

Board of Municipal Utilities
Meeting Minutes
December 6, 2022
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 over Facebook.

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

Also present: CUE Munro, CUO Yuronich, and Attorney Rinker of Mansour Gavin.

Approve Minutes

Mr. Dzwonczyk presented the Minutes of the November 15, 2022 regular meeting and work session. With no additional changes, additions or corrections noted, he ordered that the minutes stand and be distributed as presented.

Public Speakers

None.

Correspondence

Mr. Munro informed the Board that he received confirmation from the Ohio Department of Taxation regarding the approval of tax-exempt status for the 40-acre parcel where the Water Reclamation Facility is located. Mr. Munro said that there is a 10,000 square foot area on the parcel that will remain taxable due to a lease with one of the cell phone providers. Mr. Munro said that he spoke with the Lorain County Auditors office and the estimated refund for previously paid taxes on this parcel is \$233,781.48.

Expenditures

Following review of expenses dated December 6, 2022, for funds and amounts as follows, Mr. Abram moved, Mr. Rickey seconded, to approve the expenditures of November 11 through December 1, 2022:

Water Fund 701	\$	594,556.64
Wastewater Fund 721	\$	344,360.86
MOR ETL1 Fund 703	\$	22,907.66
MOR ETL2 Fund 762	\$	37,283.44
LORCO Fund 749	\$	182,755.96
Water Construction Fund 704	\$	447,718.98
Wastewater Construction Fund 724	\$	36,598.70
West Ridge Interconnect Fund 702	\$	229.93

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

Nays: None

Motion carried.

2023 Budget

Mr. Munro presented the 2023 operating budgets to the Board for their approval. Mr. Munro said he was happy to present the budgets as balanced budgets and for a third consecutive year he is recommending to the Board no increase in the water or wastewater consumption rates. Mr. Munro said that there is an adjustment to the water minimum service fee included in the water fund budget. This increase is proposed to offset fixed costs in this budget fund. Mr. Munro said that he spoke with a couple of Board members who had questions regarding the budgets and that all those questions were answered satisfactorily.

Mr. Rickey asked if the budget amounts for the ETL1, ETL2, and water construction fund were for the new ETL line. Mr. Munro said these amounts represent the expenses for the respective fund and do not have anything to do with the proposed ETL construction project.

Mr. Rickey asked what the total of all budgets equates to. Mr. Munro said that the total of all budgets is a little over \$38 million. Mr. Rickey asked how the 2023 budget total compares to the 2022 total. Mr. Munro said that the 2023 budget increased by approximately \$2 million due to increased costs for operating supplies and utilities.

Mr. Dzwonczyk said that the 2023 budget has increased by approximately five percent due to increased costs but the consumption rates will remain the same. Mr. Dzwonczyk stated that the water rates continue to be the lowest in the state of Ohio.

Mr. Rickey asked if the line items that are over budget in 2022 were factored into the 2023 budget. Mr. Munro said that those increased expenses were accounted for in the 2023 budgets.

With no further discussion, Mrs. Schnabel moved, and Mr. Rush seconded, to approve the following budgets for 2023:

Fund 701 Water	
Personnel	\$3,262,332
Other	\$10,232,434
Fund 702 West Ridge Interconnect	\$85,604
Fund 703 ETL1 MOR	\$3,084,092
Fund 704 Water Construction	\$3,540,000
Fund 706 Water Debt Service	\$3,847,373
Fund 721 Wastewater	
Personnel	\$2,878,555
Other	\$6,467,423
Fund 724 Wastewater Construction	\$1,067,000
Fund 725 Trunk Sanitary Sewer	\$30,844
Fund 727 Wastewater Debt Service	\$4,575,579
Fund 749 LORCO	
Personnel	\$0.00
Other	\$2,248,761
Fund 762 ETL2 MOR	\$5,646,514
Fund 765 Lateral Loan	\$0.00

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

Nays: None

Motion carried.

Supplemental Appropriations

Mr. Munro said that due to unforeseen price increases throughout the year it is necessary to make supplemental appropriations to some of the budget funds. Many of the supplemental appropriations are necessary so that specific line items are not showing a negative balance. Mr. Munro said that overall, the budgets have performed well when you compare expenditures to revenues.

Mr. Dzwonczyk said that moving forward it is important to use historical trends when developing the budgets so that projections are more accurate at budget time rather than transferring money later.

Mr. Rush asked if it was necessary to use any money from the fund balance to cover these appropriations. Mr. Munro said that the net amount taken out of fund balance was approximately \$100,000.

Mr. Rickey asked why fund 762 needed an appropriation in that budget. Mr. Munro explained that the budgeted amount for water expenses in that fund was over budget. The 762 fund is the ETL2 custodial account, and it used more water than was budgeted and thus requires a supplemental appropriation. Mr. Dzwonczyk said that this is a good thing for Avon Lake Regional Water because it means that ETL2 members purchased more water than anticipated.

With no further discussion, Mrs. Schnabel moved, and Mr. Abram seconded, to *approve supplemental appropriations for the following budget funds and accounts for the 2022 budget year:*

Fund 701

53604	Gasoline & Oil	\$6,500
53611	Operating Supplies	\$600,000
53612	Repair & Maintenance Supplies/Services	\$100,000
53613	Lab Supplies & Lab Work	\$9,000
53701	Contractual Services	\$15,000
53703	Utility – Electric	\$625,000
53704	Utility – Water/Sewer	\$8,500
53705	Communications	\$12,000

Fund 703

53612	Repair & Maintenance Supplies/Services	\$40,000
53701	Contractual Services	\$15,000
53703	Utility – Electric	\$10,000

Fund 721

51106	Overtime	\$15,000
53604	Gasoline & Oil	\$3,000
53611	Operating Supplies	\$300,000
53702	Utility – Gas	\$30,000
53703	Utility – Electric	\$15,000
53705	Communications	\$6,000
53907	Legal Fees	\$30,000

Fund 749

53701	Contractual Services	\$20,000
53703	Utility – Electric	\$9,000
53901	Refunds & Reimbursements	\$20,000

Fund 762

53704	Utility – Water/Sewer	\$550,000
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Ayes (per voice vote): Abram, Dzwonczyk, Rickey, Rush, and Schnabel.
Nays: None
Motion carried.

Job Descriptions

Mr. Munro presented job descriptions for Infrastructure Specialist and Infrastructure Technician. These job descriptions were discussed at the November 15, 2022 work session. Mr. Munro said the job descriptions were updated to reflect comments received by Board members.

Mrs. Schnabel said she has grammar corrections in the written job description but did not have any changes to the duties contained in the job description. Mr. Dzwonczyk asked Mrs. Schnabel to provide her comments to Mr. Munro so he can incorporate them into the written job descriptions. Mr. Dzwonczyk noted that the proper editorials will be made to the job descriptions without changing the substance of the jobs.

With no further discussion, Mr. Rush moved, and Mr. Abram seconded, to approve the job descriptions for Infrastructure Specialist and Infrastructure Technician.

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

Mr. Rush moved, and Mr. Abram seconded, to approve the seven-step hourly wage scale for Infrastructure Specialist and Infrastructure Technician as follows:

Position	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Infrastructure Specialist	\$26.20	\$28.56	\$30.90	\$33.00	\$35.63	\$37.84	\$39.82
Infrastructure Technician	\$22.59	\$24.00	\$25.43	\$26.84	\$27.96	\$29.43	\$30.91

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

Annual Sewage Sludge Hauling Bid

Mr. Munro said that bids were opened on Tuesday November 29, 2022 for a two-year contract for hauling and disposal of sewage sludge generated at the Water Reclamation Facility. There were two bids received for this solicitation. Republic Services was the low bidder and staff recommends the award of this contract.

Mr. Dzwonczyk asked Mr. Munro to explain what a wet ton of sludge is. Mr. Munro said that a wet ton of sludge is the sludge generated from the screw presses at the Water Reclamation Facility and the moisture content contained within that sludge. Mr. Dzwonczyk said that we are not paying to dry the sludge completely.

Mr. Rush asked if the motion needed to include an expiration date of the contract. Mr. Munro said that the bid specifications and the contract clearly state the start and end date of the contract.

Mr. Rickey asked how well the current vendor performed. Mr. Munro said that staff did not have any issues with Kimble and that staff also has worked with Republic Services prior to Kimble and did not have any issues with them either.

With no further discussion, Mr. Abram moved, and Mr. Dzwonczyk seconded, to authorize the CUE to execute a contract with Republic Services for hauling and disposal of sewage sludge at a unit price of \$55.25 per wet ton.

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

Nays: None

Motion carried.

Water Meter Bid

Mr. Munro said that bids were opened on Tuesday November 29, 2022 for a two-year contract for the supply of water meters and various meter appurtenances. There was one bidder on this solicitation. The bid specifications call for unit prices of the various meter sizes used in the water distribution system ranging from 5/8-inch to 12-inch meters. This contract is not a guaranteed number of meters but rather on an as-needed basis. Quantities listed in the bid specifications are +/- quantities. Staff is recommending the approval of this contract based on the Engineer's certified bid tabulation.

Mr. Munro said the meters that will be purchased under this contract are ultrasonic meters and not the mechanical style meters. Ultrasonic meters are much more accurate and will detect low flow as little as 1/16 of a gallon whereas the large diameter mechanical meters may not register until 40 gallons of flow, resulting in lost revenue for the utility.

Mr. Rickey said it is important to note that changing a meter is not an inexpensive task. The cost of a meter is \$335 plus the cost of labor to install it. It is important to control expenses, but it is equally important to collect money owed. Accurately metering the water used by customers is how the utility ensures that it is collecting what is owed.

Mr. Rush asked if the bid prices were within the engineer's estimate. Mr. Munro said that they were all within the engineer's estimate of probable costs.

With no further discussion, Mr. Rickey moved, and Mr. Dzwonczyk seconded, to authorize the CUE to execute a two-year contract with Ferguson Enterprises for the purchase of water meters, and various appurtenances, as per the Engineer's certified bid tabulation.

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

Nays: None

Motion carried.

Semi-Annual Chemical Bid

Mr. Munro said that bids were opened on Tuesday November 29, 2022 for the semi-annual supply of chemicals used at the Water Filtration Plant and the Water Reclamation Facility. There were several bidders for the various chemicals. There were two exceptions on the Potassium Permanganate bid that was received. The two lowest bidders were ineligible for award because the product is not produced domestically in the United States. Mr. Munro also noted that there was not a bid submitted for the supply of chlorine and that staff is working with the current chlorine supplier on a possible extension of the current contract. Mr. Yuronich said that he spoke with Jones Chemical, Inc. (JCI) about the chlorine supply and they said that under the current market conditions they cannot commit to a firm price because the market is

extremely volatile. JCI will continue to supply chlorine, but the price will fluctuate based on market changes.

Mr. Dzwonczyk said that we must continue to buy chlorine for disinfection purposes regardless of the current market conditions. He also said that this demonstrates further why we should begin producing our own sodium hypochlorite; so that we are not held hostage to the supply and demand fluctuations that we are experiencing in the market.

Mr. Dzwonczyk asked if the utility will be restricted on the amount of sodium hypochlorite allowed onsite like the regulations regarding the amount of chlorine cylinders onsite. Mr. Yuronich said the limitation would be determined by the level of containment area required.

Mr. Munro noted that he provided the Board with a graph that compared previous chemical costs and the new costs. While some chemical costs increased, other chemical costs decreased.

With no further discussion, Mrs. Schnabel moved, and Mr. Abram seconded, to authorize the CUE to execute chemical supply contracts in accordance with the following:

Chemical	Vendor	Unit Price
Liquid Alum	USALCO, LLC	\$523.14/Ton
Hydrated Lime	Bonded Chemicals, Inc.	\$336.00/Ton
Sodium Silicofluoride	SAL Chemical	\$3,300.00/Ton
Potassium Permanganate	Bonded Chemicals, Inc.	\$8,880.00/Ton
Dry Polymer	Polydyne, Inc.	\$4,780.00/Ton
Liquid Polymer	Polydyne, Inc.	\$3,360.00/Ton
Ferrous Chloride	PVS Technologies	\$668.00/Ton
Carbon	Bonded Chemicals, Inc.	\$2,530.00/Ton
Liquid Orthophosphate	SAL Chemical	\$1,275.00/Ton
Liquid Sodium Hydroxide	Bonded Chemicals, Inc.	\$1,240.00/Ton
Sodium Bicarbonate	SAL Chemical	\$1,010.00/Ton
Sodium Hypochlorite	Bonded Chemicals, Inc.	\$662.70/Ton
Hydrofluorosilicic Acid	Bonded Chemicals, Inc.	\$600.00/Ton
Liquid Calcium Hydroxide	Chemtrade Chemicals US LLC	\$200.00/Ton
Magnesium Hydroxide	Bonded Chemicals, Inc.	\$949.00/Ton

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

Nays: None

Motion carried.

Semi-Annual Water Distribution Supplies Bid

Mr. Munro said that bids were opened on Tuesday November 29, 2022 for the semi-annual supply of water distribution supplies. There were two bidders for this solicitation. Staff is recommending the award of various items for the lowest bids received per the Engineer's certified bid tabulation.

Mr. Rickey asked if there were any surprises on the bid tabulation. Mr. Munro said that there were not any surprises regarding bid pricing. He did note that the bid price for copper tubing was only good for 30 days. This does not create any issues for staff because a good stock of copper tubing is kept in inventory.

With no further discussion, Mr. Abram moved, and Mr. Rickey seconded, to authorize the CUE to execute contracts with Core & Main and Pipelines, Inc. for the supply of bid items on the 2023 Bi-Annual Water Distribution Supplies Bid per the Engineer's certified bid tabulation.

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

Nays: None

Motion carried.

Project Updates

ETL Design Services: Mr. Yuronich said that Mr. Munro met with representatives from Seeley, Savidge, Ebert & Gourash on Tuesday November 29, 2022 to discuss the status of easements for the project. There are ongoing discussions with First Energy regarding existing utility easements in the same proximity of the new proposed easements.

WFP Improvements: No update on this project.

2022 Water Line Bundle Project: Mr. Yuronich said the Lear Rd. water main crossing relocation was completed the week of November 28, 2022. The valve work at Lake Rd. and Moore Rd., along with Electric Blvd. and Moore Rd., was also completed during this time. Mr. Yuronich said the waterline work on Walker Rd. continues toward the railroad tracks by Avient Corporation and is estimated to be complete in the next two weeks. Mr. Yuronich stated that restoration work will be completed in the spring on any of the project areas due to winter weather conditions.

Mr. Dzwonczyk asked if the railroad track grade crossing that serviced the former coal pile property would be removed permanently. Mr. Munro said that he was told by the current owner of the former coal pile property that the railroad tracks on their property would be removed. As far as the tracks in the right of way he did not know if those would be removed or not. Mr. Dzwonczyk asked Councilman Spaetzel to consider the removal of these tracks in the future so that the roadway can be restored properly.

Additional Storage Building: Mr. Yuronich said that the steel building materials were delivered on December 6, 2022. Foundation Steel is the subcontractor who will handle the erection of the structure. Foundation Steel complimented staff on the preparation of the work site. They remarked that it was one of the cleanest and well-prepared job sites they have ever worked on. The construction schedule for the building is ten weeks and is dependent on weather.

CUE Report

Mr. Munro and Mr. Yuronich provided an update to the Board regarding the Orthophosphate point of application project that was completed in 2021. Mr. Yuronich said that the Combined Filter Effluent is experiencing a much more stable turbidity reading since the change of application points into the system. Mr. Munro said overall this was a successful project and has enhanced operating capabilities at the Water Filtration Plant.

Miscellaneous & Member Reports

Mr. Rickey reported to the Board that he had the opportunity to meet with Councilman Spaetzel. He thanked him for the meeting and his continued support of the Board.

Public Speakers

None.

Adjourn

As there was no further business, Mr. Abram moved to adjourn, and Mrs. Schnabel seconded. The meeting adjourned at 7:40 PM.

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

Nays: None

Motion carried.

Approved December 20, 2022.

John Dzwonczyk, Chairman

Robert Munro, Clerk