

Board of Municipal Utilities
Work Session Minutes
November 6, 2018
201 Miller Road
Avon Lake, Ohio

Call to Order – Roll Call

The meeting was called to order at 6:00 PM.

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

Also present: LORCO Executive Director Toy, Mayor Zilka, Mark Heckzo, Council Member Zuber (arrived at 6:30 PM), Mark Bennett (arrived at 6:30 PM), CUE Danielson, CUO Munro, and Community Outreach Specialist Arnold.

LORCO Update

Chairman Dzwonczyk called the meeting to order at 6:00PM and invited LORCO Executive Director Gene Toy to provide his annual update regarding LORCO activities. Mr. Toy briefed the Board on the recent agreement with Cinnamon Lake, where LORCO has taken over their wastewater system; the progress of Ryan Homes' development, Eaton Crossing, that intends to break ground in 2019 and should lead to \$3 million in new tap fees; the Barrington subdivision the discharges to Grafton and has grown by 50 homes in the past four years; that Lorain County has begun speaking with LORCO about the possibility of creating a flow agreement for the Eaton Homes and/or Brentwood Lake subdivisions; and that Lorain County has provided a draft flow agreement where LORCO could provide treatment services for all of Columbia Township. Mr. Toy indicated that these and other developments could lead to LORCO arriving at its assumed "break even" number of connections of about 2,700. With the progress, Mr. Toy indicated that LORCO is requesting Avon Lake Regional Water reduce the monthly cooperative payment in 2019 from \$10,000 to \$8,500.

Members indicated appreciation for the positive news and asked Mr. Toy if he has begun thinking about future staffing and whether he has envisioned how LORCO intends to begin paying back the debt it is accumulating with Avon Lake Regional Water. Mr. Toy indicated that he has begun considering future staffing requirements and that the cooperative agreement provides an initial template as to how to repay the accumulated debt. The Chairman requested that when Mr. Toy next presents to the Board to please present the various aspects of LORCO's indebtedness to begin laying out the framework for repayment.

St. Jude Dream Home Sponsorship Opportunity

Outreach Specialist Arnold presented a request by the St. Jude Foundation for Avon Lake Regional Water to assist in St. Jude's goal to build its next "Dream Home" at a net-zero cost. St. Jude is specifically requesting for Avon Lake Regional Water to sponsor the building of the home by waiving water and wastewater connection fees and inspection costs. Members asked Ms. Arnold about the benefits (to both sides) of sponsorship and whether a representative from St. Jude could be invited to provide

additional information. The Mayor indicated that City Council will be considering a similar request at its next session.

Affordability

CUE Danielson refreshed the Board on comments it made about a year ago regarding the potential for implementing water and wastewater rate affordability programs and requested members to indicate if they had any additional guidance as he investigates affordability program options. Mr. Abram presented information about programs offered by another utility where customers are solicited for voluntary contributions to assist those in need. Mr. Rush asked for staff to investigate whether those donations may be tax deductible. Members indicated that they liked the voluntary program and would like staff to see if a program such as that could be managed by another organization, such as Community Resource Services. The Chairman indicated that there was ample room to discuss the affordability matter in the future.

Adjourn

With no other business before the Board, Mr. Dzwonczyk adjourned the work session at 6:45 PM.

Approved November 20, 2018

John Dzwonczyk, Chairman

Todd Danielson, Clerk