

Board of Municipal Utilities
Meeting Minutes
November 5, 2024
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 to Facebook and YouTube.

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

Excused: Mr. Rush

Also present: CUE Munro, CUO Yuronich and Business & Financial Coordinator Logan

Approve Minutes

Mr. Dzwonczyk presented the Minutes of the October 15, 2024 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 for funds and amounts as follows, Mr. Abram moved, Mr. Rickey seconded, to approve the expenditures of August 30, 2024 through September 12, 2024:

Water Fund 701	\$	340,431.98
Wastewater Fund 721	\$	313,147.79
ETL1 Fund 703	\$	21,789.56
ETL2 Fund 762	\$	5,093.00
LORCO Fund 749	\$	10,209.79
Water Construction Fund 704	\$	543,341.46
Wastewater Construction Fund 724	\$	0.00

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

Nays: None

Motion carried.

Quarterly Financial Update

Business & Financial Coordinator Logan informed the Board that he had compiled a six-page summary of the various budget accounts to track throughout the year. Mr. Logan stated that ALRW has earned over five-hundred-thousand dollars in interest income from the twenty-six-million invested in Star Ohio since May 2024 compared to only about thirty-two-thousand in all of 2023 through September. Mr. Logan informed the Board that the Star Ohio fund is still earning over 5% interest.

Mr. Logan stated that in respect to the current fund balances compared to the previous year, the debt service transfers were made in July 2024 compared to December of 2023. Mr. Logan advised the comparison between current and previous year fund balances should take this into account. Mr. Logan also advised that the purchase of the ALERG property also reduced the fund balances. Mr. Dzwonczyk informed the rest of the Board that he wanted the Board to understand that while at first glance it had appeared ALRW had lost money during the last year, when the asset value of the property acquisition is accounted, as is standard, the total assets of ALRW are greater than they were last year. Mr. Rickey inquired about the ~\$515,000 of interest income and how it compared to the previous year. Mr. Logan responded that while approximately \$32,000 was earned in interest from all accounts in 2023 it wasn't broken down based on the data that he had. Mr. Logan reported that approximately one-million dollars was previously invested in Star Ohio. Mr. Rickey also inquired if Mr. Logan was satisfied with the way ALRW's funds were now invested and if any more should be moved to the Star Ohio Fund. Mr. Logan stated that he felt for now it was the appropriate amount and that if at a later date in early 2025 staff feel comfortable investing more it is any easy process to undertake. Mr. Munro pointed out that in a little over half of a year ALRW has already far surpassed the total interest earned in all of 2023. Mr. Munro also stated that he and staff have a number in mind for the amount to keep in a checking account to conduct normal business but will monitor that and make the decision to invest more or less based on how that balance fluctuates in 2025. Mr. Logan then directed the Board to observe the final page of the financial summary which illustrated the fund balances and where the money was being stored or invested. Mr. Abram inquired about some proposed charter amendments that would ensure ALRW had more control over its funds. Mr. Munro responded that ultimately those changes could be implanted through Board policy. Mr. Munro added that Mr. Logan was working with the previous Finance Director to implement many of the wanted changes and would continue working with the new Finance Director once one is hired by the City of Avon Lake.

Water Reclamation Facility Operator

Mr. Yuronich stated that in preparation for an upcoming retirement of a Water Reclamation Facility team member, staff had interviewed several candidates for his replacement. Mr. Yuronich stated that there were two highly qualified applicants and that staff had chosen one, Mr. Jeffery Lopez, to extend a job offer to. Mr. Yuronich informed the Board that Mr. Lopez had accepted the offer and will begin employment with ALRW on November 11, 2024 at Step 3 on the Plant Operator wage scale and earn \$31.52 per hour. Mr. Yuronich added that Mr. Lopez currently holds a Class II OEPA Wastewater Works treatment license. Mr. Yuronich explained that Mr. Lopez has worked at two different organizations that staff are very familiar with and has had a very good start to his career and that the organization is looking forward to helping him advance further. Mr. Dzwonczyk inquired about Mr. Lopez's work history and residence. Mr. Yuronich responded that Mr. Lopez lives in Elyria, OH and had worked for the Village of Wellington and the City of Rocky River.

Update to Local Limits

Mr. Yuronich informed the Board that in 2023 ALRW had renewed the National Pollutant Discharge Elimination System permit that sets the limits for what can be discharged from the Water Reclamation Facility. As part of this renewal staff at the WRF, Mr. Hill and Mr. Pijor, had

requested adjustments to the local limits for what industrial users located within the ALRW collection system can discharge to the sanitary sewers. Mr. Yuronich informed the Board that these limits are calculated by inputting sampling data into a spreadsheet prepared by the Ohio EPA that takes into account many factors including analyses of the effluent and sludge from the WRF. Mr. Yuronich also stated that the goal of these limits is to balance effluent quality while also allowing industrial activity within the area. Mr. Yuronich added that the OEPA formulas will allow discharge from industrial sites while also ensuring that the WRF can handle these discharges and properly treat the waste and that a safety factor is included in this calculation to account for variances in incoming flow. Mr. Yuronich informed the Board that the OEPA has conditionally accepted the requested changes and that they will be formally approved once ALRW's regulations are updated to reflect these proposed limits.

Mr. Abram moved, Mrs. Schnabel seconded, to update § 3401.05 of the Avon Lake Regional Water Regulations titled Specific Pollutant Limitations, to include the Pretreatment Program Modification – Local Limits as conditionally approved by the Ohio Environmental Protection Agency letter dated October 25, 2024, and to become effective November 5, 2024.

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

Nays: None

Motion carried.

Insurance Renewal

Mr. Munro informed that Board that he had been working with the City for some time to review the way costs are allocated for shared insurance policies. Mr. Munro stated that historically this process had been handled by the City of Avon Lake Financial Department with little or no input from ALRW. Mr. Munro stated that last year he was provided the information that the insurance allocation was determined solely by ALRW's percentage of the overall budget. Mr. Munro stated that he had discussions with Mayor Spaetzel who then engaged ALRW staff to review the coverages and asset valuation. Mr. Munro informed the Board that Mr. Logan had worked closely with the insurance brokers and underwriters to update the asset valuations and ensure that ALRW's assets would be protected. Mr. Munro stated that the WRF was the most undervalued and was adjusted from a \$7.9 million valuation to \$55.6 million. Mr. Munro added that while the overall cost to ALRW is going up, all major assets are now under the proper amount of coverage. Mr. Munro also added that ALRW is now only responsible for 47% of the total insurance premium within the City and ALRW's policy. Mr. Munro stated that the City's cost had also gone up significantly as they had to adjust the valuation of their assets as well. Mr. Munro stated he wanted to recognize the effort Mr. Logan has put into this issue. Mr. Munro also informed the Board that ALRW is going to continue this process by having a full industrial appraisal of buildings and content that exceeds \$10,000.00. Mr. Munro added that ALRW will be partnering with the City on this evaluation. Mr. Abram inquired if the firm ALRW had hired a few years ago could perform this service. Mr. Munro replied that the firm Mr. Abram was referring to was Raftelis. Mr. Munro stated that Raftelis had evaluated infrastructure values while formulating their rate study recommendations and that this was separate from the industrial assessment. Mr. Munro stated that the values given by Raftelis more accurately reflect what the property could be sold for rather than the values needed for insurance coverage. Mr. Dzwonczyk inquired if the increased valuations would increase ALRW's credit rating and Mr. Logan stated that he believed it was possible. Mr. Logan informed the Board that the total value of assets covered by the new policy for both ALRW and the City was around \$170 million with the previous covered amount equaling \$108 million. Mr. Dzwonczyk stated that even though the values went up significantly the premium costs do not go up proportionately. Mr. Logan stated that insurance premiums did go up \$29,000 across both organizations but that ALRW did take out a cybersecurity policy to protect against ransomware or other online attack that provides an additional \$2 million in coverage. Mr. Munro added that Cincinnati had a cybersecurity breach and lost access to their customer and billing database for

over two weeks. Mr. Munro informed the Board that having that additional coverage for a reasonable increase in premium costs is well worth it.

Ground Lease

Mr. Munro informed the Board that he was presented a ground lease agreement by New Cingular Wireless PCS, doing business as ATT Cellular. Mr. Munro stated that New Cingular had previously had their equipment located on one of the stacks at the former power plant site and had to relocate. Mr. Munro stated that they currently have a cellular on wheels, or COW that is located on the property that was recently purchased by ALRW. Mr. Munro stated the agreement was previously created with ALERG but was never executed before the property transferred. Mr. Munro informed the Board that the past due lease payments will come to ALRW from August 19, 2024 which is the date the property transferred. Mr. Munro informed the Board that ALRW will receive \$3500 per month plus the back lease amount of \$8,467.74 until New Singular can locate its equipment on a permanent basis at a nearby tower. Mr. Munro added that the nearby tower is operated by a private company which has a ground lease agreement with ALRW. Mr. Munro stated that staff have a recommended motion to execute the ground lease agreement.

Mr. Rickey stated that he was unable to locate the COW. Mr. Munro informed him that it is located near the temporary construction trailer that ALERG operates out of on the south side of Lake Rd. near the power plant on the part of the recently purchased property that ALRW leases back to ALERG.

Mrs. Schnabel moved, Mr. Rickey seconded, to authorize the CUE to execute a Ground Lease Agreement with New Cingular Wireless PCS, LLC as presented.

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

Nays: None

Motion carried.

Project Updates

Power Plant Update: Mr. Yuronich informed the Board that he had met with Wayne Woodruff of ALERG who had taken over as Plant Manager when Dan Rogatto had retired. Mr. Yuronich stated that he appreciated how open and transparent Mr. Woodruff and Mr. Rogatto have been with providing information and site access to ALRW. Mr. Yuronich referenced pictures that were displayed that document the amount of progress ALERG has made with cleanup from the first implosion. Mr. Yuronich informed the Board that while no date has been set for the next implosion, he was informed that it could likely be in December of 2024 or even January 2025. Mr. Yuronich showed the main turbine hall where a lot of demolition had taken place. Mr. Dzwonczyk asked if the site seemed relatively clean. Mr. Yuronich stated that it seemed like a lot of progress had been made removing debris and organizing the various materials. Mrs. Schnabel inquired if there was a reason given why the implosion was being pushed back. Mr. Yuronich stated that he was not informed of the reason.

ETL Design Services: No update. Mr. Rickey inquired what a realistic timetable was to begin this project. Mr. Munro replied that due to the rerouting of the suction line to cross the tracks at the public right-of-way as opposed to the original location required Bramhall Engineering to draft six new plan sheets and ALRW was expecting those by the end of November 2024. Mr. Munro stated that once the new easement areas are defined, legal descriptions can be drafted and ALRW can procure the easements. Mr. Munro stated that this needs to be done before bidding the job. Mr. Rickey asked if there were a lot of properties that ALRW will need to acquire easements for. Mr. Munro responded that there were quite a few but many were with the same owner over multiple parcels. Mr. Rickey stated that he drives over that intersection and inquired if the suction line will be routed under the road and require the road to be closed during

construction. Mr. Munro replied that it will be in the right-of-way alongside the road and that although there will be some road closures, most of the work will take place along the road and not require the road to be closed for extended periods of time. Mr. Rickey stated that he feels like ALRW is on borrowed time with the ETL1 and suction line and wants to see the project moving forward. Mr. Munro stated that he agrees.

WFP Improvements: Mr. Yuronich informed the Board that the new air gap structure has been delivered and installed. Mr. Yuronich explained that during filter washes, the wash water normally flows to the head of the WFP to be recycled through the treatment processes. Mr. Yuronich stated that in the event that wash water needs to be routed through the sewers to the WRF, there needs to be an air gapped connection to the sewer so that there is not a direct connection to the sewer and that the existing air gap structure needs to be demolished to allow for the filter expansion to be constructed. Mr. Yuronich informed the Board that by the end of November the old structure will be demolished and the new one will be connected to the WFP piping. Mr. Yuronich then referenced a picture showing a large amount of rebar that will be used in the concrete structures and piping that will be part of the new filters. Mr. Yuronich discussed the progress on the new chemical feed building showing twelve vertical feet of the columns that will support the new structure. Mr. Yuronich explained that forms are being placed that will bring the height of the building up to its approximate thirty-one feet high finished elevation. Mr. Yuronich then discussed one of the alternate bid items, the resurfacing of the existing clearwells. Mr. Yuronich explained that the coating on top of the existing clearwells was forty years old and that a clean, bare surface was needed for the new coating to adhere to. Mr. Yuronich displayed a picture showing what the surface looked like previously. Mr. Munro informed them that one small section where the concrete was delaminating and would need repaired. Mr. Dzwonczyk stated that delamination is common when concrete is not poured in one continuous pour.

SCADA Communication Upgrade: No update.

CUE/CUO Report

Mr. Munro informed the Board that he had one item to report on, one miscellaneous item and that Mr. Yuronich had one item to report on. Mr. Munro stated that ALRW staff had hosted members of the South Korea-based Techwin team in Avon Lake from October 21 – 24, 2024. Mr. Munro stated that there were four members, the Vice President, project leader and two engineers. Mr. Munro informed the Board that this was a requirement of their project due to government funding being involved and that they needed to visit the project site and had several packed days of meetings. Mr. Munro displayed some updated photographs of what the actual unit looks like. Mr. Munro stated that the equipment is currently going through shop testing as it gets ready to be shipped. Mr. Munro stated that they will be providing start-up and training during a visit in the spring of 2025. Mr. Munro informed the Board that Techwin had put together a very nice video that staff will work on editing due to its length so that it can be shown at a future meeting. Mr. Munro spoke of a meeting with Techwin, Mr. Dzwonczyk, representatives from Cleveland Water Alliance, HDR and Team NEO. Mr. Munro stated that Techwin's goal is to enter the United States market and manufacture the equipment here. Mr. Munro added that the goal if the pilot project is successful is to have them manufacture in Lorain County or even Avon Lake. Mr. Dzwonczyk stated that one of the Techwin team members has worked in the United States for a number of years and believes that will help them in their process. Mr. Rickey inquired what percentage of the sodium hypochlorite needed by ALRW this unit will provide. Mr. Munro stated that it will be approximately one-third of the demand. Mr. Rickey then inquired if multiple units could be used together. Mr. Munro stated that if this were to proceed to a full-scale operation, multiple units would be housed together in a permanent structure and be scalable as needed. Mr. Dzwonczyk stated that there is a possibility that a large-scale operation could provide sodium hypochlorite to other entities including other uses outside of disinfecting drinking water and referenced the disinfection of bilge water from large

ships as one of the many potential uses. Mr. Rickey inquired if the technology used in Techwin's process differs from the technology used by other equipment manufacturers. Mr. Munro stated that he could not speak to the specifics of whether it differs from industrial production equipment but reiterated that if the pilot is successful and ALRW moves ahead with full scale production, this would be the first installation of its kind at a water treatment facility in the United States.

Mr. Munro informed the Board that there will be a work session at 6:00 PM held prior to the next regularly scheduled Meeting on November 19, 2024.

Mr. Yuronich informed the Board that early next week ALRW would be sending letters to approximately two-thousand of the customers. Mr. Yuronich explained that the EPA is requiring all service line piping material to be verified within the next three years. Mr. Yuronich stated that these letters include a survey that can be completed by the customer to identify the service line material as it enters their home. Mr. Yuronich added that ALRW will be using various methods to verify the material between the water main and the meter to identify the utility-owned portion of the service line including potholing on either side of the meter to expose the pipe material. Mr. Abram asked if there was funding available from the OEPA to assist utilities in this effort. Mr. Munro stated that there is some money available but that was set aside for disadvantaged communities. Mr. Munro added that there are opportunities to find creative ways of funding the replacement costs for the homeowner's service line such as that used in the lateral loan program. Mr. Dzwonczyk stated that this may be a project that ALRW would be better suited to handle than the homeowner but since it would be an improvement to a privately-owned asset, we would need to assess the costs to the individual customer and not the entire customer base. Mr. Munro added that the EPA is requiring utilities to ensure all lead is removed from distribution systems within thirteen years and that while that is an attainable goal for ALRW, it is going to be much more challenging for utilities such as Cleveland Water that have a very large number of lead service lines within their system. Mr. Dzwonczyk inquired if there was an estimate on the number of lines that ALRW would expect to have to replace as this number would help dictate what kind of program would be needed to achieve the goal of complete lead service line removal. Mr. Munro responded that there is no estimate yet as this is the first phase of the program. Mr. Munro added that ALRW had received a fifty-thousand-dollar lead service line grant from the OEPA to purchase the software for the new camera truck that will assist in mapping out and verifying the service lines throughout the distribution system. Mr. Munro stated that ALRW wanted the public to be aware these letters were coming and that they can contact our office if they have any questions. Mrs. Schnabel inquired when the letters would go out and if the unknown homes were sporadic throughout the City or if it was constrained to certain areas. Mr. Yuronich responded that while there are some sporadic residences, most were grouped together in certain areas. Mr. Munro added that because it was a function of the age of the homes, developments constructed prior to the ban of lead in 1988 were areas that could have a large number of unknowns. Mr. Rickey inquired if any of these would be addressed by the meter replacement program or future waterline replacement projects. Mr. Munro stated that some will fall into those areas of future work. Mr. Abram inquired what would happen if a homeowner refuses to replace their portion of the service line if it's discovered to be lead. Mr. Munro responded that it was too early in the process to determine how a situation like that will be addressed. Mr. Dzwonczyk stated that replacement of the service line should be less expensive than the cost of replacing a combined sewer lateral as there is much less work and material involved. Mrs. Schnabel inquired if replacing the exterior portion of the work would all be handled by ALRW. Mr. Munro stated that only up to the meter would be ALRW's responsibility and that the meter is typically near the water main in most locations. Mr. Munro added that there are a few hundred homes that currently have indoor meters and those will all be relocated as part of the next water bundle project and this gives the advantage of the economy-of-scale as far as material and mobilization costs.

Miscellaneous & Member Reports

Mr. Abram presented an article from Trenchless Technology magazine that discussed the PFAS litigation and inquired if ALRW was part of the class-action lawsuit. Mr. Munro responded that ALRW is part of the lawsuit for the 3M and DuPont settlements and that initial testing had been conducted. Mr. Munro added that while PFAS compounds were detected in the raw water coming from Lake Erie there were no detections in the finished water which means our WFP treatment processes are capable of handling these contaminants at the levels we see. Mr. Munro added that this isn't the case for all utilities as some areas are seeing much higher levels of PFAS in their raw water. Mr. Munro stated that ALRW is poised to receive some sort of settlement but that this is still in the works.

Mr. Rickey inquired about the status of the billing software conversion. Mr. Logan replied that the conversion was put on hold as the software expert at Springbrook was tied up on other projects until the beginning of 2025. Mr. Logan stated that ALRW felt this person was needed to ensure a smooth transition for our customers and that the current goal is to go live with the new software for the first quarter 2025 billing cycle.

Public Speakers

None

Adjourn

As there was no further business, Mr. Abram moved, Mrs. Schnabel seconded, to adjourn. The meeting adjourned at 7:46 PM.

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

Nays: None

Motion carried.

Approved November 19, 2024.

John Dzwonczyk, Chairman

Robert Munro, Clerk