

Avon Lake Board of Municipal Utilities

AGENDA

For

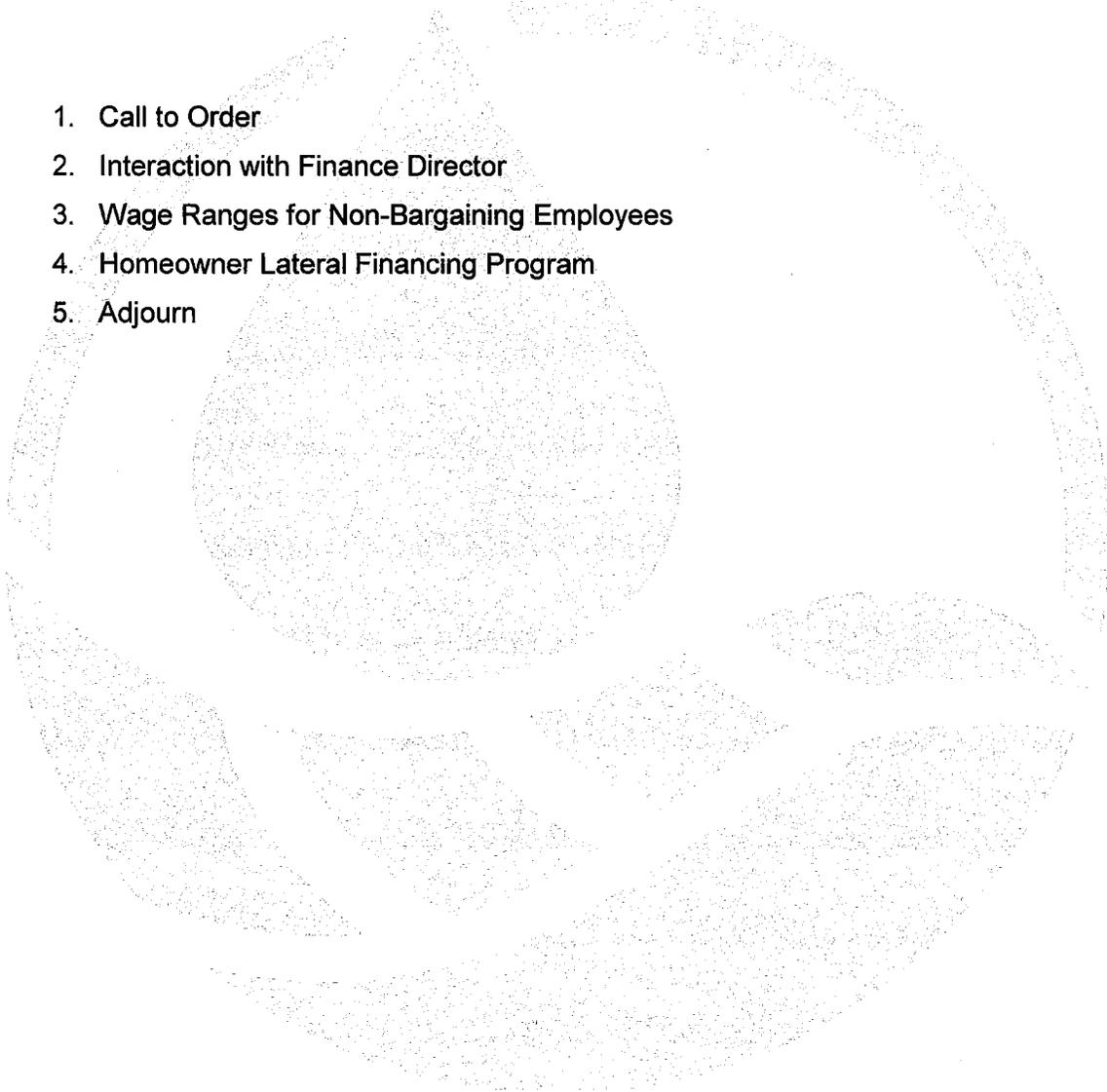
WORK SESSION

Tuesday

March 15, 2016

6:00PM

1. Call to Order
2. Interaction with Finance Director
3. Wage Ranges for Non-Bargaining Employees
4. Homeowner Lateral Financing Program
5. Adjourn



Avon Lake Regional Water
MEMORANDUM

To: **Board of Municipal Utilities**

From: **Todd Danielson**

Subject: **Agenda Items – Work Session March 15, 2016**

Date: **March 11, 2016**

Item 2: Interaction with Finance Director – TAD

Avon Lake Regional Water and the City of Avon Lake work together on a variety of projects; and, because we are a component part of the City, Avon Lake Regional Water's budget and related items must receive confirmatory approval by the City Council. The City Council relies on the Finance Director to provide insight on these items.

The CUE and the Finance Director have met on multiple occasions to discuss how to improve and/or expand our working relationship and have come up with the following as the main points of interaction:

- *Loans/Debt Instruments* – The CUE will keep the Finance Director informed about the current financing program. If a project only affects Avon Lake Regional Water and is a loan, the CUE will only provide information to the Finance Director so that he is informed and can help with Council authorizing the Mayor to sign the loan and other documents, as required. If it is a joint project, the CUE will work with the Finance Director to determine the most appropriate means of financing and will then work through financing the project as appropriate. If the CUE is considering funding the project through notes or bonds, the CUE will work closely with the Finance Director because there is an increased level of involvement required by the Finance Director for those transactions.
- *Budget* – As the CUE works through the budgeting process with the Board, the CUE will also keep the Finance Director informed so that he may have a certain level of understanding regarding the multiple budgets.
- *Appropriations/Transfers* – During the year, new appropriations and/or fund transfers are required from time to time. The new software system should help assure both Finance and Avon Lake Regional Water are better informed about the need for appropriations/transfers and whether requested appropriations/transfers have been completed. Additionally, Avon Lake Regional Water and Finance Department staff will maintain closer contact throughout the process to assure each party is better informed.

The Finance Director will attend the work session so that he may interact with the Board to hear their concerns and assure that future interactions between him and the CUE take those concerns into account.

Item 3: Wage Ranges for Non-Bargaining Employees – TAD

At its January 19, 2016 meeting, the Board approved its *Policy for Establishing Wage Ranges for Non-Bargaining Positions*. The CUE and Board Member Rush attended the HR Committee meeting March 7, 2016. The committee indicated concern about continuing the practice of Avon Lake Regional Water paying part or all of the employee's share of OPERS. Currently, these

eight non-bargaining positions are the only remaining positions in Avon Lake receiving this benefit. For all other positions, the benefit has been moved into the wage rate by increasing the wages accordingly. The revised policy (attached) allows for the practice to be ended by increasing the maximum wages by the percent of the current benefit of Avon Lake Regional Water paying part or all of the employee's share of OPERS. Once the policy and revised wage ranges are adopted by the Board and Council, wages can be adjusted to reflect the change.

Item 4: Homeowner Lateral Financing Program – TAD

Staff has drafted the homeowner lateral financing program (attached) and is working to develop the legal agreement that homeowners must sign to take part in the program. As written, the program addressed several of the items that Board members stated they wanted to see including a maximum loan value, an interest rate to recover expenses and deter people from taking the loan primarily for investment purposes, a simple interest calculation, back-loading the \$1,000 credit in order to reduce Avon Lake Regional Water exposure, a statement that water would be shut off for non-payment, and a requirement that the loan must be paid off at property transfer. The legal agreement would lay these out and require the customer agree to this in writing.

Avon Lake Board of Municipal Utilities

AGENDA

For

Tuesday

March 15, 2016

Immediately Following Work Session

1. Call to Order
2. General Matters
 - A. Approve Minutes
 - B. Public Speakers (*3 minutes each*)
 - C. Correspondence
3. Expenditures
4. Emergency Interconnection Agreement
5. Wage Ranges for Non-Bargaining Employees
6. Homeowner Lateral Financing Program
7. Informational Items
 - A. Reports/Updates
 - 1) Employee Appreciation Breakfast
 - 2) Chairman/Committee/Member Reports
 - 3) CUE Report
 - B. Miscellaneous
8. Public Speakers
9. Executive Session re: Pending Court Action
10. Adjourn

Board of Municipal Utilities
Regular Meeting Minutes
March 1, 2016
201 Miller Road
Avon Lake, Ohio

Call to Order – Roll Call

The meeting was called to order at 6:33 PM.

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

Also present: Chief Utilities Executive Danielson, WPCC Manager Baytos Mayor Zilka, Councilmember Fenderbosch, and John Wysochanski.

Approve Minutes

Chairman Dzwonczyk presented the minutes of the February 16, 2016 meeting and with no changes, additions or corrections noted, ordered the minutes to stand and be distributed as presented.

Public Speakers

None.

Correspondence

None.

Expenditures

Following review of expenses dated February 2, 2016 for funds and amounts as follows, Mr. Rush moved, Mr. Berner seconded, that all be approved and paid per budget:

Water Fund 701	\$	153,378.56
Wastewater Fund 721	\$	222,295.90
MOR Fund 703 ETL1	\$	16,216.84
MOR Fund 762 ETL2	\$	14,827.93
LORCO Fund 749	\$	2,510.49

Ayes: Dzwonczyk, Berner, Rush, Schnabel

Nays: None

Motion carried.

Collection System Evaluation

Staff asked Brown and Caldwell to prepare a scope of which addressed several needed items.

- ◆ To help with the on-going need to identify sources of clean water entering the sanitary sewer so that they may be addressed.
- ◆ To help determine how well the lateral separations are working and help predict whether offline storage will be necessary in order to prevent sewer overflows during average years.
- ◆ To help determine the most appropriate approach for addressing the 45s.
- ◆ To provide the basis for further discussions with Ohio EPA regarding attainment of the requirements set forth in our LTCP.

After extensive discussions between the Board and staff, Mrs. Schnabel moved, and Mr. Rush seconded to authorize the CUE to execute an agreement with Brown and Caldwell for a collection system evaluation for a not-to-exceed fee of up to \$425,000, which includes a contingency over and above the currently proposed price that allows the CUE to authorize additional flow monitoring or complete related, but currently out-of-scope work.

Ayes: Dzwonczyk, Berner, Rush, Schnabel

Nays: None

Motion carried.

SIP Water Tower Amendment

Per discussion at this evening's meeting, and detailed explanation provided in the meeting's write-up, Mr. Dzwonczyk moved and Mr. Berner seconded to authorize the CUE to execute the amendment to the CMAR contract with MWH Constructors for \$8,093,210, pending Ohio EPA loan approval.

Ayes: Dzwonczyk, Berner, Rush, Schnabel

Nays: None

Motion carried.

Reports/Updates

Homeowner Lateral Financing Program

The CUE stated that he and the Law Director discussed with legal counsel for Ohio EPA and OWDA the potential lateral loan program and now feel comfortable that such a program is legally defensible. Staff will create a program to present to the Board at the next Work Session, which includes:

- ◆ Maximum loan amount
- ◆ Interest calculations
- ◆ Term of the loan
- ◆ Available to all residents, ASAP

OWDA Interest Rate Buy-Down

Staff provided information on the interest rate buy-down program that OWDA has implemented, which affects six Avon Lake Regional Water loans. This will amount to an interest savings of \$409,704.25 over the life of the loans. This will save the Water Fund \$58,684.62, the Wastewater Fund \$124,061.45, and the LORCO Fund \$226,958.18.

Chairman/Committee/Members Reports

Mr. Rush will attend the Human Resources meeting next Monday, where the CUE will make a presentation on fulltime, non-bargaining wage ranges in order to ask the Council to "fix" the new ranges approved by the Board.

Adjourn

As there was no further business, Mr. Rush moved, Mr. Schnabel seconded, that the meeting adjourn at 7:53 PM.

Ayes: Dzwonczyk, Berner, Rush, Schnabel

Nays: None

Motion carried.

Approved March 15, 2016

John G. Dzwonczyk, Chairman

Todd A. Danielson, Clerk

Avon Lake Regional Water
MEMORANDUM

To: **Board of Municipal Utilities**

From: **Todd Danielson**

Subject: **Agenda Items – March 15, 2016**

Date: **March 11, 2016**

Item 4: Emergency Interconnection Agreement – TAD

The CUE has worked with the Assistant Law Director, Elyria, and RLCWA to draft the attached agreement for the interconnection that will provide up to 8 mgd of water during times of emergency. The document has been executed by Elyria and RLCWA, and the CUE seeks authorization to execute it on the Board's behalf.

The agreement is one piece of the "Interconnection with other water systems" component of our Water Supply Resiliency and Reliability strategic initiative. In making this decision, the Principles that would help guide the Board are:

- ◆ Maintain existing assets, while investing in infrastructure that will take us into the future.
- ◆ Lead by influencing change that will leave a legacy for future generations.
- ◆ Exercise fiduciary responsibility.

Recommended motion:

I move to authorize the CUE to execute the Cooperative Agreement for Construction and Operation of an Emergency Interconnection.

Item 5: Wage Ranges for Non-Bargaining Employees – TAD

At its January 19, 2016 meeting, the Board approved its *Policy for Establishing Wage Ranges for Non-Bargaining Positions*. The CUE and Board Member Rush attended the HR Committee meeting March 7, 2016. The committee indicated concern about continuing the practice of Avon Lake Regional Water paying part or all of the employee's share of OPERS. The revised policy (attached) allows for the practice to be ended. Once the policy and revised wage ranges are adopted by the Board and Council, wages can be adjusted to reflect the change.

In making this decision, the Principles that would help guide the Board are:

- ◆ Sustain an empowered, skilled, quality workforce with a commitment to innovation.
- ◆ Exercise fiduciary responsibility.

Recommended Motion:

I move to revise the attached Policy for Establishing Wage Ranges for Non-Bargaining Positions and then increase the current wages for the positions Biller/Bookkeeper II, GIS Analyst, Water Pollution Control Manager, Water Filtration Plant Manager, Manager of Distribution and Collection, Engineering Services Manager, and Chief of Utilities Operations by 8.5% and increase the Chief Utilities Executive's wages by 10% in association with ending the employer pick-up of a portion of the employee's share for OPERS. This is essentially a transfer of a benefit from one form to another.

I further move that as a result of the ending of the employer picking up a majority of the employee's share of OPERS, the hourly wage scale for the Biller/Bookkeeper II be modified to:

<i>Step 1A</i>	<i>Step 1B</i>	<i>Step 1C</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>
<i>\$19.56</i>	<i>\$20.95</i>	<i>\$22.76</i>	<i>\$24.04</i>	<i>\$25.38</i>	<i>\$26.76</i>	<i>\$28.09</i>

Item 6: Homeowner Lateral Financing Program – TAD

Staff has drafted the conceptual framework for the homeowner lateral financing program and is working to develop the legal agreement that homeowners must sign. Following discussion in the work session, the CUE requests the Board approve the conceptual framework so that it may start being advertised to homeowners while the legal documents are being finalized.

Recommended motion:

I move to approve the conceptual framework of the Lateral Financing Program and request the CUE bring the program back to the Board for final approval once legal and other documents are complete.

Item 7A1: Employee Appreciation Breakfast – TAD

The annual employee appreciation and awards breakfast will be held at 8:00 AM, Friday, April 8, 2016 at the Avon Lake Public Library.

Item 9: Executive Session

The Chairman has requested an executive session as allowed under ORC 121.22 (G)(3) to discuss a matter of pending or imminent court action.

Recommended Motion:

I move to meet in Executive Session as allowed by ORC 121.22 (G)(3) to discuss a matter of pending court action and to include the CUE, CUO, and Water Pollution Control Manager in the discussion.

03/11/16

Avon Lake Municipal Utilities
Water Fund 701 Expenses
 March 15, 2016

Name	Amount	Memo	Account
Mar 15, 16			
1. Water Employees	55,906.89	Regular Salaries 2/22/16-3/6/16 - RRE	701 5-180 7-102-...
2. Water Employees	1,830.16	Part Time Salaries 2/22/16-3/6/16 - RRE	701 5-180 7-105-...
3. Water Employees	5,993.67	Overtime 2/22/16-3/6/16 RRE	701 5-180 7-106-...
4. Brass, Mike	30.00	3 Employee Meal Allowances - LS	701 5-180 7-200-...
5. Simon , William	10.00	1 Employee Meal Allowance - LS	701 5-180 7-200-...
6. Medical Mutual of Ohio	1,734.18	Medical Mutual Payment 03/01/16	701 5-180 7-203-...
7. Medical Mutual of Ohio	2,010.24	Medical Mutual Payment 03/08/16	701 5-180 7-203-...
8. Medical Mutual of Ohio	-1,569.83	Payroll # 5 - 02/21/16 Employee Contri...	701 5-180 7-203-...
9. Medicare	732.05	Medicare for 02/21/16 Wages (Payroll ...	701 5-180 7-212-...
10. Cintas Corp.	152.08	Employee Uniform Rental - Feb 2016 -...	701 5-180 8-226-...
11. Avon Lake Printing	44.50	Misc Forms - KK/SB	701 5-180 8-601-...
12. Federal Express	30.36	Shipping Charges - LS	701 5-180 8-601-...
13. FriendsOffice	79.05	Office Supplies - KK	701 5-180 8-601-...
14. Staples	201.97	Office Supplies - LS	701 5-180 8-601-...
15. Bonded Chemicals Inc.	20,952.00	Fluoride - 2 Tons - RRE	701 5-180 8-602-...
16. Bonded Chemicals Inc.	2,921.60	Lime - 18.26 Tons - RRE	701 5-180 8-602-...
17. USALCO	6,027.44	Alum - 49.58 Tons - RRE	701 5-180 8-602-...
18. ABC Equipment Rental	7.96	Drill Bit for shop - RK	701 5-180 8-603-...
19. Buckeye Cleaning Center	227.60	Maintenance Supplies - RRE	701 5-180 8-603-...
20. E & H Hardware Group, LLC.	234.59	Maintenance Supplies - RRE	701 5-180 8-603-...
21. Ferguson Waterworks	191.85	Maint Supplies (shoe covers) - RK	701 5-180 8-603-...
22. Grainger Inc.	304.38	Maintanance Supplies - for garage - RK	701 5-180 8-603-...
23. Indy Equipment	231.55	Maintanance Supplies - Stock - RK	701 5-180 8-603-...
24. Lakeside Supply Co.	137.52	Maintenance Supplies - RRE	701 5-180 8-603-...
25. Lowe's	1,098.43	Maintenance Supplies - RRE	701 5-180 8-603-...
26. Mack Industries, Inc.	150.00	Maintenance Supplies - RK	701 5-180 8-603-...
27. McMaster-Carr Supply	68.99	For garage - RK	701 5-180 8-603-...
28. Roberts Surveying Supplies	18.00	Maintenance Supplies - JG	701 5-180 8-603-...
29. Trico Oxygen Company	239.87	Maintenance Gases @ 201 Miller	701 5-180 8-603-...
30. Avon Lake Sheet Metal Co...	637.00	Flap gate - RRE	701 5-180 8-607-...
31. Bain Enterprises	807.50	Equipment Maintenance - RK	701 5-180 8-607-...
32. Jack Doheny Supplies Ohio ...	76.48	Equipment Maintenance - RK	701 5-180 8-607-...
33. Grainger Inc.	139.26	Coupling Sleeve - RRE	701 5-180 8-607-...
34. HD Supply Waterworks, Ltd.	1,293.27	Gasket - RRE	701 5-180 8-607-...
35. McMaster-Carr Supply	25.88	Fitting - RRE	701 5-180 8-607-...
36. USA Blue Book	286.43	Probe for filter media measurement - SH	701 5-180 8-607-...
37. Harold Archer & Sons	453.96	Stone - 50.3 Tons - RK	701 5-180 8-612-...
38. HD Supply Waterworks, Ltd.	2,576.46	Valve - RRE	701 5-180 8-612-...
39. Complete Concrete	375.00	Core Drilling - RRE	701 5-180 8-612-...
40. Hach Company	1,557.17	Lab supplies - RRE	701 5-180 8-615-...
41. Jade Scientific Inc.	713.94	Lab Supplies - RRE	701 5-180 8-615-...
42. Trico Oxygen Company	40.60	Lab supplies - RRE	701 5-180 8-615-...
43. CenturyLink	617.43	Telephone service @ water plant - Feb...	701 5-180 8-700-...
44. GDF Suez	49,938.34	MO Energy resource charge March 20...	701 5-180 8-700-...
45. Illuminating Co.	152.76	Elect Service @ Wa Towers and Aux 0...	701 5-180 8-700-...
46. Verizon Wireless	448.07	Cell Phone Service 02/26/16 - 03/25/1...	701 5-180 8-700-...
47. Berner, Rob	35.00	Reimbursement for Financial Disclosur...	701 5-180 8-701-...
48. Brakey Energy, Inc.	875.00	Energy Management Service Feb 201...	701 5-180 8-701-...
49. Danielson, Todd	73.05	Reimbursement for Expenses - LS	701 5-180 8-701-...
50. Firstmerit Bankcard Ctr	1,953.98	MC Charges - TAD/RRE/JG/SB/RK	701 5-180 8-701-...
51. Lake Erie Diving, Inc.	10,828.00	Reinstall spool - RRE	701 5-180 8-701-...
52. Lake Erie Diving, Inc.	22,000.00	Diving Services - RRE	701 5-180 8-701-...
53. McAfee	27.50	Email Filtering for March 2016 - RRE	701 5-180 8-701-...
54. Mercy Occupational Health	146.00	DOT Testing 2 Employees - RRE	701 5-180 8-701-...

03/11/16

Avon Lake Municipal Utilities
Water Fund 701 Expenses
 March 15, 2016

Name	Amount	Memo	Account
55. Municipal H2O	4,200.00	Annual EPA RMP - RRE	701 5-180 8-701-...
56. Norfolk Southern Corp.	100.00	Right of Way Agreement - RRE	701 5-180 8-701-...
57. Solar Testing Laboratories, I...	3,368.50	Testing/Inspect SIP - RRE	701 5-180 8-701-...
58. SOS Integration Service	1,010.00	SCADA Work - RRE	701 5-180 8-701-...
59. Technology Management S...	546.25	Computer Support - Feb 2016 - RRE	701 5-180 8-701-...
60. Treasurer, State of Ohio	-185.00	Void Check - Fee not needed per OEP...	701 5-180 8-701-...
61. West, Elana	25.00	Cell Phone - March 2016 - TAD	701 5-180 8-701-...
62. Yuronich, Greg	25.00	Cell Phone - March 2016 - TAD	701 5-180 8-701-...
63. Avon Lake Regional Water	7.70	Water Used on ETL 1 Feb 2016 - RRE	701 5-180 8-703-...
64. Fuelman of Northern Ohio	448.36	Fuel for Vehicles - LS	701 5-180 8-707-...
65. Federated Auto Parts	97.52	Misc Truck Parts - RK	701 5-180 8-707-...
66. HD Supply Waterworks, Ltd.	165.03	For trucks - RK	701 5-180 8-707-...
67. Kowalski Ford	63.75	Misc Truck Parts/Repairs- RK	701 5-180 8-707-...
68. Murphy Tractor & Equipmen...	43.09	Repairs - RK	701 5-180 8-707-...
69. Sylvester Truck & Tire Servi...	63.27	Tires & Truck Parts - RK	701 5-180 8-707-...
70. Vasu Communications, Inc.	152.25	Service Radios - RK	701 5-180 8-707-...
71. Cleveland Hermetic & Supply	102.04	Building Maintenance - RK	701 5-180 8-708-...
72. Grainger Inc.	37.68	Light Bulbs - RRE	701 5-180 8-708-...
73. Lighting Supply Company	285.95	Building Maintenance - RRE	701 5-180 8-708-...
74. Tremco	344.19	Storage Building - RRE	701 5-180 8-708-...
75. Complete Concrete	212.50	Snow Plowing - RK	701 5-180 8-709-...
76. Jani-King of Cleveland	322.50	Cleaning Service @ 201 Miller March 2...	701 5-180 8-709-...
77. CenturyLink	746.38	Telephone service @ 201 Miller - Feb ...	701 5-180 8-711-...
78. Columbia Gas	566.88	Gas Svc @ 201 Miller 01/28/16-02/26/...	701 5-180 8-711-...
79. Illuminating Co.	716.74	Elect @ 201 Miller 02/06/16 - 03/08/16 ...	701 5-180 8-711-...
80. Cardconnect	333.81	On-Line Fees Feb 2016 - LS	701 5-180 8-907-...
Mar 15, 16	<u>209,874.57</u>		

03/11/16

Avon Lake Municipal Utilities Wastewater Fund 721 Expenses

March 15, 2016

Name	Amount	Memo	Account
Mar 15, 16			
1. Wastewater Employees	61,831.68	Regular Salaries 02/22/16-03/6/16 - RRE	721 5-190 7-102...
2. Wastewater Employees	4,963.54	Part Time Salaries 02/22/16-03/16/16 - RRE	721 5-190 7-105...
3. Wastewater Employees	2,793.65	Over Time 02/22/16-03/16/16 - RRE	721 5-190 7-106...
4. Mitchell, Dale	10.00	1 Employee Meal Allowance - LS	721 5-190 7-200...
5. Tomsik, Joe	20.00	2 Employee Meal Allowances - LS	721 5-190 7-200...
6. Medical Mutual of Ohio	1,767.17	Medical Mutual Payment 03/01/16	721 5-190 7-203...
7. Medical Mutual of Ohio	2,048.48	Medical Mutual Payment 03/08/16	721 5-190 7-203...
8. Medical Mutual of Ohio	-1,691.82	Payroll #5 - 02/21/16 Employee Contribution...	721 5-190 7-203...
9. Medicare	829.42	Medicare for 02/21/16 Wages (Payroll #5)	721 5-190 7-212...
10. Cintas Corp.	152.08	Employee Uniform Rental - Feb 2016 - RK/LS	721 5-190 8-226...
11. Avon Lake Printing	408.50	Misc Forms - KK/SB	721 5-190 8-601...
12. Federal Express	30.35	Shipping Charges - LS	721 5-190 8-601...
13. FriendsOffice	79.05	Office Supplies - KK	721 5-190 8-601...
14. Staples	52.02	Office Supplies - LS	721 5-190 8-601...
15. Bonded Chemicals Inc.	3,778.30	Ferric Chloride - 8.4337 Tons - SB	721 5-190 8-602...
16. Kemira Water Solutions I...	1,162.95	Ferrous Chloride - 4670.49 Gallons - SB	721 5-190 8-602...
17. Polydyne Inc.	1,323.00	Polymer - 3 450 LB drums - SB	721 5-190 8-602...
18. ABC Equipment Rental	7.96	Drill Bit for shop - RK	721 5-190 8-603...
19. E & H Hardware Group, ...	234.58	Maintenance Supplies - RRE	721 5-190 8-603...
20. Ferguson Waterworks	191.85	Maint Supplies (shoe covers) - RK	721 5-190 8-603...
21. Grainger Inc.	217.41	Maintenance Supplies - for garage - RK	721 5-190 8-603...
22. Indy Equipment	291.47	Maintenance Supplies - Stock - RK	721 5-190 8-603...
23. Lowe's	1,342.97	Maintenance Supplies - RRE	721 5-190 8-603...
24. Mack Industries, Inc.	150.00	Maintenance Supplies - RK	721 5-190 8-603...
25. McMaster-Carr Supply	444.96	For garage - RK	721 5-190 8-603...
26. Roberts Surveying Suppli...	18.00	Maintenance Supplies - JG	721 5-190 8-603...
27. Swift First Aid Service	173.00	Service First Aid Kits - SB	721 5-190 8-603...
28. Trico Oxygen Company	239.27	Maintenance Gases @ 201 Miller	721 5-190 8-603...
29. United Laboratories	607.48	Lab Supplies - RRE	721 5-190 8-603...
30. Applied Industrial Techn...	18.01	Equipment Maintenance - SB	721 5-190 8-607...
31. Bain Enterprises	807.50	Equipment Maintenance - RK	721 5-190 8-607...
32. Jack Doheny Supplies O...	76.47	Equipment Maintenance - RK	721 5-190 8-607...
33. Newark	61.92	Equipment Maintenance - SB	721 5-190 8-607...
34. Harold Archer & Sons	453.96	Stone - 50.3 Tons - RK	721 5-190 8-612...
35. CenturyLink	355.26	Telephone service @ Pump Stations - Feb ...	721 5-190 8-700...
36. Columbia Gas	81.99	Gas service @ Bridgeside pump station - 0...	721 5-190 8-700...
37. Illuminating Co.	2,796.02	Elect @ Haigs Pump Sta 02/04/16 - 03/07/1...	721 5-190 8-700...
38. Verizon Wireless	448.06	Cell Phone Service 02/26/16 - 03/25/16 - R...	721 5-190 8-700...
39. Brakey Energy, Inc.	875.00	Energy Management Service Feb 2016 - TAD	721 5-190 8-701...
40. Bramhall Engineering & ...	41,050.00	Eng Svcs @ FIBB Project 02/07/16-03/03/1...	721 5-190 8-701...
41. Danielson, Todd	73.05	Reimbursement for Expenses - LS	721 5-190 8-701...
42. Data-Command	419.40	Annual Sub - Center Rd - Pump Station - 04...	721 5-190 8-701...
43. Firstmerit Bankcard Ctr	5,358.75	MC Charges - TAD/RRE/JG/SB/RK	721 5-190 8-701...
44. McAfee	27.50	Email Filtering for March 2016 - RRE	721 5-190 8-701...
45. Mercy Occupational Health	41.00	DOT Testing 1 Employee - RRE	721 5-190 8-701...
46. SOS Integration Service	20,000.00	Subpanel controls & Parts for blower bldg - ...	721 5-190 8-701...
47. Technology Managemen...	546.25	Computer Support - Feb 2016 - RRE	721 5-190 8-701...
48. Republic Services	31,723.91	Sludge disposal - Feb 2016 - SB	721 5-190 8-702...
49. Fuelman of Northern Ohio	448.37	Fuel for Vehicles - LS	721 5-190 8-707...
50. Federated Auto Parts	97.51	Misc Truck Parts - RK	721 5-190 8-707...
51. HD Supply Waterworks, ...	165.02	For trucks - RK	721 5-190 8-707...
52. Kowalski Ford	63.75	Misc Truck Parts/Repairs- RK	721 5-190 8-707...
53. Murphy Tractor & Equip...	43.08	Repairs - RK	721 5-190 8-707...
54. Sylvester Truck & Tire S...	63.26	Tires & Truck Parts - RK	721 5-190 8-707...

03/11/16

Avon Lake Municipal Utilities
Wastewater Fund 721 Expenses
March 15, 2016

Name	Amount	Memo	Account
55. Vasu Communications, I...	152.25	Service Radios - RK	721 5-190 8-707...
56. Cleveland Hermetic & Su...	102.04	Building Maintenance - RK	721 5-190 8-708...
57. Tremco	916.50	Leak Repair - SB	721 5-190 8-708...
58. Complete Concrete	212.50	Snow Plowing - RK	721 5-190 8-709...
59. Jani-King of Cleveland	322.50	Cleaning Service @ 201 Miller March 2016 ...	721 5-190 8-709...
60. Cardconnect	333.81	On-Line Fees Feb 2016 - LS	721 5-190 8-907...
Mar 15, 16	<u>191,611.96</u>		

03/11/16

Avon Lake Municipal Utilities
MOR Fund 703 Expenses - ETL1
March 15, 2016

Name	Amount	Memo	Account
Mar 15, 16			
1. Avon Lake Regional W...	96,149.33	Water Used from ETL 1 - Feb 2016-RRE	703 5-180 8-704...
2. HD Supply Waterworks...	4,117.50	For ETL 1 North Ridgeville - RK	703 5-180 8-740...
3. Ohio Edison	72.63	Elect @ Butternut/Root PRV 2/2/16-3/2/...	703 5-180 8-743...
4. Ohio Edison	50.91	Elect @ Lear/Chstn PRV 2/3/16-3/4/16 ...	703 5-180 8-743...
5. Ohio Edison	66.36	Elect@Lear/Mills PRV 2/4/16-3/7/16 RRE	703 5-180 8-743...
6. Ohio Edison	68.06	Elect@Lear/NMills PRV 2/4/16-3/7/16 R...	703 5-180 8-743...
7. Illuminating Co.	118.64	Elect Svc @ PRVs 01/7/16-2/8/16 - RRE	703 5-180 8-743...
8. Ohio Edison	62.08	Elect@Lear/US20 PRV 2/3/16-3/4/16-R...	703 5-180 8-743...
9. Ohio Edison	50.84	Elect@Root/Sprag PRV 2/2/16-3/2/16-...	703 5-180 8-743...
Mar 15, 16	<u>100,756.35</u>		

03/11/16

Avon Lake Municipal Utilities
MOR Fund 762 Expenses - ETL2
March 15, 2016

Name	Amount	Memo	Account
Mar 15, 16			
1. Ohio Edison	5,843.41	Elect@ Island Pump Station 2/2/16-3/1/...	762 5-180 8-70...
2. Ohio Edison	38.90	Elect@ Island OAL 2/3/16-3/3/16 - RRE	762 5-180 8-70...
3. Avon Lake Regional W...	215,661.38	Water used on ETL 2 - Feb 2016 - RRE	762 5-180 8-70...
4. Ohio Edison	57.75	Elect Svc @ 37980 Barres 2/4/16-3/4/16...	762 5-180 8-74...
5. Ohio Edison	5.76	Elect Svc @ 37780 Center Ridge 2/2/1...	762 5-180 8-74...
6. Ohio Edison	42.66	Elect Svc @ 36550 Chestnut Ridge 2/2/...	762 5-180 8-74...
Mar 15, 16	<u>221,649.86</u>		

03/11/16

Avon Lake Municipal Utilities
LORCO Fund 749 Expenses
 March 15, 2016

Name	Amount	Memo	Account
Mar 15, 16			
1. Frontier	56.18	Telephone Service @ Four Plex 2/25/16...	749 5-190 8-700...
2. Ohio Edison	218.74	Elect Svc @ 9845 Avon Belden 2/2/16-...	749 5-190 8-700...
3. Ohio Edison	46.17	Elect Svc @ 12169 Avon Belden 1/30/1...	749 5-190 8-700...
4. Ohio Edison	47.51	Elect Svc @ 12901 Avon Belden 1/30/1...	749 5-190 8-700...
5. Ohio Edison	104.07	Elect Svc @ 33930 Cooley 1/30/16-3/1/...	749 5-190 8-700...
6. Ohio Edison	48.58	Elect Svc @ 36780 Giles 1/29/16-2/29/1...	749 5-190 8-700...
7. Ohio Edison	46.02	Elect Svc @ 10920 Hawke 2/2/16-3/3/1...	749 5-190 8-700...
8. Ohio Edison	51.50	Elect Svc @ 10301 Reed 2/2/16-3/3/16 ...	749 5-190 8-700...
9. Ohio Edison	923.71	Elect Svc @ 38393 Royalton Rd 1/28/1...	749 5-190 8-700...
10. GDF Suez	26.25	Elect Svc @ 33930 Cooley 1/30/16-3/1/...	749 5-190 8-700...
11. GDF Suez	12.55	Elect Svc @ 36780 Gilles Rd 1/29/16-2/...	749 5-190 8-700...
12. GDF Suez	642.81	Elect Svc @ 38393 Royalton 1/28/16-2/...	749 5-190 8-700...
13. Lorain-Medina Rural Ele...	89.54	Electric Svc @ Banks Rd 1/24/16-2/23/...	749 5-190 8-700...
14. Lorain-Medina Rural Ele...	83.48	Electric Svc @ 36879 Capel 1/24/16-2/2...	749 5-190 8-700...
15. Lorain-Medina Rural Ele...	84.26	Electric Svc @ 12601 Cowley 1/24/16-2...	749 5-190 8-700...
16. Lorain-Medina Rural Ele...	108.69	Electric Svc @ 12775 Durkee (north) 1/...	749 5-190 8-700...
17. Lorain-Medina Rural Ele...	53.77	Electric Svc @ Durkee (south) 1/24/16-...	749 5-190 8-700...
18. Lorain-Medina Rural Ele...	101.14	Electric Svc @ Indian Hollow 1/24/16-2/...	749 5-190 8-700...
19. Lorain-Medina Rural Ele...	90.59	Electric Svc @ Slife 1/24/16 - 2/23/16 - ...	749 5-190 8-700...
20. RLCWA	1,101.00	LORCO Meter Readings - Feb 2016 - R...	749 5-190 8-848...
21. Shamrock	379.60	Print/Mail LORCO Bills January 2016 - ...	749 5-190 8-848...
22. OMDP	8,723.50	Legal Service - Feb 2016 - RRE	749 5-190 8-907...
23. Cardconnect	162.80	Credit Card Fees - Feb 2016 - LS	749 5-190 8-907...
24. LORCO	13,500.00	Monthly Advance - March 2016 - TAD	749 5-190 8-907...
Mar 15, 16	<u><u>26,702.46</u></u>		

**A COOPERATIVE AGREEMENT
FOR THE CONSTRUCTION AND OPERATION
OF AN EMERGENCY INTERCONNECTION**

This agreement (the "Agreement") is made and entered into as of the _____ day of _____, 2016 by and among the following parties (the "Parties"): the City of Avon Lake, Ohio ("Avon Lake") through its Board of Municipal Utilities ("ALRW"); Rural Lorain County Water Authority ("RLCWA"); and the City of Elyria, Ohio ("Elyria").

WITNESSETH

WHEREAS, Avon Lake is an Ohio municipality that owns a water filtration plant and water supply distribution system (the "ALRW System"); and

WHEREAS, The City of Avon Lake established ALRW and provided it the responsibility and authority to manage and operate the ALRW System pursuant to Chapter IX, Section 45 of the Avon Lake City Charter; and

WHEREAS, Elyria is an Ohio municipality that owns and operates a water filtration plant and water supply distribution system (the "Elyria System"); and

WHEREAS, RLCWA is an Ohio water authority established under Chapter 6119 of the Ohio Revised Code that owns and operates a water supply distribution system (the "RLCWA System"); and

WHEREAS, RLCWA connects to and purchases water from the ALRW System; and

WHEREAS, an RLCWA System water line crosses an Elyria System water line in the area of West Ridge Road and Dellefield Road (the "Connection Area"); and

WHEREAS, all Parties desire to create an emergency interconnection (the "Interconnection") serving the ALRW System, the Elyria System and the RLCWA System in the Connection Area to provide backup water supplies to each other in the event of an emergency; and

WHEREAS, Avon Lake is authorized to enter into this agreement by Ordinance No. 159-2015 enacted December 14, 2015; and

WHEREAS, ALRW is authorized to enter into this agreement by _____ enacted _____; and

WHEREAS, RLCWA is authorized to enter into this agreement by _____ enacted _____; and

WHEREAS, Elyria is authorized to enter into this agreement by Ordinance No. 2015-99 enacted September 11, 2015.

NOW THEREFORE, In consideration of the foregoing and the mutual agreements contained herein, it is agreed by the Parties as follows:

1. Location- The Interconnection will be made in the Connection Area within the boundaries of either Elyria Township or Amherst Township at a specific location to be determined by the Parties.

2. Construction- The Parties acknowledge and agree that the construction, connection and testing of the Interconnection (the "Project") will require the following:

- 2.1 The necessary engineering for design and construction; and
- 2.2 The purchase of the requisite land in the Connection Area; and
- 2.3 The construction, connection and testing of a booster pumping station (the "Booster Station") with miscellaneous piping and appurtenances including such as is required to bypass the RLCWA booster station at Miller Road in Avon Lake.

ALRW shall be responsible for the bid and construction management of the Project, including the approval and payment of all contractor payment requests.

3. Cost- The estimated cost of the Project including those items listed in paragraph 2, above is Three Million Dollars (\$3,000,000.00) (the "Estimate"). The Parties agree that ALRW will obtain the written consent of RLCWA prior to approving any costs or expenses exceeding the Estimate by more than five percent (5%), The total actual cost to complete the Project (the "Total Actual Cost"), including the cost of all items listed in paragraph 2, plus the cost of all additional or changed work, will be determined upon the completion of the Project. The Total Actual Cost will be allocated to each of the Parties as follows: ALRW and RLCWA will each pay 40% and Elyria will pay 20%. However, Elyria's allocation of the Total Actual Cost will be capped at \$500,000. If Elyria's \$500,000 cap is met, ALRW and RLCWA will equally split the remainder of the Total Actual Cost.

4. Financing- The Total Actual Cost of the Project will be financed using a 0%-interest loan (the "Loan") provided through the Ohio EPA Water Supply Revolving Loan Account and paid over a 20-year period. ALRW will apply for and manage the Loan and will semi-annually invoice Elyria and RLCWA their respective shares of the debt service in accordance with the allocation of the Actual Cost outlined in paragraph 6.

5. Title- To simplify loan and accounting operations, the Booster Station, property, and facilities will be owned by and titled in Avon Lake's name and will be operated for the joint benefit of the Parties as described herein. ALRW will insure the facilities and include the cost for insurance as a Normal Maintenance Cost (hereafter defined).

6. Operation and Maintenance- ALRW will operate and maintain the Booster Station unless otherwise agreed in writing among the Parties. Avon Lake and ALRW, as well as their agents, contractors, employees and servants, shall not be liable for, and RLCWA and Elyria hereby release and waive, any and all claims for loss or damage which is alleged to have occurred as a result of the operation and/or maintenance of the Booster Station by ALRW.

- 6.1 The normal operating and maintenance costs of the Booster Station will be calculated using the actual costs expended by ALRW (the "Normal Maintenance Costs") and may be audited by RLCWA and/or Elyria on an

annual basis. During the Term (hereinafter defined) of this Agreement the Normal Maintenance Costs shall be split on a 40% (ALRW), 40% (RLCWA), 20% (Elyria) basis, with Elyria's annual share capped at \$10,000 (the "Cap"). If Elyria's Cap is met, ALRW and RLCWA will equally divide the remaining Normal Maintenance Costs.

- 6.2 The cost of equipment failures in excess of (\$20,000) (the "Extraordinary Costs") will be charged separately. If the failure requires the replacement of a pump, motor, or drive, ALRW and RLCWA will equally divide the costs. If it relates to anything else, the costs will be divided on a 40% (ALRW), 40% (RLCWA), 20% (Elyria) basis, subject to the Cap as defined hereinabove.
- 6.3 The Booster Station Costs and the Extraordinary Costs shall be semi-annually invoiced by ALRW to RLCWA and Elyria unless otherwise agreed.

7. SCADA Connections- All Parties will have the ability to connect their respective supervisory control and data acquisition systems to remotely monitor the Booster Station.

8. Emergency Use- The Booster Station is not meant to be a regular source of water supply, but is a cooperative effort designed for use during Designated Emergencies (hereinafter defined). As such, there will be no charge by any of the Parties for water used under the terms and conditions of this Agreement. The Parties also acknowledge and agree that there is no guarantee regarding sufficiency of flow for firefighting purposes.

- 8.1 Before any water is provided from one Party to another, the Authorized Staff from each Party will speak with each other and confirm the existence of an emergency and that the other necessary Party is able to provide the water. The concurrence of any two (2) Parties' Authorized Staff that an emergency exists shall constitute a Designated Emergency. Unless otherwise agreed, the Authorized Staff for ALRW shall be its Water Plant Manager; and the Authorized Staff for Elyria shall be its Water Pumping Plant Superintendent; and the Authorized Staff for RLCWA shall be the General Manager.
- 8.2 ALRW and Elyria agree to provide the other as much water as practical, in the sole determination of the providing entity, through the Interconnection (currently estimated to be up to 8 million gallons per day) during a Designated Emergency. Unless otherwise agreed, ALRW and RLCWA will equally divide the water Elyria makes available through the Interconnection during a Designated Emergency.
- 8.3 The Authorized Staff should remain in regular contact during any Designated Emergency to assure that no system is being unduly taxed. Should one system be unduly taxed, that Party has the right to inform the other Parties that the provision of water may be curtailed down to an amount that does not unduly tax the system.

9. Testing- The Parties acknowledge and agree that the generator that powers the Booster Station pumps will need to be exercised/tested under load several times per year and that the best practical way to do that is to pump water from the Elyria System into the RLCWA System. The Parties acknowledge and agree that the usage will be kept to a minimum necessary for exercise/testing purposes and there will be no charge for this water.

10. Term- This Agreement shall be in effect for the longer of a term of twenty-five (25) years or until Loan for the project is repaid in full (the "Term"). Upon the expiration of this Agreement, the Parties shall divide the costs of dismantling the facility in the same percentage amounts as contributed toward Operation and Maintenance, unless the Parties mutually agree to renew or extend the Agreement.

11. Enforceability- If any portion of this Agreement is determined by any court of competent jurisdiction to be invalid, unconstitutional, or unenforceable for any reason, the same shall not be held to invalidate or impair the validity, force, or effect of any other portion of this Agreement unless it clearly appears that such other portion is wholly or necessarily dependent for its operation upon the portion so held invalid, unconstitutional, or unenforceable.

12. Binding Effect- Each Party has bound itself by this Agreement. No party shall be permitted to assign, sublet or transfer any part of its interest in this Agreement without written consent of all other Parties.

13. Waiver of Breach- The waiver by any party of a breach or violation of any provision of this Agreement shall not operate or be construed to be a waiver of any subsequent breach thereof.

14. Entire Agreement- This Agreement constitutes the entire agreement among the Parties. It incorporates all prior negotiations and understandings of the Parties. There are no covenants, promises, agreements, letters, conditions or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein, and all such matters are merged with and incorporated herein. No representation or warranty has been made by or on behalf of any Party to this Agreement (or any officer, director, trustee, employee or agent thereof) to induce any other Party to enter into this Agreement or to abide by or consummate any transactions contemplated by any terms of this Agreement, except those expressly set forth herein. Any amendments providing for any addition, deletion, substitution or modification of this Agreement must be in writing and executed by properly authorized ALRW, Avon Lake, Elyria and RLCWA representatives. No alteration, amendment, change or addition to this Agreement shall be binding upon any party unless in writing and signed by said Parties.

15. Miscellaneous-

15.1 Nothing contained in this Agreement may be construed so as to limit the authority of any Party under Ohio law, including, but not limited to, the right of each Party to levy taxes and assessments, charges, fees, etc. as each Party deems necessary or appropriate to provide services to its users.

15.2 Each Party shall be required to adopt and enforce such rules and

regulations as necessary or appropriate to prevent contamination, backflow or interconnection of any other water source which such contamination, backflow or interconnection could affect the quality of water within any facilities of the Parties' water distribution systems.

15.3 Except as otherwise set forth herein, each Party shall be responsible for the operation, maintenance and costs of its respective system, and all costs associated therewith, and each entity shall be responsible for the invoicing of its own customers.

IN WITNESS WHEREOF, the Parties hereto, acting under the authority of their respective governing bodies, have caused this Agreement to be executed in triplicate, each of which shall constitute as an original.

Attest:

CITY OF AVON LAKE

By: _____
Greg Zilka, Mayor Date

Board of Municipal Utilities

By: _____
Todd Danielson, Chief Utilities Executive Date

Approved as to form:

David Graves, Esq., Assistant Law Director

Attest:

CITY OF ELYRIA

By: _____
Holly Brinda, Mayor Date

Approved as to form:

Erik Breunig, Esq., Assistant Law Director

Attest:

RURAL LORAIN COUNTY WATER AUTHORITY

By: _____
Tim Mahoney, General Manager Date

Approved as to form:

Robert C. White, Esq., Counsel for RLCWA

AVON LAKE BOARD OF MUNICIPAL UTILITIES

POLICY

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ESTABLISHING WAGE RANGES FOR NON-BARGAINING POSITIONS

Avon Lake Regional Water provides retail and wholesale water and wastewater services to tens or hundreds of thousands of northeast Ohio residents and competes for employees on both regional and national scales. In order to attract and retain talent, Avon Lake Regional Water must pay competitive wages. Wages for bargaining unit employees are established through the collective bargaining agreements, and pay is determined through a wage scale for each of the job classifications. Non-bargaining positions within Avon Lake Regional Water have historically also had a wage scale which has been established by using the AWWA Water Utility Compensation Survey. This policy formalizes the non-bargaining wage scales.

Avon Lake Regional Water currently has a number of non-bargaining positions within the organization, including: Chief Utilities Executive, Chief of Utilities Operations, Engineering Services Manager, Manager of Distribution and Collection, Water Filtration Plant Manager, and Water Pollution Control Manager, GIS Analyst, and Biller/Bookkeeper II. With the exception of Biller/Bookkeeper II, pay ranges for each of these positions will be established and fixed using the AWWA Water Utility Compensation Survey. Specific wage rates for employees in these positions will be approved by the Board of Municipal Utilities and adjusted through an appraisal process. Because the Biller/Bookkeeper II position is an entry-level position with a progression to Biller/Bookkeeper I, that wage range will continue to be modified in association with the Biller/Bookkeeper I wages.

To assure competitiveness with other utilities and uniformity across positions within Avon Lake Regional Water, pay ranges for the non-bargaining positions will be determined as follows:

1. ~~The minimum and maximum wage range, along with the midpoint wage, will be determined by averaging the based off an average of the respective annual compensation (minimum, maximum, and midpoint) for the small and medium-sized utility (25,000 – 50,000 population) and large utility (100,000 – 250,000 population) for the corresponding Job Title in the survey.~~
- 1.2. *Because the Compensation Survey values are "Base Salary" and Avon Lake has decided to move a previous form of additional compensation (employer pick-up of most or all of the employee share of OPERS) back into salary, the maximum wages from the Compensation Survey will be increased by 8.5% for all positions except the Chief Utilities Executive, which will be increased by 10%.*
- 2.3. The following are the corresponding Compensation Survey Job Titles for the Avon Lake Regional Water management positions:

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Avon Lake Regional Water Job Title	Compensation Survey Job Title
Chief Utilities Executive	Top Executive
Chief of Utilities Operations	Top Operations and Maintenance Executive
Engineering Services Manager	Average of Top Engineering Executive and Senior Engineer
Manager of Distribution and Collection	Water Operations Manager
Water Filtration Plant Manager	Water Treatment Plant Manager
Water Pollution Control Manager	Wastewater Treatment Plant Manager
GIS Analyst	Average of GIS Analyst and GIS Technician

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AVON LAKE BOARD OF MUNICIPAL UTILITIES
ESTABLISHING WAGE RANGES FOR NON-BARGAINING POSITIONS POLICY

- 3-4. To best match wage increases with how skills are gained, when a wage increase is recommended as a specific percent of salary (e.g., a 3% increase), the percent will be multiplied by the midpoint compensation to determine the hourly wage increase that will then be awarded to the employee.
- 4-5. The wage ranges for each of the non-bargaining positions will be updated no less than every three years using the same approach stated above. Specific employee wages will only change through recommendation to and approval by the Board of Municipal Utilities. For the time being, the Biller/Bookkeeper II position pay ranges will be updated to match the increases the Biller/Bookkeeper I position receives.
- 6. At the option of the Chief Utilities Executive and the Board of Municipal Utilities, performance incentives for non-bargaining positions may be offered. However, compensation for base wage and performance incentive may not total more than the compensation established by the range.
- 5-7. Other non-wage compensation such as longevity pay, vacation or personal leave, or car allowance is not considered part of the wage range established below.
- 6-8. The Chief Utilities Executive and the Chief of Utilities Operations are salaried (exempt) positions. The other non-bargaining positions are non-exempt positions.
- 7-9. Hourly compensation will be determined by taking the position's annual compensation and dividing by 2080 hours/year.
- 8-10. As total service population of Avon Lake Regional Water continues to grow, the corresponding utility sizes in the *Compensation Survey* will be updated to reflect the appropriate population points (retail and wholesale populations) for determination of the appropriate ranges.
- 9-11. Should specific job titles be modified, either by Avon Lake Regional Water or by the *Compensation Survey*, this policy will be automatically updated to reflect the revised titles. Also, should new non-bargaining positions be established by Avon Lake Regional Water, wage ranges for such positions will be determined using the same methodology.

Using this methodology, the following are the current wage rate ranges (presented as hourly compensation) for Avon Lake Regional Water's non-bargaining positions:

Avon Lake Regional Water Job Title	Minimum	Midpoint	Maximum
Chief Utilities Executive	\$53.01	\$64.90	\$77.3485.04
Chief of Utilities Operations	\$42.08	\$51.49	\$61.2966.50
Engineering Services Manager	\$37.66	\$44.86	\$53.8458.42
Manager of Distribution and Collection	\$33.40	\$40.62	\$48.8452.99
Water Filtration Plant Manager	\$30.27	\$36.62	\$44.2447.97
Water Pollution Control Manager	\$30.14	\$36.99	\$44.2447.97
GIS Analyst	\$22.89	\$27.75	\$32.7535.53

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	Step 1A	Step 1B	Step 1C	Step 2	Step 3	Step 4	Step 5
Biller/Bookkeeper II	\$19.56	\$20.95	\$22.76	\$24.04	\$25.38	\$26.76	\$28.09

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Passed: 1/19/16
 Effective:

Avon Lake Regional Water Lateral Loan Program

Program Time Frame: March 16, 2016 – June 30, 2019
Program Area: Homes in Avon Lake needing separate laterals
Program Incentive: Low-interest loan payable over 10 years

Background

To comply with federal mandates (failure to do so will result in large fines), Avon Lake's combined sewers are being separated. This entails separation within the public right of way (the responsibility of Avon Lake Regional Water) and separation on private property (the responsibility of the homeowner or another private party).

Approximately 2,800 homes in Avon Lake have been identified that might need separate laterals. In 2013, Avon Lake Regional Water began notifying residents about this requirement. As of March 2016, approximately half of those homes have been inspected. Of the homes inspected, approximately one-quarter are found to be in compliance. The remainder needs work completed in order to achieve compliance. Many people have already completed the work, and their homes are now in compliance. However, a large percentage has not.

There are a variety of reasons why people have not completed the separation required on their properties. Some have stated that they do not have the money available to do it. In order to help these individuals achieve compliance, Avon Lake Regional Water is establishing a loan program to provide the money these homeowners need to do the work and allow the money to be repaid with the water and wastewater bill over a 10-year period.

The program rules and requirements are presented below.

Program Rules

1. Any Avon Lake home or business that is discharging clean water from foundation drains, yard drains, downspouts, etc. into the same lateral that also carries sanitary wastes from the building into a combined or sanitary sewer may be considered for the loan.
2. The homeowner or responsible party must allow Avon Lake Regional Water representatives to inspect to determine if clean water is entering the sanitary sewer and, if that is the case, after completion of the work to assure the clean water has been permanently removed from the sanitary sewer.
3. Once it is determined that clean water must be removed, the responsible party must obtain the required Avon Lake Regional Water permit and, possibly, City Building Permit (applicable fees have been waived for permits related to this program).
4. Up to \$4,000 may be borrowed from Avon Lake Regional Water for the customer's lateral separation project and will be paid back over a 10-year period as part of the water and wastewater bill. (Currently, bills are issued on a quarterly basis. In time, however, Avon Lake Regional Water may implement monthly billing. If this is the case, bills will be adjusted as appropriate to continue with the 10-year repayment schedule paid monthly, instead of quarterly.)
5. Because repayment is part of the water and wastewater bill, by taking part in this loan program, customers agree and acknowledge that their water will be turned off for non-payment and that non-payment could lead to Avon Lake Regional Water turning over for collection by the county auditor any outstanding amounts due.

6. Avon Lake Regional Water will charge a simple interest rate of 2% on the outstanding loan balance.
7. As an incentive and in concert with the Lateral Separation Program, Avon Lake Regional Water will assist with the repayment of the last \$1,000 of the loan.
8. Loan principal will be retired equally each year over the life of the loan. (As an example, if a customer borrows \$3,000 for the project, \$300 of principal will be repaid each year. With quarterly billing and a 2% simple interest rate, the first year's interest is \$60. Therefore, \$360 will be divided among four quarterly bills so that the customer pays \$90 per quarter for year one. For year two, \$2,700 will be outstanding. The interest on \$2,700 is \$54. Therefore, \$354 is due in year two, or \$88.50 per quarter. Payments will continue until partway through year six, when all but the last \$1,000 has been paid off. At that point, Avon Lake Regional Water will repay the remainder of the loan. With this simple form of calculation, payoff of outstanding balance can be easily determined.
9. If the property is sold during the repayment period, the homeowner/responsible party must pay all but \$1,000 of the remaining balance during property transfer.
10. Avon Lake Regional Water's incentives and assistance in no way implies an acceptance of liability for the work that is undertaken or the consequences therefrom.
11. The responsible party accepts and/or retains ownership, operation, maintenance, and replacement responsibility for anything that may be installed under this program.
12. The incentive is eligible for residents in the project area who complete the work between March 16, 2016 and June 30, 2019.
13. Avon Lake Regional Water shall have sole authority to determine eligibility for program participation, prioritization of requests and compliance with all requirements of the program and Avon Lake Regional Water regulations.