

Board of Municipal Utilities
Meeting Minutes
November 18, 2025
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.

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

Excused: Mr. Rush

Also present: CUE Munro, CUO Yuronich, Business & Financial Coordinator Logan, and Attorney Tony Coyne of Mansour-Gavin. Avon Lake residents William Zimmerman and Gerald Phillips arrived midway through the meeting.

Approve Minutes

Mr. Dzwonczyk presented the Minutes of the November 4, 2025 regular meeting. With no additional changes, additions or corrections noted, Mr. Dzwonczyk ordered that the minutes stand and be distributed as submitted.

Public Speakers

None.

Correspondence

None.

Expenditures

Following review of expenses for funds and amounts as follows, Mr. Rickey moved, Mrs. Schnabel seconded, to approve the expenditures of October 31 through November 13, 2025:

Water Fund 701	\$	997,255.39
Distribution Fund 723	\$	278,690.66
Wastewater Fund 721	\$	367,651.10
Collection Fund 722	\$	88,894.41
ETL1 Fund 703	\$	179,737.45
ETL2 Fund 762	\$	642,483.36
LORCO Fund 749	\$	148,636.40
Water Construction Fund 704	\$	1,340,615.94

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

Nays: None

Motion carried.

Quarterly Financial Update

Mr. Logan stated that there were two documents contained in the Board Packet that outline ALRW's finances through September of 2025. Mr. Logan added that overall, the budget is in very good shape and referenced several slides comparing current data to recent previous years. Mr. Logan stated that one performance indicator is how many months ALRW would be able to cover operating expenses if all income ceased and offered that ALRW would be able to meet its obligations for about eleven months, not taking into account debt obligations or property purchases. Mr. Logan added that the Government Finance Officers Association recommends at least two months of financial reserves and that including the debt reserves and property acquisitions, ALRW would still be able to cover more than six months with no additional money coming in. Mr. Logan referenced a chart that showed ALRW having a fund balance that accounts for sixty-eight-percent of its annual revenue. Mr. Logan stated that this level of reserves would earn ALRW a AAA credit rating in the private sector. Mr. Logan presented several slides showing how various metrics show a steady and significant growth with ALRW's net positions, assets minus liabilities, reaching a total of one-hundred-and-two-million dollars which is almost double what 2015's value was. Mr. Logan also referenced a chart showing that ALRW currently has about twenty-seven-million dollars invested in the STAR Ohio fund and another seven-point-three million in Huntington and estimates that those investments will have earned almost a million dollars in 2025. Mr. Dzwonczyk inquired how this interest earnings compare to previous years. Mr. Munro stated that prior to 2022 the City of Avon Lake handled all of ALRW's investments and had kept a vast majority of funds in the Huntington account and that minimal interest was accumulated. Mr. Munro stated that he and Mr. Logan had worked with the new Finance Director to invest in higher-yield accounts and this has resulted in more than a five-percent return. Mr. Logan added that he will be coming to the Board with a resolution that will allow similar investments from Fifth Third Securities to lock in higher returns. Mr. Logan stated that ALRW also continuously updates and invests in items identified in their Capital Improvement Plan and this is reflected in the growth of ALRW's net position. Mr. Logan stated that most of ALRW's loans have been through the Ohio Water Development Agency (OWDA) and that this funding offers lower interest rates compared to general obligation debt and does not affect the City's borrowing capacity. Mr. Logan stated that this sound investment strategy is reflected in ALRW customers having the lowest water-use rate in the State of Ohio. Mr. Mondello inquired what the average interest rate of the OWDA loans was. Mr. Logan stated that three-point-seven-five to four-percent was the approximate average and that several of ALRW's larger loans procured prior to 2021. Mr. Munro added that on the Water Reclamation Facility upgrade seventeen-million was at zero percent interest and the remaining eighteen-million was less than one-percent. Mr. Munro stated that this has saved rate-payers millions of dollars over the life of those loans. Mr. Dzwonczyk inquired when the 2024 Audit would be released. Mr. Logan stated that it should be any day now.

Rate Study

Mr. Munro stated that in 2021 ALRW contracted with Raftelis to perform a rate study, develop a financial model, and perform an asset valuation. Mr. Munro added that it was finalized in 2023 and to his knowledge it was the first time a formal rate study by a third-party had been performed. Mr. Munro stated that this was very comprehensive and looked at not only user rates for water and wastewater but tap fees, laboratory charges and future projects included in the capital improvement plan with recommendations for a five-year period. Mr. Munro stated that the Board is being presented with a contract to update the rates and financial model for the next five years. Mr. Munro stated that the update is presented as a "not-to-exceed" amount of twenty-five-thousand-dollars. Mr. Mondello inquired what the time frame for completion of this new study will be. Mr. Munro stated that much of the analysis was done to create the existing report and that Mr. Logan will be the point person for this update and expects that a draft will be

ready in two to three months. Mr. Dzwonczyk added that he feels this has been a great planning resource and provides a better forecast than could be developed fully in-house.

Mr. Rickey moved, Mr. Mondello seconded, to authorize the CUE to execute a contract with Raftelis for an updated Rate Study, Financial Model, and related services for the not-to-exceed amount of \$25,000.00.

Ayes (per voice vote): Dzwonczyk, Mondello, Rickey, and Schnabel
Nays: None
Motion carried.

Collective Bargaining Agreement

Mr. Munro informed the Board that the current collective bargaining agreement (CBA) with union employees will expire on December 31, 2025. Mr. Munro stated that he and staff met and negotiated with union members and have come up with a mutually-accepted tentative agreement for a three-year period. Mr. Munro stated that there was a summary memo included in their Board Packets that highlighted the changes in the proposed CBA. Mr. Munro stated that a recent struggle for ALRW has been to attract experienced employees from other organizations and that the low starting wages was a part of that. Mr. Munro stated that this was being addressed by removing Step 1 from the wage scale and shifting all of the steps accordingly while adding five percent to the final rate to create a new Step 7. Mr. Munro added that union employees will see an average of a six percent raise in 2026, followed by three percent in 2027 and three percent in 2028. Mr. Munro stated that there were very conservative raises given during the pandemic as there was a lot of financial uncertainty at that time. Mr. Munro had negotiated those wages with the intent of making it up to the union members once things normalized. Mr. Munro added that another thing to take into account is that ALRW signed a two-year agreement on health insurance that resulted in no rate increase in 2026. Mr. Dzwonczyk inquired if the union members were satisfied with this proposal. Mr. Munro stated that they were and had voted to ratify the proposed CBA. Mr. Dzwonczyk also inquired if this was on a different cycle than that of the City of Avon Lake, Police and Fire Department contracts. Mr. Munro stated that it was. Mr. Rickey added that he feels it was a great contract for the Board as well as for the employees it covers and will help attract quality employees to the organization.

Mr. Dzwonczyk moved, Mr. Rickey seconded, to authorize the Chairman of the Board and the CUE to execute the collective bargaining agreement dated November 3, 2025 between the Avon Lake Board of Municipal Utilities and USW Local 1-865 and to be effective on January 1, 2026.

Ayes (per voice vote): Dzwonczyk, Mondello, Rickey, and Schnabel
Nays: None
Motion carried.

Project Updates

Power Plant Update: Mr. Yuronich stated that ALERG Project Manager Wayne Woodruff had informed him that no additional scope had been added to their contract and that they would be demobilizing. Mr. Dzwonczyk inquired about the remaining structures on the power plant property. Mr. Munro stated that there had been inquiries from a developer expressing interest in the building and that the City of Avon Lake is having an environmental assessment performed. Mr. Rickey inquired about all of the concrete that was still mounded on the site along with several large excavations that have yet to be filled in. Mr. Yuronich stated that he did not believe that work to be part of ALERG's contract as they had stated all of their obligations had been met.

WFP Improvements: Mr. Yuronich referenced a picture of a concrete slab and stated that this was to be the base for the new powdered activated carbon (PAC) silos. Mr. Yuronich pointed to the mounting hardware and conduit while explaining that this structure will contain the PAC as a dry powder as opposed to the slurry that is currently used. Mr. Dzwonczyk inquired if the water tower in the background of the photo would be coming down as part of this project. Mr. Yuronich stated that the demolition of the water tower as well as some additional structures will be bid for demolition at the start of 2026. Mr. Munro added that this work was not awarded under the existing contract because the low-bidder did not include any hazardous material disposal fees in their bid. Mr. Munro also added that because this work could not be performed until the construction is complete it will not affect the project schedule with the working going out for bid again. Mr. Yuronich stated that The Great Lakes Construction Company (GLC) was forming and pouring the roof sections of the new filters with the goal of getting the area enclosed before winter weather to make it easier for the crews to perform work during the upcoming cold weather. Mr. Yuronich referenced a picture showing the inside of the fluoride feed structure and stated that testing of the station continues using treated drinking water while all settings are verified. Mr. Yuronich stated that if testing continues with no unexpected issues, WFP staff will be ordering the first delivery of the liquid fluoride and discontinue the use of the powdered product that was previously added.

Techwin Project: Mr. Yuronich informed the Board that ALRW staff has received the replacement probe and has calibrated and verified the readings on the new unit. Mr. Yuronich stated that staff is awaiting the chiller system to be winterized and that once that work is complete, staff will resume normal operation and proceed with testing and certification of the product. Mr. Dzwonczyk inquired about an expected completion date. Mr. Yuronich stated that winterization should be complete by the end of the week with testing to resume as soon as possible.

2025 Water Bundle Project: Mr. Yuronich referenced a picture showing the installation of new water taps on the water mains recently installed. Mr. Yuronich informed the Board that the first of eight valves on Electric Blvd. had been replaced. Mr. Yuronich stated that these were original to 1955 and were inoperable. Mr. Dzwonczyk inquired if these valves were identified during the valve exercising program and Mr. Yuronich confirmed these had been identified during valve exercising performed as part of ALRW's asset management program. Mr. Yuronich added that replacing these inoperable valves reduces the number of customers affected during any future shutdown. Mr. Rickey inquired if any water meters have been replaced as part of this project yet. Mr. Munro stated that KMU had started with homes identified as lead, galvanized requiring replacement or unknown materials so that those could be corrected first and will proceed with the other inside meters throughout the winter. Mr. Rickey stated he just wanted to ensure that the subcontractor was performing the highest quality work for ALRW's customers.

CUE Report

Mr. Munro informed the Board that ALRW is currently accepting proposals from information technology firms to provide IT services for the organization.

Mr. Munro stated that staff had just received the proposed scope for an amendment to the professional services contract with HDR for the next improvement and expansion project at the ALRW Water Filtration Plant (WFP). Mr. Munro added that a portion of this work will be reimbursable under the grant Lorain County received for the potential development of the advanced technology campus site in New Russia Township. Mr. Rickey inquired how HDR was doing with the current project at the WFP. Mr. Munro stated that throughout the project it seems that the engineering was very sound.

Mr. Yuronich informed the Board that Jeffrey Lopez had earned two step increases. Mr. Yuronich stated that Mr. Lopez successfully earned his Ohio EPA Class III Water Reclamation license on October 21, 2025 and moved to Plant Operator – Step 4 at \$34.33 per hour on that date. Mr. Yuronich stated that Mr. Lopez had also reached his year anniversary and per the collective bargaining agreement would advance to Step 5 at \$37.07 per hour effective November 11, 2025.

Miscellaneous & Member Reports

None.

Public Speakers

Avon Lake resident Gerald Phillips stated that Mr. Logan's financial presentation was very good and that it shows that ALRW does not need to join CLERWTR. Mr. Phillips stated he also did not agree with ALRW updating their financial model with Raftelis.

Avon Lake resident William Zimmerman stated that he attended LORCO's monthly meeting and did not get to speak as they did not have public speakers on their agenda. Mr. Zimmerman also stated that Mr. Logan gave a nice financial update.

Executive Session

The CUE requests to meet in Executive Session as allowed by O.R.C. §121.22 (G)(3) to discuss pending or imminent court action. The CUE does not anticipate any formal action by the Board upon reconvening the public meeting.

Mr. Mondello moved, Mrs. Schnabel seconded, to meet in executive session as allowed by ORC §121.22 (G)(3) to discuss pending or imminent court action and to include the CUE, the CUO and Attorney Tony Coyne of Mansour Gavin.

Ayes (per roll-call vote): Dzwonczyk, Mondello, Rickey, and Schnabel

Nays: None

Motion carried.

The Board entered Executive Session at 7:39 PM

The Board reconvened the public meeting at 8:36 PM

Adjourn

As there was no further business, Mrs. Schnabel moved, and Mr. Rickey seconded, to adjourn.

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

Nays: None

Motion carried.

The meeting adjourned at 8:37 PM.

Approved December 2, 2025.

John Dzwonczyk, Chairman

Robert Munro, Clerk