



Legislation Text

File #: O-315-18, Version: 1

Cleveland-Cliffs Inc. Water Agreement
Department of Public Utilities
Edward Moore (x1845)
Revised

Authorizing the Mayor to execute a water agreement with IronUnits LLC, a subsidiary of Cleveland-Cliffs Inc., to sell Filter Wash Water and Potable water to the hot briquetted iron production plant that is being constructed in Toledo; and declaring an emergency.

SUMMARY & BACKGROUND:

Cleveland-Cliffs, Inc. selected a site in East Toledo's Ironville for a new hot briquetted iron production plant. The plant will require significant amounts of water. Toledo's abundance of inexpensive water was one of the reasons why this location was selected. The projected quantity of water to be demanded by the future plant exceeds the quantity formerly used by the City of Waterville. In addition to using potable water as part of the production process, the plant is also able to use Filter Wash Water.

Filter Wash Water is not potable. It is treated water that was used to clean the filter beds. It contains solids, calcium and residual chemicals from the treatment process. Currently, Filter Wash Water is discharged pursuant to a NPDES permit. Filter Wash Water is a waste product of the water treatment process and does not produce any revenue.

Cleveland-Cliffs Inc.'s subsidiary, IronUnits LLC, has agreed to purchase Toledo's Filter Wash Water at the rate of 25% of the fourth declining block. This is a new revenue stream for Toledo. The sale of Filter Wash Water will require new infrastructure to be constructed. IronUnits LLC has agreed to be responsible for the costs of the infrastructure improvements.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the Mayor is authorized to execute a water agreement between Toledo and IronUnits LLC, substantially similar to the agreement attached to this Ordinance as Exhibit A.

SECTION 2. That the water agreement shall contain such other terms and conditions as the Directors of Law and Public Utilities deem to be in the best interest of the City.

SECTION 3. That this Ordinance is declared to be an emergency measure and shall take effect and be in force immediately from and after its passage. The reason for the emergency lies in the fact that the same is necessary for the immediate preservation of the public peace, health, safety and property, and for the further reason that it is immediately necessary to continue development of the new plant thus promoting economic development.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council