

Board of Municipal Utilities
Meeting Minutes
September 21, 2021
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 using web-based video conferencing technology and streamed live over Facebook.

Present: Mr. Abram, Mr. Dzwonczyk, Mr. Rush, and Mrs. Schnabel.

Also present: Acting CUE Munro, Technical Support Specialist Collins, and Councilman Spaetzel.

Excused: Mr. Phillips.

Approve Minutes

Chairman Dzwonczyk presented the Minutes of the September 7, 2021 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 date September 21, 2021, for funds and amounts as follows, Mr. Abram moved, Mr. Rush seconded, to approve the expenditures of September 21, 2021:

Water Fund 701	\$	167,532.01
Wastewater Fund 721	\$	222,499.31
MOR Fund 703	\$	265,195.98
MOR Fund 762	\$	400,557.24
West Ridge Interconnect Fund 702	\$	4.88
LORCO Fund 749	\$	8,707.48

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

Nays: None

Motion carried.

Annual Water Distribution & Supplies Bid

Mr. Munro informed the Board that the bids for the Annual Water Distribution and Supplies were opened on September 14th through the electronic platform Bid Express. He said staff received

only one bid through the online bidding system from Core & Main. After careful review by the Engineering Services Manager and the Technical Support Specialist, he recommended the approval of the following contract with Core & Main. He added that there were a few items that did not receive a bid, but Avon Lake Regional Water already has a large inventory of those items to last through 2021. He noted that there was a 300% increase on ¾" and 1" copper tubing. Mr. Munro had staff purchase 600 feet of each type of copper tubing at the current bid prices to have enough in inventory to last through 2022.

The Chairman asked about the increase in prices for the supplies bid. Mr. Munro said that there were some supplies which did increase substantially in price. He said the supply chain is the area that is causing the biggest frustration for vendors. As an example, the prices for bid items 1A and 1B increased significantly in price from 2020 to 2021, and the price that was given is only good for 30 days. He said that is why staff is purchasing certain materials now at the existing contract price to have larger inventory of those items.

Mr. Rush asked about the BidExpress platform and why there was only one bidder. He said in the past the Board could reward other companies if they bid at a lower price, and he asked if it was the platform that was the issue that there was only one bidder and if staff is notifying vendors about the solicitation. Mr. Munro answered that he did not believe that it was the platform, because staff has spoken with many vendors and contractors and that it is used regularly for bid solicitations. He added that the platform is used by the state of Ohio. He said that for this Water Distribution & Supplies bid there were many planholders and many vendors with which Avon Lake Regional Water usually works. Core & Main has had the ability to obtain product, because it is such a large supplier, unlike some other vendors who have been impacted more by supply chain disruptions.

Mr. Rush said that there is usually an engineering estimate for bids. Mr. Munro said that for the Chemicals Supplies bid and the Water Distribution & Supplies bid there is no engineering estimate. Mr. Abram said that Core & Main is a local company located in Amherst. Mr. Rush asked if there was a percentage increase for the supplies bid. Mr. Munro said Mr. Collins has that information available and will share that with Mr. Rush.

Mrs. Schnabel moved, and Mr. Rush seconded, that the annual Water Distribution System Supplies bids be awarded in accordance with the following:

<i>Supplier:</i>	Core & Main
<i>Bid Items:</i>	1A, 1B, 2A-2C, 3A-3D, 4A-4P, 5A-5C, 6A, 6B, 7A, 7B, 8, 9A-9E, 10A-10K, 11A-11M, 12A-12E, 13A-13C, 14A, 14B, 15A-15C, 16A-16E, 17A-17E, 18A-18D, 19A-19D, 20A-20D, 21A-21C, 22A-22L, 24A-24S, 25A, 25B, 26A-26C
<i>Total Contract:</i>	\$1,752,862.55

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

Nays: None

Motion carried.

Annual Chemicals Bid

Mr. Munro informed the Board that during the previous meeting the majority of the chemicals were awarded except for two. He said that the two chemicals, Liquid Chlorine and Ferrous

Chloride, received no bids at the time. However, bids for the Annual Treatment Chemicals were opened on September 16th via the electronic platform Bid Express, and that staff received a number of bids through the online bidding system for those two remaining chemicals. Mr. Munro said after careful review by the Engineering Services Manager and the Technical Support Specialist, he recommended the approval of the following contracts. He said the liquid chlorine bid was the largest increase in a chemical that he has seen in his 20 years of service. The previous bid price was \$490/ton with the new bid price of \$1,400/ton.

Mr. Munro said he spoke with other colleagues in both Ohio and Pennsylvania, and they also saw a similar increase in the cost of liquid chlorine. He said those colleagues saw price increases earlier in the year, but Avon Lake Regional Water did not. The current supplier of liquid chlorine, Jones Chemical, Inc., has been selling product to ALRW at a loss since the spring due to the performance bond included in the annual contract. This is despite the force majeure letter regarding liquid chlorine from Jones Chemical received by staff earlier in the year.

Mr. Munro said that the price quoted for liquid chlorine is only good for six months, and another bid will need to go out as that six months draws to an end. The Chairman asked what it is about the feed stock for liquid chlorine that makes it so difficult to supply. Mr. Munro said that staff has not received a full explanation from Jones Chemical on why it is so difficult to supply liquid chlorine, but ALRW has not experienced any issues and has been able to maintain a substantial inventory. The price is consistent with what other utilities are now paying for liquid chlorine.

The Chairman asked if there was a way to stabilize the price of liquid chlorine. Mr. Munro said that staff is taking steps already to replace chlorine with an alternative at the Water Filtration Plant. Chlorine is not used for disinfection at the Water Reclamation Facility, because of the UV light disinfection. He said an on-site generation system of hypochlorite is being explored or a bulk delivery of hypochlorite as an alternative to liquid chlorine. He said the main reason to get away from chlorine was the safety aspect and also the issue with containment. The significant increase in price adds to the case and on-site generation looks more appealing.

The Chairman asked if swimming pools are having issues regarding chlorine as well. Mr. Munro said that swimming pools are having issues, too. Mr. Rush asked about the contract reward dollars, and if the amount was for a 6-month contract or 12-month contract. Mr. Collins said the amount listed in the contract is based on the estimated tons that would be needed for the year, with the 6-month quoted price from Jones Chemical, Inc. as the contract award.

The Chairman asked if an inventory of greater than six months could be kept on-site. Mr. Munro said that the organization is limited to the quantity of one ton cylinders it is allowed to keep on-site at any one time due to regulations. Mr. Rush asked if those cylinders could be kept at a different facility, like 201 Miller Road as an example, to store a greater quantity. Mr. Munro answered that because of the quantity that would be needed the US EPA and Ohio EPA would require a risk management program in place, and ALRW is not approved at any facility other than the Water Filtration Plant.

Mr. Abram asked if Jones Chemical is the only supplier of liquid chlorine. Mr. Munro said that it is not the only supplier in the United States, but there is a geographical limitation for other suppliers because the one ton cylinders are shipped on flatbed trucks. He added that there is a supplier out of Chicago that staff contacted earlier in the year due to the potential supply shortage, but the price would have been larger than the Jones Chemical price.

Mrs. Schnabel moved, and Mr. Abram seconded, that the annual Chemical Supplies bids be awarded in accordance with the following:

<u>Supplier</u>	<u>Chemical</u>	<u>Contract Award</u>
Jones Chemical, Inc.	Liquid Chlorine	\$126,000.00
PVS Technologies	Ferrous Chloride	\$4,350.00

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

Nays: None

Motion carried.

Budget Appropriation

Mr. Munro stated that Avon Lake Regional Water recently received a grant from the Ohio Bureau of Workers Compensation for a new trench shoring system. He said a \$12,000.00 grant was received in the form of a check and was deposited in the Water Fund and Wastewater Fund Miscellaneous Revenue accounts. He said this funding would need to be appropriated to the respective budget expense accounts in the Water Fund 701 and the Wastewater Fund 721 to apply toward the payment of the trench shoring equipment.

Mr. Rush moved, and Mrs. Schnabel seconded, to appropriate \$6,000.00 from Fund 701-47604 Miscellaneous Revenue to Fund 701-53804 Equipment.

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

Nays: None

Motion carried.

Mr. Rush moved, and Mrs. Schnabel seconded, to appropriate \$6,000.00 from Fund 721-47604 Miscellaneous Revenue to Fund 721-53804 Equipment.

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

Nays: None

Motion carried.

Project Updates

Orthophosphate Point of Application: Mr. Munro said staff is still awaiting delivery of the new control valve to replace the faulty one. He said originally the valve was scheduled for delivery on September 8th, but has been back-ordered due to supply chain issues with the vendor. The vendor has provided a new delivery date of September 22nd. He added that due to the recent supply chain issues, additional control valves are ordered for inventory. Mrs. Schnabel asked if the Ohio EPA has been on-site recently. Mr. Munro said that the Ohio EPA was on-site earlier this year for the sanitary survey, and there was no notice of violation for the turbidity or the orthophosphate.

WFP & ETL Design Services: Mr. Munro said HDR was planning to present at the October 5th Work Session to present an update to the Board on the WFP and ETL design services, but that is being rescheduled due to a conflict. They will also present their findings and recommendation regarding the new hypochlorite system that will replace the chlorine system.

Acting CUE Reports & Action Items

Mr. Munro said that he attended Councilman Spaetzel's buildings and utilities committee meeting. He said there were a number of residents present to discuss the recent flooding issues in the City of Avon Lake, and there was some good dialogue. He thanked Mr. Spaetzel for inviting him so he could discuss anything related to sanitary sewers. The Chairman thanked Mr. Spaetzel for coordinating the meeting.

Member Reports

Mr. Abram said that the NOACA board has approved the two Facility Planning Area changes to the benefit of LORCO. One change was obtained from the City of Elyria and the other change was from Lorain County. He said this brings in about 200 acres of additional area for LORCO to service. The Chairman asked if there was anything in terms of location. Mr. Abram said the vicinity in the county is Hawke Road, and the area in Elyria is on State Route 57. He said there will be more area to service.

The Chairman said he will be out of town for business on October 5, 2021 so asked that Mr. Rush stand in and that the work session scheduled with HDR be rescheduled to October 19, 2021 at 6:00 PM.

Miscellaneous

None.

Public Speakers

Councilman Spaetzel told the Board that there were six straight weeks of rainfall in July, August, and September. He wanted to thank staff for all of their help and for their approach to the flooding issues going on in the City of Avon Lake. He appreciated the spirit of cooperation, and he thanked Acting CUE Munro for his leadership.

Executive Session

Mr. Rush moved, and Mr. Abram seconded, to meet in executive session as allowed by ORC §121.22 G (1) to discuss personnel and include the Acting CUE.

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

Nays: None

Motion carried.

The regular meeting resumed at 7:50 PM.

Chief Utilities Executive

Mr. Rush moved, and Mr. Abram seconded, to execute the employment agreement with Robert K. Munro to accede to the position of Chief Utilities Executive effective immediately.

Mr. Rush said that he had the opportunity to sit in on the interviews when hiring Mr. Munro to the Chief of Utilities Operations position. He said he has proven to be a great asset to the

organization. He has helped complete many projects including sewer separation, and he has established great rapport with the employees and the employees of the City of Avon Lake.

Mrs. Schnabel said that she agrees with Mr. Rush and she is very pleased that this is going forward for Mr. Munro. She said he is a great asset to the organization, and he has been nothing but a benefit. Mr. Abram said the Board is making a wise decision in the hiring of Mr. Munro. He looks forward to his leadership for many years to come.

The Chairman spoke on behalf of Mr. Phillips that he approved of Mr. Munro and all of his work over the past three years with the organization. The Chairman said that he could not say enough for the quality and the performance of Mr. Munro up to this point and he is delighted to offer this position to Mr. Munro.

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

Nays: None

Motion carried.

Mr. Munro thanked the Board for their confidence in him in this position, and he is honored and humbled that they would entrust him with leading the organization. He said the successes that he has experienced with Avon Lake Regional Water would not have been possible without the Board of Municipal Utilities and the staff of Avon Lake Regional Water. He added that he looks forward to the many years of serving this community and region.

Adjourn

As there was no further business, Mr. Abram moved to adjourn, and Mrs. Schnabel seconded. The meeting adjourned at 7:57 PM.

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

Nays: None

Motion carried.

Approved _____ 2021.

John Dzwonczyk, Chairman

Robert Munro, Clerk