

Board of Municipal Utilities
Meeting Minutes
December 3, 2024
201 Miller Road
Avon Lake, Ohio

Call to Order – Roll Call

The meeting was called to order at 6:30 PM following the work session. The meeting was held in-person using web-based video conferencing technology.

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

Also present: CUE Munro, CUO Yuronich, Business & Financial Coordinator Logan and Attorney Anthony Coyne of Mansour-Gavin.

Approve Minutes

Mr. Dzwonczyk presented the Minutes of the November 19, 2024 work session. Mr. Rickey stated that he appreciated the summary of the budget accounts provided by Mr. Logan. Mr. Rickey also stated that he wished for his opinion on forgoing the approved rate increase in 2025 due to strength of ALRW's financials to be memorialized in the minutes. Mr. Dzwonczyk stated that the approval of these minutes could be postponed until the next meeting until the updates are made. Mr. Munro stated that the changes would be made.

Mr. Dzwonczyk presented the Minutes of the November 19, 2024 regular meeting. With no additional changes, additions or corrections noted, he ordered that the minutes stand and be distributed as presented.

Public Speakers

Nick Mondello inquired (via social media) where Mr. Munro expected to finish the year based off of 11 months of actuals related to the overall budget. Mr. Munro stated that Mr. Logan would respond as Mr. Logan had the financial summaries in front of him. Mr. Logan responded that it was looking like ALRW would exceed the revenue projections in the 2024 budget and that expenses were all in line with expectations even with the property acquisitions throughout the year.

Correspondence

None.

Expenditures

Following review of expenses for funds and amounts as follows, Mr. Abram moved, Mr. Rickey seconded, to approve the expenditures of November 15 through November 27, 2024:

Water Fund 701	\$ 1,603,354.85
Wastewater Fund 721	\$ 625,766.34
ETL1 Fund 703	\$ 55,170.97
ETL2 Fund 762	\$ 143,029.40
LORCO Fund 749	\$ 146,945.25
Water Construction Fund 704	\$ 10,388.88

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

New Budget Funds

Mr. Munro informed the Board that two new budget funds were created for the 2025 Budget to better reflect the costs associated with the treatment portion of Water Filtration Plant and Water Reclamation Facility and the costs of distributing water and collecting the wastewater. Mr. Munro added that this will allow a better understanding of the true cost of each aspect of the utility. Mr. Munro stated that while this is a common practice there are procedures that ALRW will need to follow to comply with the Auditor of State's regulations and the first step in this process is to formally approve the establishment of these funds. Mr. Munro added that once this is complete Mr. Logan will submit the application to the Auditor of State so that they can grant their approval. Mr. Dzwonczyk inquired if there would be an ALRW staff member that will follow up throughout the process to ensure that it is not delayed by the State. Mr. Munro replied that it would be Mr. Logan who will track the application through the approval process. Mr. Rickey inquired if the name of Fund 722 – Sewer Collection, would potentially be confused with a storm sewer fund. Mr. Munro replied that since all funds with a 700 designation were associated with enterprise funds, this would not be an issue. Mr. Munro added that the City of Avon Lake handles the storm sewer budget and any fund they created would have a different number. Mr. Rush wanted to clarify that this motion would not specifically create the fund, it would authorize Mr. Logan to submit the application to create this fund on behalf of ALRW and Mr. Munro responded that this was correct.

Mr. Rush moved, Mr. Rickey seconded, to authorize the Business & Financial Coordinator to create the following budget funds and to take effect January, 1, 2025:

Fund 722 Sewer Collection Fund
Fund 723 Water Distribution Fund

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

2025 Budget

Mr. Munro stated that the budgets for 2025 had been presented to the Board at the November 19, 2024 work session. Mr. Munro highlighted that overall, the financial position of ALRW remains strong and that ALRW maintains extremely high levels of service. Mr. Munro added that the revenues are on track to exceed the budget and expenses are expected to be at or below the approved amounts. Mr. Munro also stated that the Board of Municipal Utilities offers the lowest water rate of any incorporated city in Ohio and that will continue after the small rate increase takes effect. Mr. Munro added that while some fund balances may appear to be down, the properties acquired during 2024 add value to ALRW's asset portfolio. Mr. Rickey inquired about the property expenditures from 2023. Mr. Munro stated that ALRW began acquiring property near the WFP during the later part of 2023. Mr. Rickey also inquired about the nearly million-dollar increase in the compensation budget for 2025. Mr. Munro stated that ALRW had operated two operators short at the WFP for much of 2023 and that the budgeted amounts for 2025 included adding employees to the overall head-count to fully staff all positions. Mr. Rickey wanted the record to show that he is against the 4% rate increase and had voted against it originally.

Mr. Rickey moved, Mr. Abram seconded, to approve the 2025 budget funds as presented by the CUE on December 3, 2024, and to become effective January 1, 2025.

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

Nays: None

Motion carried.

Bi-Annual Chemical Bid

Mr. Yuronich informed the Board that the bids were opened for treatment chemicals on November 21, 2024. Mr. Yuronich stated that there weren't any major surprises and that there were moderate increases on some of the chemicals while there was also a nearly 28% decrease on one. Mr. Yuronich added that staff is recommending the award of the contracts based on the engineer's certified bid tabulation.

Mrs. Schnabel moved, Mr. Rush seconded, to authorize the CUE to execute chemical supply contracts, valid from January 1, 2025 and running through, and including, June 30, 2025, in accordance with the following:

<i>Chemical</i>	<i>Vendor</i>	<i>Unit Price</i>
Liquid Alum	USALCO, LLC	\$614.49 per ton
Hydrated Lime	Bonded Chemicals, Inc.	\$388 per ton
Sodium Silicofluoride	Bonded Chemicals, Inc.	\$2,610 per ton
Liquid Chlorine	JCI Jones Chemicals, Inc.	\$1,925 per ton
Potassium Permanganate	Bonded Chemicals, Inc.	\$8,880 per ton
Dry Polymer	Polydyne, Inc.	\$4,900 per ton
Liquid Polymer	Polydyne, Inc.	\$3,400 per ton
Ferrous Chloride	PVS Technologies	\$900 per ton
Carbon	Carbon Activated Corporation	\$1,920 per ton
Liquid Orthophosphate	SAL Chemical	\$780 per ton
Liquid Sodium Hydroxide	Bonded Chemicals, Inc.	\$815 per ton
Sodium Bicarbonate	SAL Chemical	\$800 per ton
Sodium Hypochlorite	Alexander Chemical Corp.	\$458 per ton
Hydrofluorosilicic Acid	Pencoco, Inc.	\$678 per ton
Salt	SAL Chemical	\$682.70 per ton

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

Nays: None

Motion carried.

Employment Contract

Mr. Munro stated that at the November 19, 2024 meeting the Board approved an employment agreement for the position of Engineering Services Manager with Jack Gaydar. Mr. Munro stated that originally Mr. Gaydar was going to be retiring on January 12, 2025 with a rehire date of January 13, 2024. Mr. Munro informed the Board that after executing this agreement and providing it to Ohio Public Employees Retirement System (OPERS) they informed ALRW that a retirement and rehire in the same month was not acceptable. Mr. Munro informed the Board that staff is recommending an amendment to that contract to change the retirement date to January 31, 2025 with a rehire date of February 1, 2025 to comply with the regulations OPERS has in place. Mr. Munro also added that this practice is common and works with ALRW's

succession planning. Mr. Munro stated that Mr. Gaydar had stated he wishes to retire within the next couple of years and this would allow Mr. Gaydar to help ALRW transition by retaining his talents as well as allowing time to train his successor. Mr. Dzwonczyk inquired if it was necessary to rescind the previous motion and Mr. Rush responded that would not be necessary and that amending the previously approved agreement would be acceptable. Attorney Coyne stated that adding the language “subject to the stated amendment of the prior motion” would be appropriate. Mr. Abram stated that the language allowing the contract to be extended with the approval of both parties was important because it’s good to have that option in the future.

Mr. Rush moved, Mr. Dzwonczyk seconded, to authorize the CUE to amend the retirement, rehire, and effective dates of the approved Employment Agreement with Jack Gaydar to the following, subject to the stated amendment of the prior motion:

Retirement Date: January 31, 2025

Rehire Date: February 1, 2025

Effective Date: February 1, 2025

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

Nays: None

Motion carried.

Project Updates

Power Plant Update: Mr. Yuronich informed the Board that ALERG is planning on the demolition taking place the middle to end of December 2024. Mr. Yuronich stated that they are going to coordinate with the City of Avon Lake so that notifications can be sent to residents ten days ahead of the implosion.

ETL Design Services: Mr. Yuronich stated that there were no updates. Mr. Rickey inquired about the status of the additional plan sheets that Bramhall had planned on delivering by the end of November 2024. Mr. Munro responded that ALRW is in possession of those plan sheets and that staff is performing their QA/QC on those plans.

WFP Improvements: Mr. Yuronich referenced pictures that shows the progress of the concrete on the new chemical feed building. Mr. Yuronich stated that due to the colder weather the freshly poured concrete will be covered and insulated so that it will cure properly. Mr. Yuronich then spoke of the removal of the existing air gap that the new filters can be added on to the end of the existing filters. Mr. Yuronich informed the Board that a new structure will be constructed that will maintain separation from the sewer system while allowing wash water to be sent to the Water Reclamation Facility if needed. Mr. Yuronich also pointed out the area of the excavation that ran into stone fill underneath the existing building. Mr. Yuronich stated that they are still finalizing the shoring plans for this area so that the existing structure is not undermined and allow the excavation to be completed. Mr. Rickey inquired if the new filters are going to be the same size as the existing filters. Mr. Yuronich responded that they would be the same size as the eight newest filters. Mr. Dzwonczyk inquired about the flexible, black ductwork that was shown in the previous slides. Mr. Yuronich responded that it was venting warm air under the insulating blankets to keep the concrete warm as it cures. Mr. Dzwonczyk asked where the air was coming from. Mr. Yuronich stated that he thought it was being vented from the high-service pump station but would research that for the next meeting.

SCADA Communication Upgrades: Mr. Yuronich informed the Board that Tuesday, December 10, 2024 staff will meet with the Cybersecurity and Infrastructure Security Agency and ALRW's OT (operational technology) integrator Data Command to go through CISA's analysis. This will review all of ALRW's standard operating procedures, hardware and layout to see if there are any cybersecurity practices that have shortcomings or can be made more secure.

CUE Report

Mr. Munro stated that he attended the Avon Lake City Council and Collective Committee Meeting with Mr. Rickey and ALRW's environmental consultants Verdantas and HZW. Mr. Munro informed the Board that they had a work session discussing all of the environmental work that was performed on the coal yard property that ALRW recently purchased. Mr. Munro stated that he felt it was a very productive meeting and that one of the items that was discussed was the connection to the 108" storm sewer. Mr. Munro informed the Board that now that ALRW is the owner of the property ALRW will be completing the City of Avon Lake's storm sewer permit paperwork. Mr. Munro stated that Mr. Gaydar and the City of Avon Lake's Public Works Director, Mr. Liskovec, will be working together to complete this. Mr. Munro informed the Board that Mr. Liskovec is the City's storm water manager.

Miscellaneous & Member Reports

Mr. Abram informed the Board that Eaton Township Planning Commission had approved Phase 1 of a development on land that was formally the Creekwood Golf Course on Reed Rd. that will contain 124 new homes that are located within the LORCO service area. Mr. Abram added that once all phases of the development are complete it will contain 462 homes.

Public Speakers

None

Executive Session

The CUE requests an Executive Session to discuss the purchase and/or sale of property. Based on discussion in the Executive Session the Board may take formal action upon reconvening the public meeting.

Mr. Rush moved, Mr. Abram seconded, to meet in executive session as allowed by ORC §121.22 (G)(2) to discuss the purchase and/or sale of public property, and to include the CUE, the CUO and Attorney Anthony Coyne.

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

Nays: None

Motion carried.

The Board entered Executive Session at 7:20 PM

The Board reconvened the public meeting at 7:50 PM

Following the Executive Session

Real Estate Purchase Agreement

Based on the discussion in the Executive Session, the CUE recommended to the Board to approve a real estate purchase agreement with PAOLOCONST, LLC.

Mr. Dzwonczyk moved, Mr. Abram seconded, to authorize the CUE to execute a real estate purchase agreement with PAOLOCONST, LLC for the not-to-exceed amount of \$175,000 plus closing costs, as described in the agreement as presented.

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

Nays: None

Motion carried.

Adjourn

As there was no further business, Mr. Abram moved, and Mr. Rush seconded, to adjourn. The meeting adjourned at 7:51 PM.

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

Nays: None

Motion carried.

Approved December 17, 2024.

John Dzwonczyk, Chairman

Robert Munro, Clerk