

Board of Municipal Utilities
Work Session Minutes
December 4, 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: Mayor Zilka (left at 7:08 PM), CUE Danielson, CUO Munro, Engineering Services Manager Gaydar, and Community Outreach Specialist Arnold.

2019 Budgets

Chairman Dzwonczyk called the meeting to order at 6:00PM and asked the CUE to present any additional information about the budgets. CUE Danielson explained the 2019 capital improvement plan, which includes water line work on Walker Road between Drug Mart and the railroad tracks, Avondale from about the middle of the road north to Lake Road, Jaycox Road from the railroad tracks to Walker Road, and a small realignment near the culvert by the high school. Additionally, the Avondale combined sewer will be separated. The Chairman then stepped through each budget and asked if members had specific questions.

The Chairman asked if the budget included the valve-turning machine discussed at a previous work session. The CUO affirmed that it did, and the Chairman mentioned to members that he had attended the annual ETL consortium meeting earlier that day and that there was potential for Avon Lake Regional Water staff to provide valve turning and other services to bulk customers. Members were very interested in the possibility.

Water and Wastewater Rates

Chairman Dzwonczyk asked CUE Danielson to provide members information on the changes to rates that he proposes. The CUE began by presenting the increases in annual water debt service in the recent past, present, and near future as a result of the Storage Improvements Project and the miles of waterline installed during the combined sewer separations and how revenues will need to increase to respond to the changing debt service. He indicated that when he presented the rate outlook two years ago, he believed 5% increases would be required each of these years. However, he now believes that only 4%/year increases are required in 2019, 2020, and 2021. He further indicated that the average residential customer will pay about \$150 for water service in 2018, and that amount would increase by \$5 to \$7 per year in each of the three years with the proposed increases.

The CUE then presented a similar graph for the changes in wastewater debt service due to the water reclamation facility rehabilitation and all of the sewer separation projects. In order to pay the additional debt service, 15%/year rate increases would be needed in 2019 and 2020. He indicated the average residential customer will pay about \$325 for

wastewater service in 2018 and that the rate change would lead to about a \$40 to \$60 increase in each 2019 and 2020.

Members requested when the CUE makes the rate proposal on December 18, he should show how these rates compare to other jurisdictions and what customers are getting as a result of the rate increases they have experienced and will experience.

Avondale Alternatives

In the write-up for the work session, the CUE provided a table outlining alternatives prepared by Engineering Services Manager Gaydar for separation of the Avondale combined sewer. At the request of the CUE, ESM Gaydar discussed the proposed alternative of a grinder pump serving the two remaining homes on the street and discharging into a low-pressure force main that would be laid inside the combined sewer that would then be converted into a storm sewer. Near the southern end of the street, a short section of gravity sewer would receive the discharge of the force main, as well as the wastewater discharged from the commercial building at the south end. Members concurred with Mr. Gaydar's recommendations.

Job Descriptions

With the write-up, the CUE presented a draft job description for the Technical Support Specialist. After filling the position with a temporary employee, the job description is a successor to the Analyst/Assistant description and better reflects the needs of the organization. The position would work closely with the CUE and CUO to prepare Board-related items such as dashboards, the Board package, and minutes and would conduct many business-related financial and operational analyses for continuous improvement and cost savings.

Upon conclusion of the overview presented by the CUE, Mr. Abram questioned whether the position was needed and felt that those responsibilities should be completed by the CUE and CUO. The CUE indicated that though he could perform and has performed those responsibilities, it prevents him from undertaking other tasks the Board requests. The Chairman concurred with the CUE and asked him to consider if there were illustrative ways he could show that the growth of positions/personnel costs in in step with other factors. Mr. Rush requested that it might also be helpful to present the updated organizational chart to help understand how it all fits together. The CUE agreed and indicated that he would be presenting an updated organizational chart with the draft strategic plan in February. With the concurrence of the Board, the CUE will present the draft job description to the City's HR Committee and begin the approval process but would not fill the position without providing additional information to the Board.

2019 Work Session Calendar

In the spirit of continuous improvement and to help the Board be more effective, the CUE presented a tentative 2019 work session calendar to members regarding topics on which the Board could provide strategic insight. The tentative calendar included work sessions before most regular meetings. Members indicated support for the calendar, and asked the CUE to manage members' time judiciously. The Chairman voiced his support for these beneficial work sessions because they allowed for rich discussion and streamlined the regular meetings.

Adjourn

With no other business before the Board, Mr. Dzwonczyk adjourned the work session at 7:29 PM.

Approved December 18, 2018

John Dzwonczyk, Chairman

Todd Danielson, Clerk