

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
NOVEMBER 3, 2016

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
R. Stefanik

ABSENT: S. Dumas

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 October 20, 2016, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Ciaccia began his report by stating that staff will attend a meeting in Columbus on November, November 12, during which the Ohio Environmental Council will present the District with a 2016 Environmental Achievement Award for the successful litigation and implementation of the Regional Stormwater Management Program (RSMP).

Staff also attended a meeting at Cleveland Hopkins International Airport this week to discuss projects to alleviate sewer-related problems. The purpose of the meeting was to determine whether there was any type of regional impact on these projects and potential funding sources in terms of the Community Cost-Share Program or Member Community Infrastructure Program.

CEO Ciaccia advised that as the RSMP progresses staff has found greater-than-anticipated emergency situations involving culverts.

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Frank Greenland, Director of Watershed Programs, advised that there are 50 to 70 miles of closed culverted streams across the service area -- many of which were constructed over 100 years ago and are at the end of their useful lives. Most of the culverts convey intercommunity flow, and under the District's court order, all wastewater enhancement is about solving intercommunity problems. Many transverse private property so determining ownership is difficult.

The culvert issue was not anticipated but must be dealt with as the RSMP moves forward. Future Combined Sewer Overflow designs will assess internal inspection of these culverts, determine whether they are compromised and such information will be compiled during the stormwater master plans. When the master plans are completed staff will have a much better idea how to satisfy these needs within the existing rate structure or future rate structures.

Mr. Brown stated that historically culverts are put in place because someone is trying to develop or use property for an intended purpose. Knowing who owns the problem does not necessarily mean they have the means or ability to mitigate the issue. He suggested looking into other practitioners that have had similar issues. Mr. Greenland indicated that staff will do so. Part of the District's maintenance policy with structural problems on culverts is to go to the owner and seek contribution or a lead on the solution.

Mr. Brown stated that some municipalities will take the position that unless there is flow from part of their system through these pipes they do not have the responsibility. CEO Ciaccia explained that the points Mr. Brown raised have been discussed internally but it comes down to who owns what and who can pay for their responsibility. For the time being the problem is present and getting worse and it will take government to resolve it.

Mr. Brown advised staff to proceed cautiously and as the District does these interventions because of public health, safety or welfare concern asked that the Law Department determines whether such actions are done without entering into some type of precedent-setting obligation.

V. Action Items

Authorization to Advertise

Resolution No. 302-16

Publish notice calling for bids in accordance with Ohio Revised Code Section 6119.10 for a two-year requirement contract to provide fuel management services at all District facilities with an anticipated expenditure of \$700,000.00.

MOTION – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 302-16. After discussion and without objection, the motion carried unanimously.

Mr. Brown questioned what priority the District is trying to get through this action. Ron Czerski, Deputy Director of Operations & Maintenance, advised that since the District is a utility it would

provide a fuel preference above many other organizations during emergencies.

Authorization to Issue Request for Proposals/Qualifications (RFPs/RFQs)

Resolution No. 303-16 Issue RFPs in accordance with Ohio Revised Code Chapter 153 for design and construction administration/resident project representation services for the Westerly Chemically Enhanced High-Rate Treatment project.

Resolution No. 304-16 Issue RFQs in accordance with Ohio Revised Code Chapter 153 for a two-year contract for janitorial services at the George J. McMonagle, Environmental and Maintenance Services Center and Fleet Services building facilities.

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution Nos. 303-16 through 304-16. After discussion and without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 305-16 Direct purchase of Moyno Pipeliner Parts, from sole source vendor Schultz Handling Equipment, for use at all wastewater treatment plants with an anticipated expenditure of \$150,000.00.

Resolution No. 306-16 Purchase of core switch hardware from Logicalis, through the State of Ohio Cooperative Purchasing Program, to replace end-of-life infrastructure hardware in the amount of \$157,656.89.

MOTION – Mayor Stefanik moved and Mr. O’Malley seconded to adopt Resolution Nos. 305-16 through 306-16. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 307-16 Authorize an agreement with the Cleveland Housing Network to administer the District’s Customer Assistance programs and Sewer Repair program for a five-year period with a cost not-to-exceed \$2,500,000.00 for the Energy program and \$785,540.00 for the Utility Assistance Program.

MOTION – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution No. 307-16. After discussion and without objection, the motion carried unanimously.

CEO Ciaccia stated that the Cleveland Housing Network has administered the Homestead Program on the District's behalf and during this rate period staff identified that only 50% of eligible customers were utilizing it, and the goal is to reach the other 50%.

The new part of the program is putting money into the program the City of Cleveland runs which provides assistance fixing waterlines and sewer lines. Fixing waterlines is helpful because it stops leaks and prevents customers from having large bills through leakage. There is income criteria for participation in the program.

Authorization to Enter Into Contract

Resolution No. 308-16 Authorize a three-year requirement contract with UniFirst Corporation for uniform rental and cleaning at all District facilities in the amount of \$389,058.89.

Resolution No. 309-16 Authorize a construction contract with Shook Construction Company for the Southerly First Stage Aeration Tank and Return Sludge Pump Station Improvements project in the amount of \$15,048,000.02.

Resolution No. 310-16 Authorize a construction contract with Shook Construction Company for the Westerly Wet Weather Facility Improvements project in the amount of \$3,537,800.00.

MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution Nos. 308-16 through 310-16. After discussion and without objection, the motion carried unanimously.

Mr. Brown requested an explanation regarding Resolution No. 309-16. James Bunsey, Director of Engineering & Construction, explained that the three apparent low bids on the project were all below the engineer's estimate and the fourth was also below by \$100,000. Staff continues its diligence looking at pricing.

This project is a repair and rehabilitation will replace channel blowers in preparation for the Southerly Parallel Treatment Project which is a consent decree control measure later this year.

Authorization to Pay Dues

Resolution No. 311-16 Authorize Payment of Dues for the Water Environment & Reuse Foundation subscription in the amount of \$96,140.00.

MOTION – Mr. O’Malley moved and Mayor Bacci seconded to adopt Resolution No. 311-16. After discussion and without objection, the motion carried unanimously.

Property-Related Transactions

Resolution No. 261a-16 Authorization to Modify resolution number 261-16 for a decrease in the amount of consideration paid to Mid-Continent Coal and Coke Company for a temporary easement from \$301,000.00 to \$134,000.00.

Resolution No. 312-16 Authorize the fee simple acquisition of one parcel of real property owned by Slavic Village Development for the Union/Buckeye Green Infrastructure project for the consideration of \$65,000.00.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution Nos. 261a-16 and 312-16. After discussion and without objection, the motion carried unanimously.

Authorization of Account Credit

Resolution No. 313-16 Authorize a discretionary wastewater credit adjustment to Tracey Brown, Account Number 6485650002, in the amount of \$28,383.11.

MOTION – Mr. O’Malley moved and Mr. Sulik seconded to adopt Resolution No. 313-16. After discussion and without objection, the motion carried unanimously.

Authorization of Base Pay Increases and Performance Pay

Resolution No. 314-16 Authorize the Chief Executive Officer to grant up to two percent base pay increases for non-union employees for 2017, and authorizing a budget dollar amount not to exceed \$700,000.00 for providing performance pay for 2016.

MOTION – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution No. 314-16. After discussion and without objection, the motion carried unanimously.

CEO Ciaccia noted that this action is in accordance with the budget the Board previously adopted.

Authorization to Formally Recognize

Resolution No. 315-16

Authorize formal recognition of the efforts of the District's 2016 Operations Challenge Team, "Minimal Headloss."

MOTION – Mayor Bacci moved and Mr. O'Malley seconded to adopt Resolution No. 315-16. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Financial Report and Investment Advisor Finance Report for the Nine-Month Period Ending September 30, 2016

Ken Duplay, Controller, advised the District's third quarter financial standing is in very good shape, with revenue and consumption better than what was budgeted. Expenses are also well under budget in every category.

The District has about \$300 million invested which is earning 0.98% year to date, including the remaining 2014 bond funds. Staff anticipates those bonds will be expended by the end of the first quarter of 2017. Additionally, the final payment will be made on the 2005 refunding issue.

2. Operations & Maintenance Quarterly Board Update

Frank Foley, Deputy Director of Operations & Maintenance, advised that through the third quarter of 2016 staff is operating under budget because of dry weather.

Performance for total suspended solids, carbonations, CBOD, and phosphorous were removed more than what is required by permits.

Gas savings through the third quarter was down a little and electricity savings is \$386,000 for the year. The number of dry weather overflows for the year is 12. Automated equipment within the collection system is operating 100% during wet weather events

Mr. Foley advised that the primary objective of the Operational Readiness Assessment is to evaluate whether staff is ready to take on assets to be delivered as part of Project Clean Lake and ensure there is an implementation plan. The study is due to be completed by the end of February.

Christen Wood, Unit Process Manager, explained that the Operations Challenge is an international competition showcasing things wastewater professionals do. The District's team had the second-highest score ever on simulator software and bettered its Ohio qualifying time in the collections field. Additionally, in June the team won Division II for the State of Ohio which earned them the right to go to nationals and represent Ohio. At that event the team won the process control event across all divisions with the top score.

Ms. Wood stated that the District engages in this competition because it fosters employee excellence.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

MOTION – Mayor Bacci moved to go into Executive Session pursuant to Ohio Revised Code Section 1212.2(b)(1) to discuss pending and/or eminent court action and also to consider the appointment and employment of a public employee. After discussion and without objection, the motion carried unanimously by roll call vote.

The Board met in Executive Session from 1:14 p.m. to 1:31 p.m.

X. Approval of Items from Executive Session

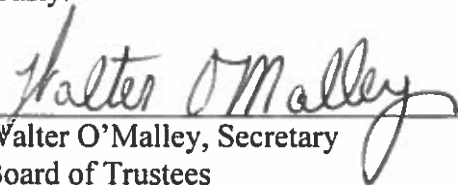
Resolution No. 316-16

Authorize settlement agreement with Gary Paulenske in the amount of \$550,000.00.

MOTION – Mayor Bacci moved and Mr. O’Malley seconded to adopt Resolution No. 316-16. After discussion and without objection, the motion carried unanimously.

IX. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mr. Sulik seconded the motion to adjourn at 1:32 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