Manager Jack Gaydar reviews all invoices submitted by HDR and approves them if the charges are appropriate. Mr. Munro stated that the contract is a not-to-exceed contract and Avon Lake Regional Water only pays for hours attributable to the project versus a flat-fee contract. Mrs. Schnabel asked if the percentage of billable hours matched the completion of the design. Mr. Munro said that for the most part the billable hours and the design completion percentages are close. Mrs. Schnabel asked what the confidence level is that this project will be constructed after the design services are complete. Mr. Munro said that he is very confident that this project will move forward with construction after the design is complete.

Mr. Rush asked if Mr. Munro could talk about the safety aspects of chlorine gas versus the liquid sodium hypochlorite. Mr. Munro stated that when chlorine gas is released into the atmosphere it expands 240 times its own volume. Avon Lake Regional Water is required to administer a risk management plan because of the amount of chlorine gas onsite at the facility. Sodium hypochlorite is much safer for staff to handle than chlorine gas.

Mr. Dzwonczyk asked how the cost for the design services affects the financial position of the utility. Mr. Munro said that with the 300% increase in sodium hypochlorite in the last year, it is estimated that the utility will save approximately \$300,000 annually with the onsite generating system compared to the bulk delivery of sodium hypochlorite.

Mr. Abram asked Mr. Munro if any of the American Rescue Plan Act (ARPA) money would be available to use on this project. Mr. Munro responded that initially the money was specifically earmarked by the federal government for water, sewer, and broadband infrastructure. The federal government has since expanded the use of these funds and the utility will not be receiving any of that funding from the City of Avon Lake. Mr. Munro stated that staff is seriously considering the partnership with the Cleveland Water Alliance and said that if this partnership works out it could significantly reduce the engineering and construction cost for the utility on this project.

Mr. Yuronich said that the existing containment system used for the emergency release of chlorine gas is inadequate. In order to re-engineer and rehabilitate the existing system is cost prohibitive. The safety concern of using chlorine gas plus the need to rehabilitate the emergency containment system are the main reasons that the decision was made to switch to sodium hypochlorite.

Mrs. Schnabel asked if there are more suppliers of sodium hypochlorite than chlorine gas. Mr. Yuronich said that there are typically more than one supplier of sodium hypochlorite and there is only one supplier of chlorine gas.

With no further discussion, Mr. Rush moved, and Mr. Abram seconded, to authorize the CUE to execute Amendment #5 for the Redundancy and Future Capacity Plan with HDR to include design services for the Onsite Sodium Hypochlorite Generation System in the amount of \$536,206.

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

Nays: None

Motion carried.

Budget Appropriation

Mr. Munro said that the design services for the onsite sodium hypochlorite generation system were an unanticipated expense in the current operating budget and it would be necessary to appropriate money to the budget to pay for the HDR design services that were approved. Mr. Dzwonczyk asked Mr. Munro to explain how the cost for the design services will impact the overall financial health of the utility. Mr. Munro said that the appropriation will come from the 701 Water Fund balance and currently the fund balance is a little over \$7,000,000.

With no further discussion, Mr. Abram moved, and Mrs. Schnabel seconded, to appropriate \$536,206 from the 701 Water Fund balance to 701.000.000-53806 Engineering & Architectural Fees for the design services of the Onsite Sodium Hypochlorite Generation System.

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

Nays: None

Motion carried.

Project Updates

ETL Design Services: Mr. Yuronich said that staff met with HDR on August 26th to discuss any outstanding items that need to be addressed on the project. HDR will provide final stamped drawings to staff by September 9, 2022. Once wetland credits are purchased then staff will submit the application to the U. S. Army Corps of Engineers for approval. The CUE previously nominated this project for a zero percent loan through the Ohio Water Development Agency. The 2023 program year plan was finalized in August and this project did not receive the zero percent loan. It was accepted by OWDA to qualify as a project for a low interest loan. The CUE continues to work on other funding sources on behalf of the consortium members.

WFP Improvements: Mr. Yuronich said the completed application is being reviewed by the Ohio EPA. Comments are expected in early to mid-September. Staff had to abandon the idea of purchasing the chemical storage silos from the power plant. Due to the difference in the way the chemicals would be fed, there was not enough time to ensure that those silos could be retrofitted to work at the WFP and ensure it was feasible and economical.

2022 Water Line Bundle Project: Mr. Yuronich said the roadway restoration work continues on Avon Point and Armour Rd and the storm sewer work is ongoing on Coveland.

Additional Storage Building: Mr. Yuronich said that staff met with Mr. Clarence Watkins from Bramhall Engineering regarding the structural design of the new storage building. Mr. Watkins is finalizing the structural design so that site work can begin. It is anticipated that site work will begin during the week of September 19, 2022. Blue Scope Construction continues on the design drawings for the building. On August 31, 2022 Blue Scope provided to staff the anchor bolt design drawing and the anchor bolt reaction calculations.

Mr. Rickey asked what Bramhall Engineering's involvement was on this project. Mr. Munro said that Bramhall was completing the structural design of the building foundations and this work was not included in Blue Scope Construction's scope of work. Mr. Munro stated that Bramhall is performing this work for a lower price than what Blue Scope Construction wanted.

CUE Report

Mr. Munro informed the Board that staff negotiated an agreement with Charah for the purchase of two (2) 100 horsepower rotary lobe screw compressors, two (2) air drying systems, two (2) air storage tanks, and two (2) Allen-Bradley PanelView touch screens. Mr. Munro stated that the estimated retail value of the equipment is \$100,000 and staff is purchasing the equipment for \$27,500. Mr. Munro said that there was also approximately 1,500 gallons of 50% caustic soda that was donated to the utility at no charge.

Mr. Munro said that there were two questions asked by Board members at the August 16, 2022 meeting that he would provide answers to. The first question was where the asbestos that is being removed from the power plant is being disposed of. Mr. Munro said that it is being disposed of at a hazardous material landfill in Ottawa County. The second question asked was if there were any discussions with Charah regarding the use and disposal of PCBs at the site. Mr. Munro said that when staff met with Charah representatives last week they showed staff the transformers that are being disposed of from the site. The power plant has not used PCBs in their transformers for many years and that the transformers onsite are marked appropriately as non-PCB.

Mr. Rush asked if staff was removing and transporting the purchased equipment from the power plant to our facilities. Mr. Munro said staff is removing the equipment and that any staff members that will be working on power plant property will undergo safety training by Charah staff to ensure staff is following Charah's safety guidelines.

Miscellaneous & Member Reports

Mr. Abram reported that the Ohio EPA issued a permit-to-install (PTI) for the Woods at Eaton Phase 2 subdivision that will connect to the LORCO sanitary system. Mr. Dzwonczyk said that when a LORCO report is provided in the future that it would be helpful to know the number of customers on the system. Mr. Abram said that he asked LORCO Executive Director Mr. Gene Toy what the total number of customers is on the LORCO system. Mr. Abram said that Mr. Toy responded that it would be best to ask Mr. Munro what the total number is. Mr. Munro said that he did not have that information readily available but he would provide it at the next meeting.

Mr. Dzwonczyk reported that he accompanied staff on a recent visit at the power plant property. He commended Charah and their staff for the clean and safe work they are performing at the site. He did not see anything to be concerned about at this time. Mr. Dzwonczyk also said that some ex-employees of the power plant were retained by Charah and they know the facility very well. He said that Charah is happy that Avon Lake Regional Water is involved to ensure that the work they are doing meets and exceeds expectations.

Mr. Dzwonczyk said that he will not be in attendance at the next meeting and has asked Mr. Rush to assume the duties of the Chairman.

Public Speakers

None.

Executive Session

Mr. Rush stated that the Board may choose to take action after the Executive Session.

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

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

Nays: None

Motion carried.

The Board reconvened at 9:04 PM.

Adjourn

As there was no further business, Mr. Abram moved to adjourn, and Mr. Rush seconded. The meeting adjourned at 9:04 PM.

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

Nays: None

Motion carried.

Approved September 20, 2022.

John Dzwonczyk, Chairman

Robert Munro, Clerk