

# Documenters

POWERED BY CITY BUREAU & SIGNAL CLEVELAND

## Utilities Committee

Documenter name: Alyssa Holznagel

Agency: [Cleveland City Council](#)

Date: Nov. 9, 2023

[See more about this meeting at Documenters.org](#)

---

## Summary

- Cleveland has the 10th largest water system in the country by some metrics.
- If you need assistance with your utility bills, there are [affordability programs and payment plan options](#).
- Over 50% of the water main and pipe infrastructure in the city is new or was relined in recent years.

## Notes

This meeting of the Utilities Committee began with a brief operational review of the Division of Radio Communications, represented by Brad Handke, along with Martin Keane, director of the Department of Public Utilities, and Catherine Troy, chief financial officer of the department.

The division manages the radio system for all Cleveland safety services (police, fire and EMS) as well as for some suburbs. The department has been operating with four out of eight budgeted employees. It recently hired a fifth but has three vacancies at present.

Next, the Division of Water presented an operational review, led by Commissioner Alex Margevicius, with input from Keane and Troy. The division takes in and treats water from Lake Erie, pumping and distributing the water through Cleveland and many suburbs, installing and maintaining meters and water mains, and billing for water services.

The budget is an [enterprise fund](#), separate from the city's [General Fund](#) (more information on enterprise funds can be found [on the city's website](#)). The Cleveland Division of Water oversees the 10th largest water system in the United States, if you rank them by the number of accounts, Margevicius said.

The average monthly water bill for Cleveland residents is \$24.71. The division is enacting a roughly 3.5% rate increase in 2024, bringing the estimated average monthly bill to

\$25.58, Margevicius said. City Council approved the increase [about two years ago](#). In response to committee questions later on, Margevicius said this is the first rate increase in several years.

The Customer Account Services Department handles billing, meter reads, call centers, credit and collections, and permits and sales. It has 293 staff.

Thirty-five percent of the division's budget goes toward capital expenses. The division also has debt obligations of \$446.6 million. Margevicius said that about 10 years ago, the Division of Water debts were approaching a billion dollars and they've done a really good job paying that down. The division has high bond ratings, which helps them borrow.

A relatively new automated meter reading (AMR) system has improved bill timeliness (99.8% of bills are issued on time) and accuracy (95.4% of bills are based on actual reads). Prior to the implementation of the AMR system, about 17% of bills were not based on actual reads but on estimates.

The 12-month Water Distribution Worker [Apprenticeship Program](#) provides classroom and on-the-job training, mentorship, and typically a job offer upon completion, Margevicius said. The program has served 39 students since it began in 2018.

The division runs four water treatment plants with 189 plant operations staff ensuring water quality. They have had zero treatment violations from the Ohio EPA for many years, which Margevicius said is the most important measure of success. The division voluntarily participates in the [Partnership for Safe Water](#).

The 449 Distribution, Maintenance, and Engineering staff complete capital projects and repair main breaks, 87.5% of which are repaired in eight days or less. The [presentation said that 100%](#) of the division's capital projects were completed on time and within budget. These include water main replacements as well as maintenance to treatment plants, water towers and pumps, and office buildings.

Questions from committee members:

Committee Chair Brian Kazy said he receives frequent calls from constituents who feel their water bill is too high.

Margevicius said that, historically, the sewer district charge was included on the water bill, more than doubling it in most cases. Residents lump these costs together in their budgets. There are two separate bills now. Margevicius referenced the lack of rate hikes in recent history and said that those eligible for affordability programs can save up to

40% on their monthly bills.

Committee Vice Chair Jenny Spencer asked about communications between departments completing street resurfacing and the Division of Water. She asked if water mains could be inspected before resurfacing is completed to avoid situations where the water main breaks impact a newly surfaced street.

Margevicius said they do attempt to coordinate with the Department of Public Works and set aside \$4 million in the budget to contract out to MOCAP ([Mayor's Office of Capital Projects](#)) for water main repairs that can occur in conjunction with street maintenance.

Council Member Mike Polensek said that decisions made in the past by council to support the Division of Water have resulted in Cleveland having “one of the best water systems in the country” today. Polensek asked about the roughly 5% of bills not based on actual readings by AMR.

Margevicius said the bulk of these are in Westlake due to [a legal case](#) (resolved in 2022), and they are working to implement AMR for those customers now. There will always be a portion of meters that have construction occurring around them, plant growth, or radio issues that prevent the AMR system from working.

Polensek asked how much the division is waiting on in outstanding water bills. Troy said about \$45 million. Polensek asked what is being done to fix this. Keane referenced efforts to reach account holders who are delinquent in payments. Efforts include using door hangers and collections up to disconnection, but he said they have not caught up on the bill freeze since the pandemic.

Keane said that the division remains compassionate to account holders who are struggling with payments and that there are “very flexible” payment programs and [utility amnesty](#) in the City of Cleveland to help folks get caught up.

Polensek encouraged people to make a plan for payments. He said he came across people during the pandemic who had the ability to pay but chose not to. He said absentee landlords are part of the problem.

Polensek asked about private entities who open the streets for construction purposes and then don't restore them (especially brick streets). Margevicius said that while they do inspect the tap after the installation of new lines, they do not enforce the permit the construction company would need to open the street that requires the restoration.

Polensek asked about how many lines still need to be cleaned and re-lined, a process

that Margevicius said is cheaper than replacement. Margevicius said the division took a re-lining approach in response to urgent fire safety needs but is no longer doing this and has switched to focus on replacements.

Over half the lines in Cleveland have either been re-lined or replaced in recent years, he added.

Polensek said, “You’re going to be replacing water lines until the second coming.” Keane responded, “Absolutely.” Polensek emphasized the importance of safe water pressure for fire safety.

Council Member Kevin Bishop asked if about 50% of pipes have met or exceeded their useful life. Margevicius said there’s no defined “useful life” of pipes, as some old mains perform better than new ones. The division prioritizes replacement based on break rates, fire protection needs (which change with the density of housing), and water quality concerns.

Six [emergency ordinances](#) were discussed and approved by the committee. They are largely for authorizing funding:

[1013-2023](#): Estimated cost of \$7.4 million for treatment of solids that are a byproduct of the water treatment program. The solids must be thickened before they can be disposed of, and this ordinance will allow the division to maintain and improve the equipment used in that process.

[1014-2023](#): Contracts for professional services necessary to provide software and hardware maintenance. This would cost about \$300,000 and impact the aforementioned AMR system and tech that tests the accuracy of meters.

[1026-2023](#): Authorization of public improvement contracts and hiring of consultants to design and implement the improvement of the West 70th Street, Baltic Road, Homer Avenue and West 38th Street area sewer projects.

Commissioner of Water Pollution Control Ramona Lowery-Ferrell answered questions about how the project areas were identified (capacity and need) through a city-wide survey.

Spencer and Council Member Deborah Gray noted that the majority of the projects are on the West Side, with two in Ward 15. Lowery-Ferrell said that if there was unlimited funding, the division would be proposing many more projects.

[1086-2023](#): Authorization of the General Fund to receive and use revenue from tax remittances collected by Cleveland Public Power during the years 2024 and 2025 and transfer 100% of tax remittances collected in both years back to Cleveland Public Power.

This will need to be reauthorized every two years as long as the taxing authority (state of Ohio) allows the remittances to be returned to the utilities for reinvestment.

[1136-2023](#): Authorization for the director of Public Utilities to contract with [Cleveland Water Alliance](#) to provide state-of-the-art water quality detection equipment and to deploy, maintain and retrieve data from four buoys in Lake Erie for up to three years.

Margevicius said he is excited about this project, emphasizing the need for tracking and understanding the condition of the lake, including temperature, chlorophyll (related to algae blooms) and oxygen levels.

Keane said Cleveland Water Alliance, which became involved in 2021, is the best and only option for this partnership.

[1232-2023](#): To allow all divisions in the Department of Public Utilities to apply for and accept grants. The current ordinance requires applications to be approved by City Council, which can prevent grant applications with tight timelines from being submitted.

Kazy and Polensek noted that City Council would still approve expenses over \$50,000, and they were supportive of this change.

---

If you believe anything in these notes is inaccurate, please email us at [clDOCUMENTERS@gmail.com](mailto:clDOCUMENTERS@gmail.com) with "Correction Request" in the subject line.