

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
MAY 4, 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  
T. DeGeeter  
J. Bacci  
J. Ciaccia  
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 April 20, 2017, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Dreyfuss-Wells began her report by advising that Congress recently approved a continuing resolution which keeps the government operating through September 2017. The proposed 30% budget cut for the US Environmental Protection Agency (EPA) and the possibility of relocating the Region-5 Chicago office is off the table for the time being.

Congresswoman Fudge reintroduced the Low-Income Sewer and Water Assistance Program Act which she also introduced during the previous Congress. This proposed program would set up 10 pilot jurisdictions to assist folks who are unable to pay their sewer bills similarly to the Home Energy Assistance Programs. The proposed program is a companion to the affordability programs at the District. The chances of passage are slim but they hope it could potentially be an amendment to a moving bill.

The Cleveland Water Alliance and other private for-profit companies with a focus of building water-based industries in Northeast Ohio launched "Erie Hack" in February. The aim is to bring

together engineers, coders and other scientists to formulate alternative ways and tools to deal with Lake Erie water quality problems.

Concluding her report, CEO Dreyfuss-Wells introduced Devona Marshall, who was appointed Director of Engineering & Construction following James Bunsey's appointment to Chief Operating Officer.

V. Action Items

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 144-17	Authorization to issue RFPs, in accordance with Ohio Revised Code Chapter 6119, for the Plan Review Software Implementation project.
Resolution No. 145-17	Authorization to issue RFPs, in accordance with Ohio Revised Code Chapter 6119, for three consultant resources skilled in Oracle EBS Financials, Purchasing and Work Asset Management modules.
Resolution No. 146-17	Authorization to issue RFPs, in accordance with Ohio Revised Code Chapter 6119, for the Grant Management Software Implementation project.

**MOTION** – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution Nos. 144-17 through 146-17. After the following discussion and without objection, the motion carried unanimously.

Mr. Brown requested an elaboration regarding Resolution No. 144-17. Frank Greenland, Director of Watershed Programs, advised that the District is endeavoring to automate what is currently a manual process. Under the Title V, stormwater plans from communities are sent to the District for review with a 15-day turnover target. The District intends to move to automatic plan submission directly through the District website. This software will allow staff to review and make changes as it integrates into the GIS. Automation could decrease the 15-day turnaround time as well.

Mr. Ciaccia inquired how reviewing the plans dovetails with Engineering & Construction's review of plans for the Capital Program. Devona Marshall, Director of Engineering & Construction, explained that staff will participate in the evaluation of the software to see if it fits their needs.

Moving to Resolution No. 146-17, Mr. Ciaccia questioned whether the grant management software could be a singular solution. Chandra Yadati, Director of Information Technology (IT), explained that the needs vary because the grant program involves disbursements.

Mr. Ciaccia stated that the resolution request for the grants mentions MCIP review and but there

will be a lot of plan reviews for that program. Mr. Greenland advised that the grants are the three major programs of community cost-share, green infrastructure and the MCIP to track the applications, funding and disbursements.

CEO Dreyfuss-Wells advised that the plan review under the MCIP will be limited and the key component to the grant software is to help staff track the disbursement of reimbursement funding to applicants. Grant management is a long-term relationship with that applicant which can go over a year.

Ms. Marshall stated that the District does not have an automated review of the plans which is why staff is very interested in what this technology has to offer.

Authorization to Purchase

Resolution No. 147-17

Authorize the purchase from Oracle Corporation of two additional years of Annual Software subscription for Cloud Services for PBCS (Planning and Budgeting) and Taleo (Talent Acquisition and Onboarding) in the amount of \$132,000.00.

**MOTION** – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution No. 147-17. Without objection, the motion carried unanimously.

Authorization to Amend Agreement

Resolution No. 148-17

Authorization to amend the Settlement Agreement between the District and the City of North Royalton to modify payment terms for the Cedar Estates Detention project to allow the District to make a one-time, lump-sum payment in an amount not-to-exceed \$700,000.00 in lieu of quarterly installment payments over a twenty-year period.

**MOTION** – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution No. 148-17. Without objection, the motion carried with one abstention by Mayor Stefanik.

Eric Luckage, Chief Legal Officer & General Counsel, stated that this action is part of a settlement agreement executed with the City of North Royalton several years ago related to stormwater. As part of that agreement the District agreed to contribute up to \$700,000 towards the Cedar Estates Detention Project over a 20-year period of quarterly payments. This action would make that payment a lump sum. Funds are available to make the lump-sum payment, which will relieve the District of the administrative burden of payments over the course of twenty years.

Authorization to Enter Into Contract

- Resolution No. 149-17 Authorize construction contract with DiGioia Suburban Excavating, LLC for the Union/Buckeye Green Infrastructure project in the amount of \$4,850,273.00.
- Resolution No. 150-17 Authorize construction contract with Ward & Burke Tunneling, Inc. for the Kingsbury Run Culvert Repair project in the amount of \$9,871,800.00.
- Resolution No. 151-17 Authorize design-build contract with Shook construction company for the Southerly Primary Settling Tanks 11 to 18 Support Column Repair project in the amount of \$837,848.00.

**MOTION** – Ms. Dumas moved and Mayor Bacci seconded to adopt Resolution Nos. 149-17 through 151-17. Without objection, the motion carried unanimously.

Mr. Brown requested an explanation regarding Resolution No. 150-17. Ms. Marshall stated that the Kingsbury Run Culvert Repair Project will install 3,500 feet of sewer bypassing a portion of the Kingsbury Culvert that is in horrible condition and blocked significantly. This area is located south of Woodland Avenue between East 75<sup>th</sup> Street and East 64<sup>th</sup> Street and will be an outlet for the Woodland Central Green Infrastructure Project.

The District received four bids for the project and two were significantly over the engineer's estimate and two were significantly lower. The lowest bidder, Ward & Burke, came in 17% under the engineer's estimate. The contractor was recently awarded the Westerly Low Level Relief Sewer Project. Prior to being awarded the Westerly Low Level Project staff followed up with other entities they have done work for and found they often deliver within the bid or under their bid price.

Moving to Resolution No. 151-17, Mr. Ciaccia noted that the District had approached design-build projects in a two-step process and questioned whether this was a one-step process. Ms. Marshall stated that it was a one-step process for the full amount for design and construction. The action is considerably under what was carried in the budget.

#### Authorization to Contract Modification

- Resolution No. 152-17 Authorize the final adjusting modification of Contract No. 16002662 with Nerone & Sons, Inc. for the Westerly CSOTF Piping Repairs project by decreasing the contract amount by \$64,914.21 bringing the total contract price to \$483,700.79.

Resolution No. 153-17

Authorize an amendment to the Stormwater Management Reimbursement Fund and Regional Stormwater System Maintenance Reimbursement Agreement, entered into between the District and the Cleveland Metroparks, under which Cleveland Metroparks' 2016 stormwater fees will be deposited into the Stormwater Management Reimbursement Fund, but without the District match.

Resolution No. 154-17

Authorize the final adjusting modification of Contract No. 15002785 with River Reach Construction for the Highland Park Golf Course Stream Restoration project by decreasing the contract amount by \$87,456.98 bringing the total contract price to \$1,611,943.02.

**MOTION** – Mayor Stefanik moved and Ms. Dumas seconded to adopt Resolution Nos. 152-17 through 154-17. After the following discussion and without objection, the motion carried unanimously.

Mr. Brown requested an elaboration regarding “no match” under Resolution No. 153-17. Mr. Luckage explained that this is a requested amendment to an agreement with the Cleveland Metroparks that was approved by the Board on January 19, 2017, with an effective date of February 2, 2017. The agreement was approved by the Metroparks on December 8, 2016. Under the agreement the Metroparks pay their stormwater fees and the District matches that fee dollar for dollar.

During 2016 the Metroparks received two invoices from the District for their stormwater fees and paid both on December 28, 2016, with the intention that they would be included in this fund.

Since the agreement was not effective until February 2 the District did not intend those monies to go into the fund and would not be matched. Staff concluded to settle the matter with the Metroparks' fees going into the fund but not matched by the District on this occasion.

#### Authorization to Implement Program

Resolution No. 155-17

Authorize the implementation of the 2018 Member Community Infrastructure program through the release of the 2018 Request for Proposals.

**MOTION** – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution No. 155-17. Without objection, the motion carried unanimously.

#### VI. Information Items

1. Financial Report and Investment Advisor Performance Report for the Three-Month Period Ending March 31, 2017

Ken Duplay, Interim Chief Financial Officer, stated that the quarterly financial report shows that the District is meeting all financial ratios, debt service and other liquidity ratios.

Revenues were slightly below budget. Mr. Duplay noted that “unbilled revenue” represents estimated revenue under quarterly billing and will show a significant decrease, but that was expected due to the move to monthly billing.

The compliance report from the investment advisor shows the District's and advisor's performances meet all aspects of the adopted investment policy.

2. Operation & Maintenance Quarterly Board Update

Frank Foley, Deputy Director of Operation & Maintenance, presented a focus on safety, quality, delivery, cost, morale and environment.

The District is consistently below its monthly effluent limits for pollutants and through the first quarter of 2017 seven dry-weather overflows have occurred. One was caused by debris and the other six were caused by downstream blockages. Automated equipment in the collection system has been operational all times during wet weather. Planned maintenance work at each plant and in the collection system is consistent with what has been observed in the past.

The department budget for the year is \$68.5 million dollars. Spending through the first quarter is significantly below expectations, in some cases due to seasonal and timing factors.

The Operational Readiness Assessment and potential changes to the organization was a potential stressor for some employees with uncertainty regarding the future, and staff wants to reassure them. Negotiations will take place later this year with two labor unions.

Mr. Ciaccia inquired how will staff will assess the overall morale of the workforce in Operations. James Bunsey, Chief Operating Officer, explained that he visited the three plants and EMSC, met with senior staff and the management team that directly reports to them. There is by location tremendous teamwork which builds good morale. The next step is to take those data points and make improvements where possible to get more sustainability with the whole group.

Ron Czerski, Deputy Director of Operation & Maintenance, stated that the Renewable Energy Facility (REF) Optimization Project and Operational Readiness Assessment (ORA) Project have been ongoing for months and the assessment phase is nearing completion.

The purpose for ORA was to assess staff's ability to maintain plants and the collection system in the future given the following conditions: over one-third of the staff can retire in five years and

there will be \$3 billion worth of new assets built. Veolia has provided recommendations to address this gap.

Veolia provided a reorganization plan to divide technical work and operations and maintenance. They also recommended formulating standardized templates and reporting practices and implementing them consistently across all locations. These templates and reporting practices are called process control management plans. The process control management plans will also document the upper and lower control limits of the processes.

Operation and Maintenance has a strong asset management foundation and over the past several years put in different standards geared around maintaining the infrastructure.

Ms. Dumas requested an elaboration regarding the separation of work within Operation and Maintenance. Mr. Czerski advised that Operation and Maintenance must perform technical work such as reviewing design plans, providing data to communities, writing Standard Operating Procedures and lockout/tagout procedures while running the plant at the same time. Veolia has recommended creating a small group within the department to focus on those technical jobs while allowing Operation & Maintenance to run the plants.

COO Bunsey stated that staff is performing additional duties along with their standard baseline duties. These duties are by necessity because in the current organization there is no real place to do that. Staff would like a center that does that documentation and has a system to manage and access it indefinitely.

Mr. Czerski explained that the District will expand its maintenance training program to build more relationships with community colleges and others to get students interested in the District. Veolia has also recommended a "70/20/10" managerial development plan which would encompass 70% learning on the job, 20% under a mentor or coach and 10% taking a class. The goal of the plan would allow employees to be given real-life duties and while developing new managers.

Regarding the Renewable Energy Facility, Mr. Czerski stated that staff will evaluate the option of taking on additional sludge, which would require capital investment and regulatory changes. Staff will also evaluate the contract procurement policy because new assets will mean increased electrical and polymer usage.

Mr. Ciaccia referred to the REF optimization and inquired how long that evaluation will take because a vendor believes they could bring additional solids from outside sources with a potential for new revenue. COO Bunsey advised that what Veolia has given the District is true on a very high level, but the capital costs need to be understood because the District does not have the facilities needed. Staff needs to understand how much additional labor would be required to handle these vehicles and the political ramifications of trucks traveling to Southerly. The actual capital to would likely be at least three to five years.

Other recommendations could be implemented more quickly, such as an incineration process at Westerly that could be transported with minimal truckage and dry cake to Southerly at less cost

than even being a merchant facility. That would potentially benefit operations at the REF because it is under capacity.

Mr. Brown suggested looking at some aspects beyond strictly economics.

VII. Open Session

Mr. Brown commented on Resolution No. 150-17 by stating that in addition to being significantly under the engineer's estimate they significantly exceeded Business Opportunity Program participation goals.

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 121.22(g)(1) 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 1:30 p.m. to 2:46 p.m.


X. Approval of Items from Executive Session

There were no items.

XI. 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 2:46 p.m. Without objection, the motion carried unanimously.

  
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Timothy J. DeGeeter, Secretary  
Board of Trustees  
Northeast Ohio Regional Sewer District

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