

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
JANUARY 5, 2017

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown
R. Sulik
W. O'Malley
J. Bacci
T. DeGeeter
S. Dumas
R. Stefanik

The Secretary informed the President that a quorum was in attendance.

II. Approval of Minutes

MOTION – Mayor Bacci moved and Mr. Sulik seconded to approve the minutes of the December 1, 2016, Board Meeting, the December 15, 2016, Special Board Meeting and the December 27, 2016, Special Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Ciaccia referred to the District's financial summary through November which showed revenues exceeding projections and expenses under projections. He expects these figures to remain through the end of 2016. Since this was the base year for the rate analysis it will put the District in a good position for the next five years.

V. Action Items

Authorization to Advertise

Resolution No. 1-17

Authorization to publish notice calling for bids in accordance with Ohio Revised Code Section 6119.10, for construction of the Kingsbury Run Preliminary Engineering, Early Action Project

with an engineer's opinion of probable construction cost of \$5,750,000.00.

Resolution No. 2-17

Authorization to publish notice calling for bids in accordance with Ohio Revised Code Section 6119.10, for construction of the Doan Valley Storage Tunnel Project with an engineer's opinion of probable construction cost of \$145,000,000.00.

Resolution No. 3-17

Authorization to publish notice calling for bids in accordance with Ohio Revised Code Section 6119.10, for crane inspection, maintenance and repairs at all wastewater treatment plants and District pump stations with an anticipated expenditure of \$225,000.00.

Resolution No. 4-17

Authorization to publish notice calling for bids in accordance with Ohio Revised Code Section 6119.10, for grounds maintenance services with an anticipated expenditure of \$185,220.00.

MOTION – Mayor Stefanik moved and Ms. Dumas seconded to adopt Resolution Nos. 1-17 through 4-17. After the following discussion and without objection, the motion carried unanimously.

Mr. Brown requested an explanation regarding Resolution No. 2-17. Mike Seluga, Project Manager, advised that three tunnel segments comprise the Doan Valley contract.

The unique aspect of the storage tunnel is that there is no pump station at the downstream end because it drains by gravity. The project will reduce combined sewer overflows (CSOs) by 365 million gallons per year.

Mr. Seluga explained that after a two-year design period staff intends to issue a construction notice to proceed in May which would be seven months ahead of the consent decree deadline. Construction is expected to last four years and will have concurrent mining.

University Circle Incorporated was key assisting the District through stakeholder outreach. District staff held numerous meetings with CWD and Tier II of outreach will commence soon. The irregular shape of the construction easement was to utilize more open space and minimize tree clearing or disturbances to the city park.

Mr. Seluga advised that the permanent CSO points along the Doan Brook experience 49 overflows to the Doan Brook and after this project is completed there will be three per year and in compliance with consent decree performance.

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Mr. Brown stated that at some point he would like an understanding about how or if the project will affect flows in the Doan Brook because baseline flow, when there is no wet weather event continues to be an issue. Mr. Seluga explained that the tunnel overflows to the brook but has no connections in from the Brook, so base flow should be unchanged. Gates on the system close once it reaches required consent decree capture volumes.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 5-17

Authorize the issuance of RFPs, in accordance with Ohio Revised Code Chapter 153, for design-build services for the Emerald Parkway Culvert Repair Project.

Resolution No. 6-17

Authorize the issuance of RFPs, in accordance with Ohio Revised Code Chapter 153, for design-build services for the Westerly Incinerator Improvements Project.

MOTION – Mr. O’Malley moved and Mayor Bacci seconded to adopt Resolution Nos. 5-17 through 6-17. After the following discussion and without objection, the motion carried unanimously.

Mr. Brown inquired whether a timing or logistical issue made a design-build a better option. James Bunsey, Director of Engineering & Construction, explained that it was not due to schedule but repair and rehabilitation contracts specifically to replace the burners and interior of the incinerator which is specific to a small number of contractors.

Staff would like the qualification to select the firm to perform the work, inspect the incinerator and work with District staff to decide what needs to be replaced.

Authorization to Purchase

Resolution No. 7-17

Authorize the direct purchase from sole source vendor REXEL, one-year of software maintenance and support services with Rockwell Automation in the amount of \$84,315.73.

MOTION – Mayor DeGeeter moved and Mayor Stefanik seconded to adopt Resolution No. 7-17. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement(s)

Resolution No. 8-17

Authorize agreement with the Kamm’s Corners Development Corporation for the implementation and maintenance of the Kamm’s Corners Public

Parking Lot Retrofit Project in an amount not-to-exceed \$249,583.00.

Resolution No. 9-17

Authorize agreements with nine watershed organizations as contractors in the 2017 Watershed Partners Service Agreement Program in an amount not-to-exceed \$304,000.00.

Resolution No. 10-17

Authorize agreements with member communities to fund the twelve Member Community Infrastructure Program projects for 2017 in the amount of \$7,238,211.00.

Resolution No. 11-17

Authorize a settlement agreement with Harvey G. Oppmann, BNT Apartments LLC, BNT Manager LLC, Neal Terrace Apartments Limited, and Boulevard Terrace Apartments Limited to resolve the balance on twenty-one combined water and sewer accounts in the amount of \$267,000.00, with approximately \$138,840.00 to be applied to sewer accounts.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution Nos. 8-17 through 11-17. After discussion and without objection, the motion carried unanimously with respect to Resolutions No. 8-17 and No. 11-17; and with six (6) aye votes and one abstention by Mr. Brown on Resolution No. 9-17; and with six (6) aye votes and one abstention by Mayor DeGeeter on Resolution No. 10-17.

Authorization to Enter Into Contract

Resolution No. 12-17

Authorize contract with Ward & Burke Tunneling, Inc. for the Westerly Low Level Relief Sewer Project in the amount of \$9,611,700.00.

Resolution No. 13-17

Authorize professional services contract with Arcadis U.S., Inc. for the Capital Improvement Program Environmental Services Project in the amount of \$1,000,000.00.

Resolution No. 14-17

Authorize construction contract with The Great Lakes Construction Company for the Green Lake Dredging Project in the amount of \$1,528,200.00.

Resolution No. 15-17

Authorize professional services contract with Brown and Caldwell for the Southerly Second

Stage Settling Improvements Project in the amount of \$4,973,118.00.

Resolution No. 16-17

Authorize contract with Heidelberg University to operate a water quality monitoring station on the Cuyahoga River at Independence in the amount of \$68,000.00.

Resolution No. 17-17

Authorize contract with Compass Consulting Services, LLC for the execution of the Districtwide Diversity and Inclusion Survey and Diversity Strategic Plan.

Resolution No. 18-17

Authorize one-year contracts with Consumers Life Insurance Company to provide 2017 short-term disability insurance coverage in the amount of \$684,141.67; Medical Mutual Services, LLC for 2017 medical insurance coverage in the amount of \$10,000,000.00; and Medical Mutual Services, LLC for 2017 healthcare administrative fees and to provide stop-loss coverage in the amount of \$1,252,066.92.

Resolution No. 19-17

Authorize a two-year requirement contract with Great Lakes Petroleum Co. to provide fuel management services at all District facilities in the amount of \$404,970.58.

Resolution No. 20-17

Authorize a two-year contract with Lakeside Building Services, Inc. for janitorial services at the George J. McMonagle building, the Environmental Maintenance Services Center and the Fleet Services facilities in the amount of \$513,816.00.

MOTION – Mr. O'Malley moved and Ms. Dumas seconded to adopt Resolution Nos. 12-17 through 20-17. After the following discussion and without objection, the motion carried unanimously.

Referencing Resolution No. 12-17, Mr. Sulik questioned whether staff was working with the vendor to fulfill their MBA-WBA requirements. Mr. Bunsey affirmed and explained that this contractor is new to the District. Staff had a pre-award meeting with them during which the contractor stated they would meet and exceed those goals. The contractor was subsequently contacted by Business Opportunity Program partners to be part of their team, and staff is comfortable they will meet or exceed the goal.

Mr. Brown stated that the District put time and energy into pre-qualifying vendors in the program to work as subcontractors on such projects and he did not understand why that would not carry over to a new vendor in town.

CEO Ciaccia advised that Engineering staff had, during meetings with them, made sure they could do the job for the price quoted because it is considerably lower than the next lowest bidder and the Business Opportunity Program implications. Ultimately staff thought this favorable bid, coupled with the vendor's BOP commitments warranted a recommendation to move forward because going with the second lowest bidder or rebidding the project would have resulted in a significant increase in price.

Ms. Dumas inquired what happens if the goals are not met. Tiffany Jordan, Contract Compliance Manger, stated that during the monitoring process the goal indicated by the low bidder is tracked and the contractor has the duration of the project to meet it. The contractor for this particular project has already added subcontractors and staff would keep tabs on the prime contractor through progress meetings on a monthly basis.

Ms. Jordan explained that there are sanctions available under the Business Opportunity Program policies when a prime contractor does not use good faith efforts to meet Business Opportunity Program goals. The District can also consider a contractor's prior failure to use good faith efforts to meet Business Opportunity Goals when evaluating future bids for the lowest and best.

Moving conversation to Resolution No. 18-17, Mr. Brown inquired how does it compares to last year. Fran Mackovjak, Senior Human Resources Manager, stated that health insurance claims, administrative fees and stop-loss coverage is typical; short-term disability insurance increased by 13% and there is a 2% reduction in health insurance premiums this year.

Authorization to Pay Fees

Resolution No. 21-17

Authorize the payment of Ohio EPA annual discharge fees for all wastewater treatment plants in the amount of \$129,400.00.

MOTION – Mayor DeGeeter moved and Mr. O'Malley seconded to adopt Resolution No. 21-17. After discussion and without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 22-17

Authorize the final adjustment of Contract No. 16002256, for the Southerly Ash Lagoon Bridge Renovation Project, by decreasing the contract

amount by \$91,118.73 bringing the total contract price to \$691,381.27.

Resolution No. 23-17

Authorize the final adjustment of Contract No. 15003480, for the Easterly Primary Settling Tanks Nos. 9-12 Rehabilitation Project, by decreasing the contract amount by \$263,915.55 bringing the total contract price to \$1,515,034.45.

Resolution No. 24-17

Authorization to ratify the modification of the existing professional services contracts with Solar Testing Laboratories, Terracon (HC Nutting), Professional Service Industries, and Resource International for the Testing and Construction Inspection Services Project that added an additional 59 days to the term of each agreement, for a total extension of 425 days from the original expiration dates of the contracts.

Resolution No. 25-17

Authorization to modify Contract No. 11000422 with Andrew J. Futey & Associates for federal advocacy services by extending the contract for one year and increasing the contract amount by \$85,000.00 bringing the total contract price not-to-exceed \$585,290.00.

Resolution No. 26-17

Authorization to modify Contract No. 11001993 with Vorys Advisors LLC by extending the contract for one year and increasing the contract amount by \$72,000.00 bringing the total contract price not-to-exceed \$443,000.00.

Resolution No. 27-17

Authorization to modify Contract No. 16003448 with Deloitte Consulting, LLP to extend Oracle Planning and Budgeting Cloud Service support through June 26, 2017 for an increase in the amount of \$96,984.00 bringing the total contract price to \$329,157.00.

Resolution No. 28-17

Authorization to modify Contract No. 16002027 with ZED Digital for Phase 2 of the Internet Assessment and Implementation Project in the amount of \$36,030.00 bringing the total contract price to \$175,000.00.

MOTION – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 22-17 through 28-17. After the following discussion and without objection, the motion carried unanimously.

Referencing Resolution Nos. 25-17 and 26-17, Mr. Brown questioned when the District should go out for new proposals for such services. CEO Ciaccia recommended going out for proposals after this year so both firms may continue working on important issues at the federal and state levels and so the new CEO may assess how that work transpires.

Mr. Brown noted that it would be useful to know what the District gets for this service in terms of outcomes. CEO Ciaccia stated that they will be asked to give a presentation to the Board. He added that access since Mr. Futey was hired has been tremendous.

Property-Related Transactions

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| Resolution No. 29-17 | Authorize the District to enter into a License Agreement with the City of Cleveland for the temporary use of Permanent Parcel Nos. 130-02-012 and 130-02-014 necessary for construction of the Kingsbury Run Preliminary Engineering Project with a consideration of \$750.00. |
| Resolution No. 30-17 | Authorize the District to acquire three hoop houses situated on property necessary for the construction of the East 140 th Street Consolidation and Relief Sewer project with a total consideration of \$20,205.00. |
| Resolution No. 31-17 | Authorize the District to acquire a permanent sewer easement from the B.B. Electric Company, Inc. also known as the B.B.C. Electric Company, Inc., located on a portion of permanent parcel number 124-18-039, necessary for the construction of the Kingsbury Run Culvert Repair Project with a consideration of \$300.00. |

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution Nos. 29-17 through 31-17. After discussion and without objection, the motion carried unanimously.

Authorization to Grant Credit

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| Resolution No. 32-17 | Authorization to grant a sewer account credit to Best Buy, 1417 Golden Gate Boulevard, Mayfield Heights, Ohio 44124, Account No. 6229250001, in the amount of \$669,072.72 for two underground |
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water leaks that did not enter the sanitary sewer system.

Resolution No. 33-17

Authorization to grant a sewer account credit to Northcoast Behavioral Healthcare, 1756 Sagamore Road, Northfield, Ohio 44067, Account No. 4041680000, in the amount of \$81,161.57 for an underground water leak that did not enter the sanitary sewer system.

MOTION – Mr. O’Malley moved and Mayor Stefanik seconded to adopt Resolution Nos. 32-17 through 33-17. After the following discussion and without objection, the motion carried unanimously.

Jennifer Demmerle, Chief Financial Officer, explained that Best Buy experienced a leak which started in January 2016. They were notified by the Cleveland Water Department in March of high usage or the meter reading wrong. Best Buy repaired the leak but still received high bills and were notified by CWD in May that the leak was continuing. The second leak was repaired in August and the District was notified by CWD in November this was occurring at the time when CWD gave them a credit for excess water. The WQIS department inspected in November and determined there were two different leaks at two different locations on the property that were underground and undetected, and District policy is to credit 100% of the excess sewer charges. The credit is so large because while this was ongoing on CWD continued to bill them at the higher readings.

Authorization to Amend Manual

Resolution No. 34-17

Authorize amendment of the Stormwater Fee Credit Policy Manual to incorporate the recommended changes of expanding the eligibility of the Individual Residential Property Credits to non-owner occupied single family homes or multifamily housing complexes of four or less units.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution No. 34-17. After the following discussion and without objection, the motion carried unanimously.

Frank Greenland, Director of Watershed Programs, indicated that owners of rental properties approached the District to ask why they could not get a credit if they were willing to fund a stormwater management practice at their property and maintain it. Staff felt the change was warranted and they will be under the same requirements as any residential property owner.

Sewer Use Code Matters

Resolution No. 35-17

Adopting the findings of the Hearing Examiner with regard to the sewer account of Rufus Webb, Sewer District Case No. 16-005.

Resolution No. 36-17

Adopting the findings of the Hearing Examiner with regard to the sewer account of Sarah and David Liska, Sewer District Case No. 16-010.

MOTION – Mr. O’Malley moved and Mayor Bacci seconded to adopt Resolution Nos. 35-17 through 36-17. After discussion and without objection, the motion carried unanimously.

Authorization of Appointment

Resolution No. 37-17

Authorize the District to reappoint Ken Koncilja to a two-year term of the Audit Committee beginning February 1, 2017.

Resolution No. 38-17

Authorize the District to appoint Kyle Dreyfuss-Wells as Chief Executive Officer; authorizing contract and extending contract of CEO Ciaccia.

MOTION – Mr. Sulik moved and Ms. Dumas seconded to adopt Resolution Nos. 37-17 through 38-17. After the following discussion and without objection, the motion carried unanimously.

Regarding Resolution No. 37-17, Mr. Sulik stated that Mr. Koncilja is in charge of audit compliance for Dana Holding Corporation, which is a \$7 billion corporation with 23,000 employees in 26 countries. The District is very fortunate to have him as part of the Audit Committee and highly recommends approving the resolution.

CEO Ciaccia also stated that the Audit Committee has been a tremendous asset from an operational standpoint. The Committee is chaired by Mr. Sulik and has two private sector members in Mr. Koncilja and Mr. Oleksa who joined the Committee a couple years ago. They have helped deal with Internal Audit and worked with staff on a number of issues including deciding agendas for auditing and risks associated with them and it has been one of his biggest accomplishments.

Moving to Resolution No. 38-17, Mr. Brown congratulated Ms. Dreyfuss-Wells and stated that the search for a new CEO was a very effective, efficient process that we went through. The Board is confident that the recommended candidate has the exceptional skills and qualifications for the path ahead.

While treatment and disposal was the focus of the District’s first 30-plus years, another expectation, was that the District would take on and manage stormwater as a regional authority. After being tested in court, the District has made a very good start in that regard and what will be

done in the future will be based on the ability to effect proper guidance to the region.

Additionally, this action extends the contract of CEO Ciaccia through February 10 to assure a proper period of transition.

VI. Information Items

1. Chief Legal Officer & General Counsel Claims Report to Northeast Ohio Regional Sewer District Board of Trustees, June 2016 - December 2016

The Board accepted the report and would contact the Chief Legal Officer if there were any questions.

2. IT Professional Services - 2016

Mr. Sulik thanked staff for the report.

Chandra Yadati, Director of Information Technology, advised that the department sought to justify every dollar it spends and through this approach has realized significant savings. Further detail was provided in the report.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

There were no items.

X. Approval of Items from Executive Session


There were no items.

IX. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mr. O'Malley seconded the motion to adjourn at 1:20 p.m. Without objection, the motion carried unanimously.



Walter O'Malley, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



Darnell Brown, President
Board of Trustees
Northeast Ohio Regional Sewer District