



ANNUAL REPORT 2022

Village of Chagrin Falls

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<https://chagrin-falls.org>

21 W. Washington Street
Chagrin Falls, OH 44022



Table of Contents

Financial Summary	1
Overview	1
Revenue Analysis	3
Expense Analysis	4
Capital Improvement Projects	5
East Washington Street	5
Water Mains	5
Storm Water	5
Wastewater Treatment Plant Phase II Upgrade	6
Locust Lane	Error! Bookmark not defined.
Road Program	6
Vincent Street Trail	6
West Side Historic District Utilities Improvements	6
2023 Capital Plan	7
Wastewater Treatment Plant Phase II	7
Water & Sewer Lines	7
Franklin Street Well Field	7
The Historic Bank Building Move Completed	7
Capital Improvement Projects Upcoming	8
Building Department	8
Fire Department	9
Police Department	10
Summary	10
Speed Monitoring Program	10
Officer Training	11
Certifications	11
Community Outreach:	11
Street Department	12
Accomplishments	12
Utility Department	13
Water Department	13
Water Meter System	13
Water Billing & Payment	14
Wastewater Treatment Plant and Underground Sewer Rehabilitation	14

FINANCIAL SUMMARY

Overview

2022 was a very good year for our Village. The Village remains financially sound and a very desirable place to visit and live. In recognition of the Village's unique character, Chagrin Falls was selected by Scenic Ohio, along with four other communities in the state, for an award honoring our scenic beauty and historical nature of the Village. Almost all the commercial space in our business district is filled and thriving. For the Village government the year was one of much planning, personnel change, and some frustration in obtaining necessary regulatory approvals and contractor availability for major capital projects. Further complicating major project execution, construction cost inflation has been severe generally and particularly in Ohio due to the effects state-wide effects of massive Intel project in Columbus. Despite these challenges, much was accomplished.

Our year-end cash balances are up from the prior year, reflecting the tax collections, conservative spending practices and postponed capital projects - primarily due to slower than expected regulatory approvals required to start construction. The largest deferrals were Phase II Wastewater Treatment Plant (WWTP) expansion and modernization and the replacement of the water line and the related relining of the sanitary sewer on Maple St. Fully engineered plans for these projects were submitted early in the 2022 year for required Ohio EPA review and approval. We are awaiting state action on Phase II WWTP plans, which we believe is only a delayed formality. In January 2023, we finally received approval for the Maple St. project, for which we plan to use Federally restricted COVID recovery funds of just over \$400,000 which are included in the year end cash balances.

The administration implemented a new and improved Village website in 2022 (www.chagrin-falls.org). The modern design and enhanced tools serve as a key resource for the community to learn about and interface with our Village government. It is also a tool used to conduct day-to-day business and communicate a variety of information to the community. By subscribing to the website, residents are in control of the information they personally want to receive by selecting their categories of interest. The site is 100% mobile-friendly with enhanced functionality to communicate important notices, report concerns, contact staff, find facilities and parks, search functionality, custom calendar views by department and boasts other helpful features. Progress with this technology has increased efficiency and productivity for our employees and is a valuable resource for residents.

The Village was successful in obtaining major grants that will assist in the financing of several of our other planned capital projects. I would like to highlight major funding achievements:

1. We received an Ohio EPA 319 grant to open-air a stream in Evergreen Cemetery, currently enclosed in a failing culvert pipe. This project will significantly expand the number of in ground burial sites and more than pay for itself from sale of grave sites.
2. We were also successful obtaining Cuyahoga County's commitment to expand their share of the Chagrin River wing wall rehabilitation adjacent to Main Street and Riverside Park to 25% of the

total cost up from a fixed dollar amount that had previously been committed.

We do not know the cost of the wing wall repair as it will be bid as a part of the County Main Street bridge replacement. The last estimate of the wing wall cost we obtained is from 2017 at \$1.2M. The County currently has this project out for bids with bid openings scheduled for early March.

3. We were awarded a FEMA grant that will pay 90% of the cost of stabilizing the Vincent Street hillside. The hillside has been sliding gradually over the years as can be seen from near the Bell Street and American intersections. This will be a major project with preliminary cost estimates more than \$2,000,000. The Village's share of the cost will be \$200,000.
4. While not formally approved yet, we are confident that we will receive additional financial support from the Ohio Public Works Commission (OPWC) to assist in financing our Phase II WWTP program. This is expected to be \$1,000,000 - half in the form of an interest free loan and half as an outright grant. We very recently received a grant from Cuyahoga County for \$250,000 for the WWTP modernization.
5. Also related to the WWTP program, the Village received a federal grant of \$3,500,000, working with our congressional representative, Dave Joyce. As previously discussed, we must wait on the Ohio EPA approval of our plans before we can bid this project. The exact cost of this project requires formal bidding of all components, but we have secured well over 50% of the anticipated cost of the project in outside financing.

In June of 2023, our current electrical power purchase agreement (PPA) expires and we anticipate a significant increase in our electrical costs to operate the WWTP. Currently we are buying power at \$0.0389 per kilowatt hour (kWh). Electrical power is one of the largest costs of operating the treatment plant. Electrical power supply is currently costing over \$12,000 per month. Estimates suggest this could increase to \$0.085 per kilowatt hour - a 119% base cost increase. In 2022, we started to investigate ways to control our power costs, identifying two options. The Phase II WWTP plant upgrade will repower the plant with energy efficient variable speed motors and pumps. The second option under active analysis and consideration is to generate some of the WWTP's power needs with photoelectric solar cells. We estimate we can derive upwards of 40% of the plants electrical power needs from a Village-owned solar installation at levelized cost per kWh of around \$0.05. Grant funding that we believe would cover over 50% of the capital cost of a solar installation is available should we elect to proceed. The administration will be submitting a solar power proposal to the Village Council for consideration in March.

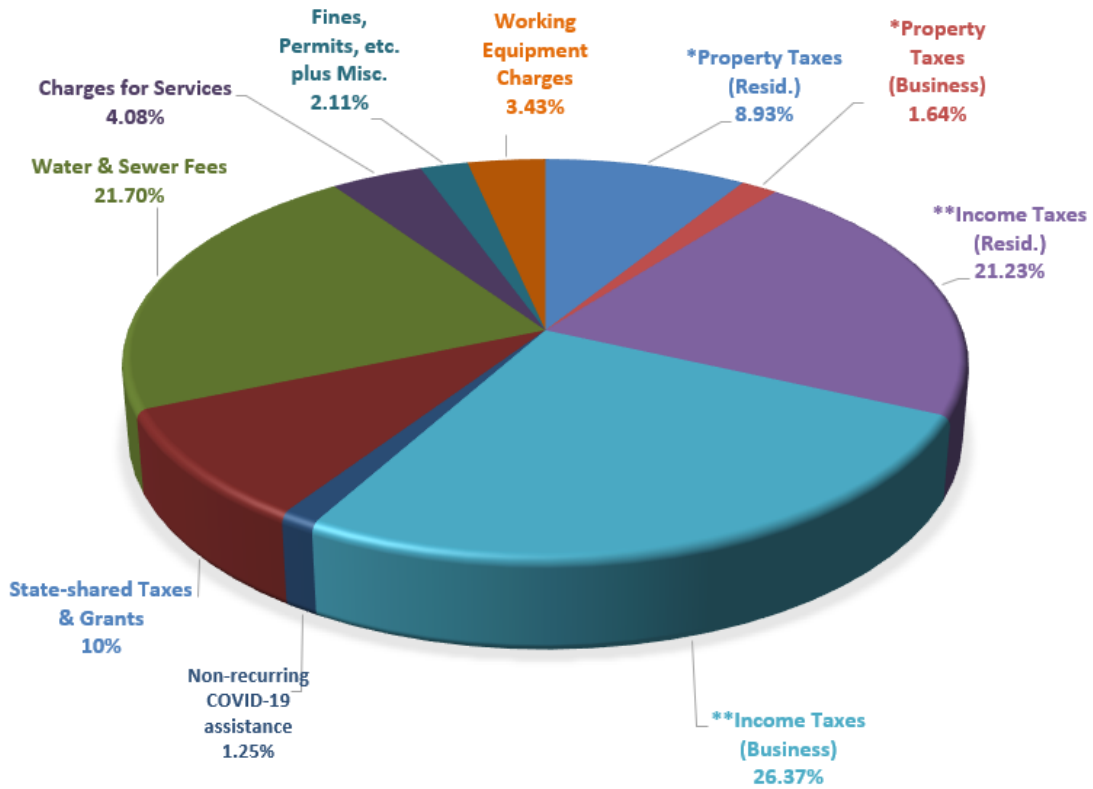
I look forward to 2023. Our goal is to complete the wide range of projects in our plan to improve the quality of life for all Village residents and assure the Village infrastructure is positioned to serve our needs through the decades ahead.

William Tomko

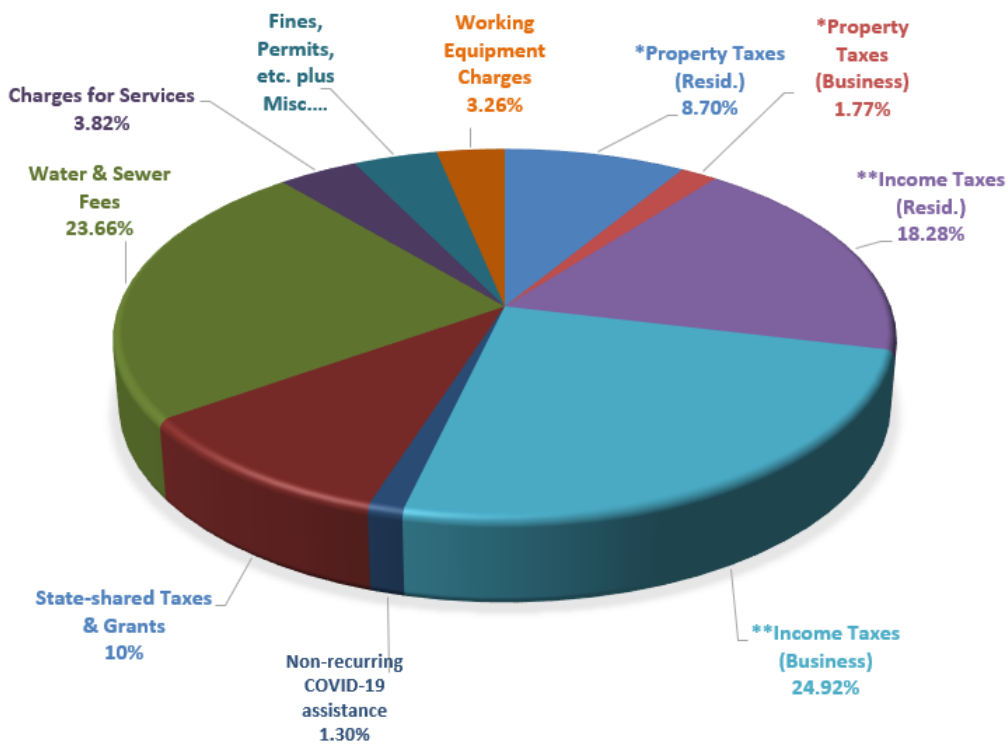
Mayor of Chagrin Falls

Revenue Analysis

2022 REVENUES: \$16.69 MILLION

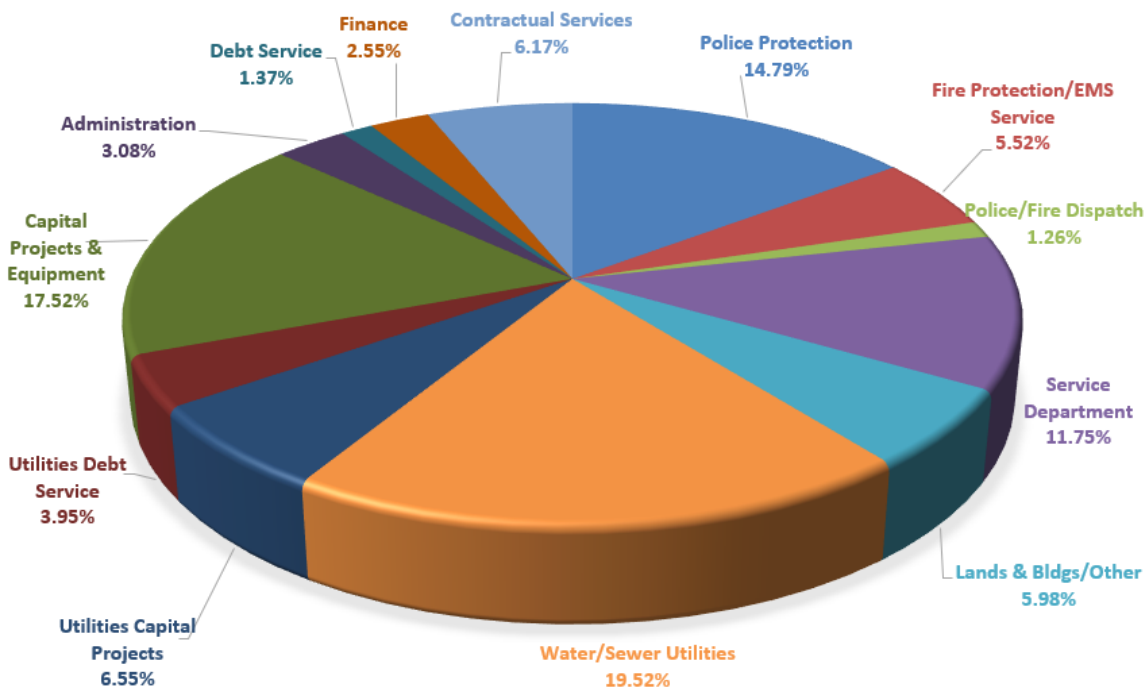


2021 REVENUES: \$15.93 MILLION

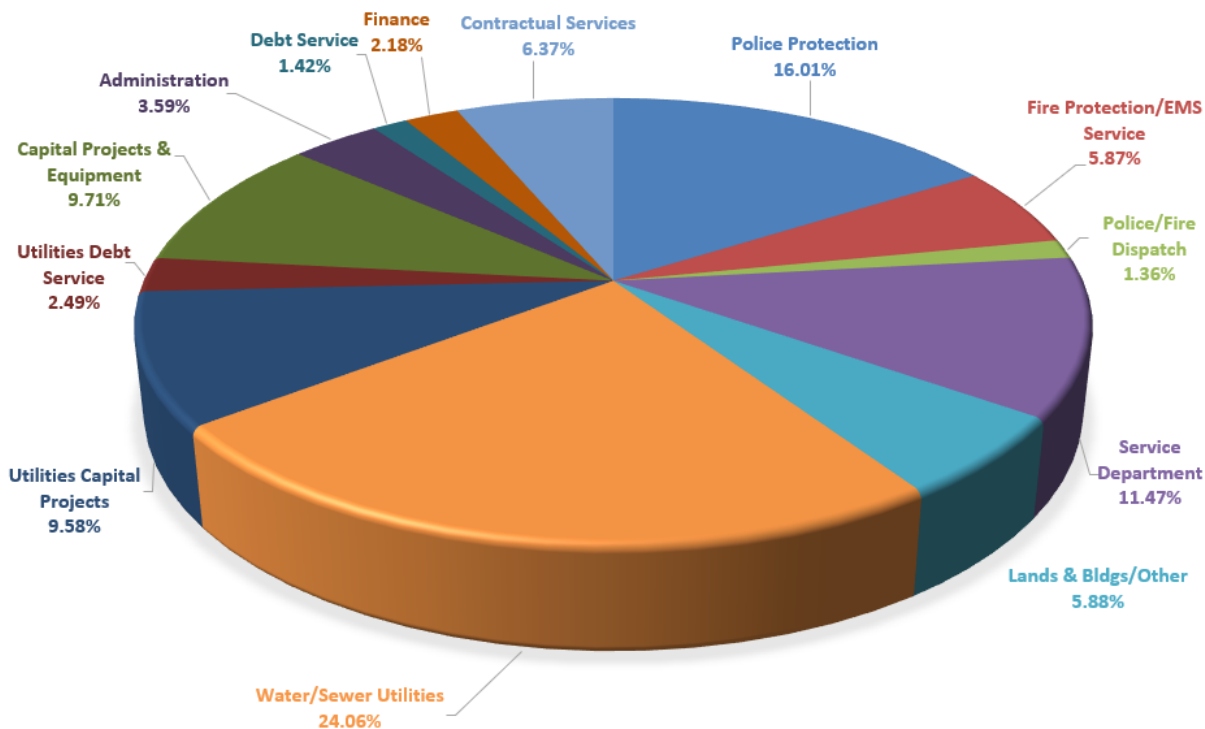


Expense Analysis

2022 EXPENDITURES: \$15.79 MILLION



2021 EXPENDITURES: \$13.64 MILLION



CAPITAL IMPROVEMENT PROJECTS

East Washington Street

This 2021 project had great positive effects on Village operations in 2022. The re-lining of the sanitary sewer achieved its objectives of reducing ground water infiltration into the sewer line and extending the life of the sewer line network. A key issue is minimizing Infiltration and Inflow (I&I) of ground and storm water into sanitary sewers which creates surges in water flowing to the WWTP. This can and does at times overwhelm the treatment capacity of the plant. When too much water flows to the plant to concurrently treat or detain for future treatment, a bypass situation arises. We have emergency temporary storage capacity for some flow overage. However, in extreme situations that storage capacity is insufficient and raw sewage is discharged to the Chagrin River. This is called a Sanitary Sewer Overflow (SSO). Our discharge license renewal from the OEPA requires us to eliminate all SSO conditions for a 10-year, 2-hour design storm event. This mandate will be met with a three-phase multi-year program approach:

- Rehabilitate the existing underground sewer system, as we have done on East Washington Street
- Increase the peak treatment capacity of the WWTP which is part of the WWTP Phase II Project
- Improving the efficiency and operation of the existing equalization basin for emergency storage.

East Washington Street was the first phase of this program and resulted in a 15% reduction in flows and the elimination of an estimated 400,000 gallons of ground water infiltration from a 10-year design storm at a cost of \$2,000,000. Thus, we have achieved two critically important requirements in the most cost-effective means. We increased the life of the East Washington sewer by 50 to 75 years and achieved a reduction in storm surge to the plant at the cost of \$5 per gallon eliminated, versus the alternative of building greatly expanded emergency storage tank capacity at a cost of \$10 per gallon.

Water Mains

Redundant water mains on Water Street and Chagrin Blvd. were abandoned and the sanitary sewer main relined on Water Street. The Water Street water main was a source of frequent breakages and the Chagrin Blvd water main was an undersized main as well as a source of frequent breakage. Abandoning these lines should eliminate the cost of breakage repair, lost water, and the inconvenience of boil alerts. The residents on Water Street will be offered the opportunity to reline their laterals as a part of the Planned 2023 Maple Street project. The Maple Street project has been programmed for 2023.

Storm Water

The storm water portion of the West Summit Street Road was completed in 2022.

The rehabilitation of the storm sewer from East Summit Street to East Cottage Street was also completed in 2022 and a new catch basin was installed to allow for inspection and maintenance of this previously problematic sewer section.

The storm water outfall into the Chagrin River was also repaired and significantly strengthened.

Wastewater Treatment Plant Phase II Upgrade

Phase II of the Wastewater Treatment Plant upgrade and modernization had been planned to start in the 2nd half of 2022. That was delayed - in part - due to our desire to secure additional outside funding and the required Ohio EPA approval delay. We now hope and expect the required approvals and incremental funding in the first half of 2023 with construction process to start in late 3rd quarter of 2023.

Willow/Locust/Lyndale Stormwater Improvements

Phase I of this stormwater flooding problem has been delayed to early 2023 due to delays in acquiring easements for the project. The Locust Lane Culvert Replacement at N. Main is schedule for 2023 completion. This is part one of a five-part project that will stretch from North Main Street to Willow Lane and North Cleveland Street.

Road Program

The Village resurfaced a portion of Chagrin Blvd, re-paved the alley between Center and Maple Streets and cured a long-standing drainage problem in this area, repaved Low and Water Streets and resurfaced the parking lot in River Run Park. The planned replacement of the Cul-de-sac on Solether Lane had to be deferred due to contractor unavailability and will start in Spring 2023.

Vincent Street Trail

The Vincent Street trail was completed in early 2022 and is now fully open. This was made possible largely by restricted funds from a State of Ohio Nature Works Grant and private contributions.

West Side Historic District Utilities Improvements

We finished the video-survey of all sewers in the west side historic district in 2021 to determine the line condition. In total this was 14,600 feet (2.75 miles) of underground sanitary sewer and 9,800 feet (1.9 miles) of storm sewer line. The survey found that 14.4% of sanitary sewer line (2,020 feet) is in moderately deteriorated condition, and 3% (400 feet) is in significant defective condition. We repaired all critical breaks in the sanitary sewer lines. The 2023 Maple Street project includes full sanitary sewer and lateral rehabilitation, water main replacement and construction of a new storm sewer. Most of the sewers surveyed are more than 100 years old - well beyond their design life.

2023 CAPITAL PLAN

The capital budget will be submitted to Village Council in the coming weeks for approval of the projects we hope to initiate in 2023. The majority are projects that had to be carried over from 2022 for various external reasons or projects submitted to regulators in 2022 and still await review and approval.

Wastewater Treatment Plant Phase II

This critical project is programmed to commence construction in the late third quarter of 2023. This project focuses on increasing the surge treatment capacity by increasing pump capacity and modernization of the electrical controls and pumps. We believe this replacement of 50-year-old equipment with modern energy efficient motors will also save significant electrical costs in operating the plant. Additional improvements include concrete tank repairs, and sidewalk and pavement repairs. This project will be partially funded with \$3.5 Million in federal grant funds, and additional funding sources are being pursued. The remaining balance will be funded by any additional grants we receive and a long term, low-cost Ohio EPA Loan, with Geauga County responsible for 22% of this cost.

The wastewater treatment plant was built in 1972 and last updated in 1992. Much of the equipment is at or near the end of its useful life and requires replacement. With the completion of Phase II, we anticipate that the Wastewater Treatment Plant will comply with all known and projected regulations and will meet our capacity needs for the next 30 years.

Water & Sewer Lines

Maple Street will benefit from replacing the water line as it has experienced frequent breaks and relining the sanitary sewers will reduce I&I leaking into the sanitary system. It is our intention to offer the same lateral relining option to residents on these streets as was offered on the East Washington Street Project in 2020-21. As a part of this project, portions of the storm sewer line will be replaced and catch basins rebuilt.

Franklin Street Well Field

We will replace old well pumps with energy saving variable speed pumps, with approximately 60% of the cost to be paid by a NOPEC energy saving grant. We have recently learned that despite being ordered last year, the new energy efficient pumps will be on back order for most of 2023 with delivery anticipated toward the end of the current year. The wells will be cleaned at the same time as a part of 5-year maintenance program.

The Historic Bank Building Move Completed

The restoration of the bank building will continue in 2023 and upon completion will serve as a cemetery office for the Evergreen Cemetery sexton to meet with families. The building move is a part of our cemetery expansion plans, upgrading service and creating new grave sites. The bank building was moved from Hall Street and donated to the Village by the property owner.

Capital Improvement Projects Upcoming

Evergreen Hill Cemetery Expansion

- Expanded, new gravesite areas in south end of cemetery.

Stormwater Management

- Begin to Implement Willow/Locust/Lyndale watershed study.
- Complete and update study of adding sidewalks on Carriage Stone and Monticello Drives.
- Repair retaining walls supporting Grove Hill and install planting along N. Main and W. Cottage streets.
- Continue a stormwater analysis of the Solon/Monticello culvert and River Run Park storm sewer.

Street + Utility Improvements

Begin Phase II of the WWTP Upgrade

Begin and complete Maple St project- water line replacement, storm sewer repair and sanitary sewer relining.

Park Improvements

- Arboretum Trail
- Riverside Park pathway + playground
- Begin the Grove Hill Park project

WWTP Improvements

- Phase 1 completion
- Phase 2 starting

BUILDING DEPARTMENT

Private Construction

2022 was an active year for private construction in the Village.

Year	ABR Submissions	Historical Significance Reports	Building Permits & Inspections	Property Maintenance Complaints	Demolition Permits
2022	147	25	399	25	4
2021	219	40	682	17	6
2020	175	13	417	6	6

For reference, during pre-pandemic 2019, the number of submissions to Architectural Board of Review was 81, which nearly tripled to 219 submissions in 2021. The demands on the Village Building Department staff, in addition to the Architectural Board of Review and Board of Zoning Appeals continue to be far greater in comparison to past experience.

Our expenditures on historical review have increased 10-fold since 2019, going from under \$2,000 to approximately \$20,000 annually. The Village is currently spending 40 to 50% of our total legal expense on Architectural Board of Review, Board of Zoning Appeals and other zoning matters.

FIRE DEPARTMENT

Regional Fire Services

Our regional fire services responded to 1925 emergency calls, a 12% increase from 2021.

- 1315 Emergency Medical Services (EMS) calls
- 610 Fire and Rescue calls

Concurrent calls - two or more calls going on at the same time - has steadily increased over the last five years. In 2022 429 calls or 22.3% of total calls were concurrent.

Currently, forty-four (44) of our department personnel are paramedics and 20 are emergency medical technicians. Eight members are studying to be paramedics by the end of 2023. The department provided mutual aid to neighboring communities 68 times in 2021. Within the Village, the average response time was 3.5 minutes from the time dispatch received the call to when first responders were on site. The entire service area significantly outperformed the national standard of an 8-minute response time.

The Chagrin Falls Fire Department actively participates on four regional teams:

- 4 members serve on the Southeast Hazmat team.
- 3 members on the Valley Enforcement Group Drone team.
- 1 member serves on the Ohio Search dog team.
- 11 members serve on the East Tech Regional Rescue team.
- Each team serves the entire Chagrin Valley in a regionally shared cost-effective manner.
- The fire department Officers and firefighters attended a variety of training sessions throughout 2022. These included:

Ohio Fire Officers executive program	Fire Investigation certification
Blue Card Command Certification	Fire Inspector certification
Swift Water Rescue	Fire Officer I, II, III, IV certification
Confined space rescue	Trench Rescue
Structural Collapse Rescue	Hazardous Material Response

POLICE DEPARTMENT

Summary

The Chagrin Falls Police Department (CFPD) continued to provide us with a safe community in 2022. In the past year, they answered 8,200 calls for service, resulting in 422 formal police reports and 91 motor vehicle accident reports

Speed Monitoring Program

In the summer of 2017, the police department began a speed monitoring program to assist in the identification of streets and/or neighborhoods that require targeted speed enforcement. The results of the monitoring are beneficial as they provide factual data regarding actual speeds, and hours of the day that vehicles are traveling the targeted area. The tables below show a general breakdown of the 2022 results.

The data reflected in Table #1 was collected from driver feedback signs. The feedback signs alert the driver as to their current speed and will blink and/or strobe as the speed becomes a violation. The feedback signs only record data for the vehicles travelling toward the unit.

The data reflected in Table #2 was collected from covert radar units. These units are affixed near the roadway but does not display any speeds or flashing lights. The average motorist does not likely notice that the unit is in place. The purpose of this device is to collect speed data as vehicle drivers are not prompted to modify speeds in any way. The covert unit collects data for vehicles moving in both directions.

Table #1 – Driver Feedback Signs

Street Name	Duration of Study	Posted Speed	Average Speed	85%	Total in Count
Falls Rd.	7/27/22 - 8/3/22	35	31.84	37.83	4657
Falls Rd.	8/5/22 - 8/19/22	35	33.81	39.49	7348
Bell St. EB	6/9/22 - 6/20/22	25	28.48	32.14	47875
Bradley St. NB	4/25/22 - 5/10/22	25	13.93	18.99	1898
Carriage Stone EB	10/1/22 - 10/10/22	25	20.92	25.13	4858
E. Summit St. WB	9/1/22 - 9/10/22	25	19.58	25.03	3088
E. Washington St. W	7/9/22 - 7/26/22	35	30.07	35.37	31165
North St. Hill SB	7/28/22 - 8/5/22	25	27.87	33.22	13545
North St. 35 NB	6/21/22 - 6/29/22	35	34.82	39.91	10521
Olive St. EB	10/1/22 - 10/11/22	25	19.17	23.85	3245
Olive St. EB	7/14/22 - 7/28/22	25	19.41	24.06	5498
Olive St. WB	6/6/22 - 6/20/22	25	19.3	24.79	6904
S. Franklin St. SB	6/1/22 - 6/8/22	25	20.01	26.7	22209
S. Main St. NB	8/19/22 - 8/26/22	25	26.29	30.47	12548
S. Main St. NB	5/24/22 - 6/6/22	25	24.99	29.19	23825
Solon Rd. SB	5/13/22 - 5/20/22	35	33.24	39.22	24956
W. Summit St. EB	5/18/22 - 5/31/22	25	21.82	28.27	7883
Walters. St. SB	4/29/22 - 5/15/22	25	27.76	34.66	29689
Walters. St. SB	7/1/22 - 7/10/22	25	28.39	34.9	16347
Walters. St. SB	8/12/22 - 8/24/22	25	28.06	34.62	21054

Table #2 – Covert Radar Unit

Street Name	Duration of Study	Posted Speed	Average Speed	85%	Total in Count
Bradley St.	5/25/22 - 6/1/22	25	19.76	22.33	1411
Bell St.	6/9/22 - 6/20/22	25	28.48	32.15	47847
E. Summit St.	8/12/22 - 8/22/22	25	24.71	29.16	6051
E. Washington St.	7/27/22 - 8/5/22	35	32.9	37.18	75869
Olive St.	6/20/22 - 6/29/22	25	24.29	28.61	5385
S. Franklin St.	7/14/22 - 7/26/22	25	28.08	32.03	29612
S. Main St.	10/3/22 - 10/16/22	25	29.11	32.8	50828
Solon Rd.	9/7/22 - 9/19/22	35	38.06	41.49	72557

This data is used to target our enforcement. In 2021 the Police made 1233 traffic violation stops.

Officer Training

Officers and civilian staff attended a variety of trainings in 2022. The following is a list of topics:

- Executive Leadership
- Crime Scene Investigations
- Amber Alert
- Taser Instructor
- Drug ID and Paraphernalia Vehicle Stops
- SRO Training
- Applied Leadership Principles
- Sexual Assault Investigation
- **ALL OFFICERS COMPLETED STATE MANDATED CPT TRAINING**
- Mayors Court

The Chagrin Falls Police Department places a high value on training. Our goal has always been to provide our officers with the tools they need to do their jobs efficiently, effectively, and with a dedication to treat all persons we encounter with dignity, respect and fairness.

Certifications

The Chagrin Falls Police Department holds the following certifications.

OHIO COLLABORATIVE LAW ENFORCEMENT AGENCY CERTIFICATIONS

- Use of Force
- Recruitment and Hiring
- Community Engagement
- Body Worn Cameras*
- Bias Free Policing
- Investigation of Employee Misconduct
- Vehicular Pursuit

*All Chagrin Falls officers assigned to patrol duties are equipped with body cameras and are expected to use them in accordance with the department's body camera policy.

Community Outreach:

The Safety Town program was held at Gurney Elementary. In addition, officers also participated in Tour the Trucks, Shop with a Cop and held K9 demonstrations.

STREET DEPARTMENT

Accomplishments

Major Projects Completed

- Downtown sidewalks replaced: 697 sq. ft.
- Downtown curbs replaced: 13 LF
- Contracted Resident Sidewalk Replacement 1460 sq. ft. Water Street
- Street Dept. Replaced walks @ 8 different locations 245 ft.
- Landscape re-design: Triangle Park, Vincent Street Arboretum, Library Walkway
- Finished painting of all downtown light poles
- Dog Park upgrades including: leveling, reseeding, fencing, activities and signage
- Rain garden installation in River Run Park
- Installed new street name signs and poles
- Installed 6 new entrance signs
- Built walking bridges at Vincent Street trail with sandstone salvaged from the Water Street sidewalk replacement

Road Program: Asphalt & Crack Sealing

Asphalt	7 major patches with full depth repair	174 tons of asphalt
Crack Seal	12 roads	

Leaf Collection

- 7 complete rounds through Village
- 90 loads
- 2,255 cubic yards = 667,500 lbs. = 33.75 tons of leaves

Snow and Ice Control

- 5,892.30 miles driven
- 1,734.88 tons of salt applied
- 750 gallons of brine applied

Signals

- Replaced 2 sets of Flashing lights at Cleveland & Bell

Street Sweeping

- 132 cubic yards of debris collected (approximately 189 tons)

Storm Sewers

- Replaced and straightened 24' of 12" Culvert Pipe under Standridge added 3'x3' catch basin and Rip Rap. 59 Standridge

Forestry

- 72 new trees planted: 50% planted by staff
- 176 trees pruned: 84% pruned by staff
- 81 trees removed

Holiday Tree Recycling

- 375 trees chipped
- 5 five truck loads
- Equal to 10 tons of wood chips

UTILITY DEPARTMENT

Water Department

We recently completed the American Water Works Association (AWWA) evaluation of our water utility, which is an assessment that compares the performance of individual utilities to international standards. The water audit provides the baseline data for an effective water loss prevention program. The Chagrin water utility has shown consistent improvement and is ranked firmly in the “Very Good” category. Our goal is to achieve an “Excellent/Exceptional” rating soon. With continued progress in replacing and abandoning old water mains and our ongoing leak detection efforts we believe this is a realistic goal.

Our successful renegotiation of the Cleveland Water District (CWD) contract in 2016 has provided significant savings to Village customers. The contract is a “take or pay” arrangement, where we are obligated to buy a certain quantity of water, whether we need it or not. Consequently, the Village takes the minimum volume contractually required and sources all additional requirements from the Village-owned well-farm. The difference in cost between purchasing water from Cleveland vs. supplying our own water is very significant. Cleveland water currently costs our utility \$4.24 per hundred cubic feet. We can produce supplemental water from our existing wells for \$0.48 per hundred cubic feet, a savings of 89%.

In 2016, Village administration made renegotiating this contract the number one priority to reduce overall cost of water sourcing. The cost reduction achieved has saved a cumulative total of \$1,333,000 since 2016. We have used these savings to finance water system improvements and to avoid passing on Cleveland Water District rate increases to customers. We will continue to have annual savings of approximately \$400,000 per year, over the previous contract obligation, for the balance of the term of this contract.

The renegotiated contract extends to 2033. 2021 was the last year of reductions in minimum purchase requirements, and there will be no additional savings from further reduction in minimum purchase commitments. Council has not had to raise water rates since 2015, while general water rates of other communities are rising at an average rate three times faster than inflation. The average household uses 2,600 cubic feet of water per quarter. This quarterly charge for average water usage is \$213.98 in Chagrin Falls. Geauga County purchases water from the Cleveland Water District and provides it to some of western Bainbridge Township. Based upon 2,600 cubic feet of usage its charge is \$251.28 - 17.4% higher than Village residents pay. The administration has undertaken a rate study that will be discussed with the Utility Commission for any submission to council. When the contract with the Cleveland Water District expires in 2033, the goal should be to maximize the use of Village controlled sources and only use Cleveland Water as secondary/back-up supply.

Water Meter System

The automated water meter reading system has been operating for a little over 36 months. A realized benefit has been the ability to notify customers of potential water leaks, thus avoiding significant water wastage and unnecessary customer charges. We have been averaging between 5 to 15 customer notifications per week. Since implemented, we estimate significant savings have been realized by residents by early water leak detection .

The system has also allowed us to better manage the system by identifying water losses in the distribution system by comparing water put into the system to water billed. We have implemented an annual system leak detection audit as one means of reducing our water system losses. Water main breaks in our old underground distribution system are responsible for most of our water losses. When leaks are detected, or water main breaks occur they are promptly fixed. Water main breaks are costly from both the loss of water and the cost to repair the leaking pipe and restore the roadway. In 2022 we had 3 major main breaks in the 4th quarter of the year. These resulted in the loss of approximately 10% of the total water we put into the distribution system. We have an ongoing program to replace old mains, some of which are over 100 years old as this is the only way we reduce water main breaks and lost water. When these unavoidable and unpredictable water main breaks occur, the new website has an ALERT section to provide residents of the water main break and the areas affected.

Water Billing & Payment

Water billing and payment options have also been upgraded for our customers.

Billing

Electronic billing is available. Currently, 25% of our customers have elected paperless billing. Hopefully, over time, this percentage will increase as it saves considerable time in paper handling and postage. The Village currently spends more than \$2.10 per account, per billing cycle in processing paper bills.

Payment

Electronic bill payment is an option. Currently 42% of our customers are paying online and through direct bill payment.

Wastewater Treatment Plant and Underground Sewer Rehabilitation

We took important steps to achieve our goal of eliminating all SSO's by the most cost-effective means:

1. The service life of the East Washington sewer increased by 50 to 75 years and achieved significant reduction in I&I. This line was originally installed in the early 1900's.
2. The need to construct an additional retention tank at Riverside Park at an estimated cost of \$8,000,000 has been avoided.
3. We have taken advantage of extremely low long-term interest rates currently available through the OEPA and OPWC to fund the WWTP upgrade projects. We have an average borrowing rate of 0.33% for the current construction projects. The individual rates are noted in the following table.

E. Washington Street	0.5%	50 basis points	30-years
WWTP Phase I	0.03%	3 basis points	20-years

This will save hundreds of thousands of dollars in interest over the repayment period, spread the cost over 20 to 30 years, and minimizing the future impact on sewer rates, while achieving long-term environmental compliance. We have also received \$445,000 in cash grants from OPWC. The debt will be retired from the utility charges over the next 20 to 30 years. Paying for these improvements over time both holds down current rates and assures inter-generational fairness as future residents who will enjoy the benefits of our

improvements should share in their cost. In 2023 we will move onto the second phase of this project, and when complete we will have met all our regulatory requirement in the most cost effective means possible.

Measures to control operating costs of the WWTP are a continuing focus of the administration. In 2022 we implemented a new sludge disposal site. In comparison to the old method of trucking the sludge to a distant site of Waste Management and paying \$39.13 a ton, we switched to Argo-sludge and are now paying \$26.03 a ton, over 30% in savings.

With the end of our current PPA in June of this year and the forecast major increase in kWh costs for a new PPA we initiated a study of possible means to control ever escalation power costs. With the passage of the Inflation Reduction Act (IRA) this August, solar power was a potentially viable means to control cost. Prior to the passage of this act tax exempt entities could not avail themselves of the federal renewable energy subsidies. The act changed that and now provides for direct payment of a percentage of the total cost from the federal government. The IRA provides for an across the board 30% reimbursement of the cost and a potential bonus payment of an additional 10% of the cost if certain domestic content requirements were met; potentially 40% in total of the cost of installation.

Also, in August 2022, Cuyahoga County offered grants for certain projects to help the environment. Chagrin Falls applied for this grant for the proposed solar installation at the WWTP. We were awarded \$250,000, which is in addition to the federal direct payments discussed above. Taken together, these outside payments are projected to fund over half the cost of the installation.

The administration will be submitting a proposal this March to Village Council to initiate solar power generation capability at the WWTP. The proposed contract for the solar installation will guarantee a minimum 35% of the WWTP's power needs at substantially lower cost than we would be able to buy kWh on the open market once our current PPA expires in June of 2023. Our projection is the long-term fixed solar power cost ~\$0.05 per kWh compared to the market price for power which is expected to be in range of \$0.08 per kWh in 2023. The solar power price will be fixed for the 25-year life of the installation while market prices for power will likely continue to escalate.

During 2023, we look forward to continuing to provide the safe, secure and enjoyable environment that our residents have come to expect. As always, if you have questions or concerns, don't hesitate to call Village Hall, the Mayor or your elected Council Representatives, as we are here to serve you.

Mayor William A. Tomko

