MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
DECEMBER 3, 2015

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 Ms. Dumas seconded to approve the minutes of the November 19, 2015, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Chief Executive Officer (CEO) Ciaccia advised that no one signed up to speak about a specific agenda topic.

IV. Chief Executive Officer’s Report

CEO Ciaccia reported that the Supreme Court of Ohio ruled by a vote of 4-3 to deny motions for reconsideration in the Stormwater Management Program case, giving the District a clear victory. Once the final journal entry is entered District staff will move forward on releasing the $20 million previously collected from the escrow agent and ask the Court to dismiss the class action suit that was previously filed.
Staff is working with the Cleveland Utilities Department on reinstituting the stormwater fee into the bills, but that is not anticipated to occur until July 2016 at the earliest.

CEO Ciaccia advised that the District needs to update its databases for billing purposes and plans to bring a couple of consulting contracts to update databases to the next Board Meeting.

Work will begin soon with the communities regarding their stormwater needs because 25% of the $20 million in the escrow account is the community cost-share. Staff will also work with reconstituted watershed advisory committees to prioritize work. CEO Ciaccia stated that in terms of construction there are no projects in the immediate future, but the District will reposition itself to start carrying them out.

Concluding his report, CEO Ciaccia advised that the District has contracts in place to perform maintenance activities on the regional system. He has asked staff to be prepared should a major wet-weather event occur because it would be an opportunity to show what the program was intended to do.

V. Action Items

Authorization to Enter Into Contract


MOTION – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution No. 309-15. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 310-15  Agreements with Cleveland Metropolitan School District, Cleveland Public Library, Evergreen Cooperatives and Lynea Mitchell to Complete Installation of the Signature Project in the Glenville Community. Cost: Not-to-Exceed $40,000.00.

MOTION – Mr. Sulik moved and Ms. Dumas seconded to adopt Resolution No. 310-15. After discussion and without objection, the motion carried unanimously.
Authorization of Contract Modification

Resolution No. 311-15
Final Adjustment of Contract No. 13000463 with Kokosing Construction Company for the Westerly Wastewater Treatment Plant Centrifuge Replacement Design-Build Contract Project. Cost: A Decrease in the Amount of $218,062.94 Bringing the Total Contract Price to $5,207,937.06.

Resolution No. 140a-15
Modify Contract No. 15002548 with Sole Source Supplier GeoNexus Technologies, LLC to Procure Required User Software Licenses for the Geographic Information Systems and Oracle Work and Asset Management Integration Project. Cost: An Increase in the Amount of $135,000.00 Bringing the Total Contract Price to $380,000.00.

MOTION – Mr. O’Malley moved and Mayor Bacci seconded to adopt Resolution Nos. 311-15 and 140a-15. After discussion and without objection, the motion carried unanimously.

Authorization of Agreement Modification

Resolution No. 247a-15
Authorization to Change the Listed Water Resource Restoration Sponsor Program Implementer for the Beaver Creek/Bass Lake Connector Preservation Project from the Western Reserve Land Conservancy to the Natural Areas Land Conservancy.

MOTION – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution No. 247a-15. After discussion and without objection, the motion carried unanimously.

Property-Related Transaction

Resolution No. 312-15
Authorize the District to Obtain a Parcel, Located in the City of Cleveland, Necessary for the Woodland Central Green Infrastructure Project. Settlement Amount: $40,000.00 to be Deposited with Probate Court.

MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution No. 312-15. After discussion and without objection, the motion carried unanimously.
VI. Information Items

1. Operations & Maintenance Quarterly Report

Ray Weeden, Director of Operations & Maintenance, advised that the increase in electricity at Easterly and Westerly are because the budgeted electricity rate had been misapplied. Staff projects that by the end of the year the plants will be under budget with the exception of utilities in these categories.

In terms of plant performance, Mr. Weeden explained that in terms of total suspended solids and carbonaceous biological oxygen demand removal, staff is removing more than what the permit requires from the wastewater stream and at a rate consistently in the high 90% range. Phosphorous removal is also above what is required by the State of Ohio and permit requirements.

Mr. Weeden stated that staff has been in continuous improvement mode through the asset management program and the Sewer Systems Maintenance & Operation (SSMO) group maintains a high 90% for plant maintenance. That maintenance is also reflected in the reduction of dry weather overflows (DWOs). The trend is on the upswing for all three plants in terms of the maintenance program.

The Renewable Energy Facility (REF) has provided gas savings year-to-date in the amount of $212,000, which is a result of autogenous burn at the REF incinerators. Autogenous burns are burning sludge from the fuel within the sludge with the addition of grease into that stream.

Mr. Weeden explained that the REF electricity offset is consistent on a quarterly basis. The total amount saved so far is $53,000 for that facility and staff anticipates additional savings through the end of the year of $175,000.

Occasionally debris that gets caught in a regulator or water main breaks cause a DWO. Once crews find they have to remove debris or if a regulator becomes a troubled spot, another PM is created and crews get more aggressive.

The percentage of automated equipment for wet weather performance is 99 to 100%. The more the pump stations are running the less opportunity there are for overflows to the environment. The pump stations are performing as they should.

Kathryn Crestani, Assistant Superintendent at Southerly, advised that the Southerly Wastewater Treatment Center Primary Treatment Facility Improvements (SFPI-1) Project recently concluded at Southerly and was a $20 million capital improvement project focused on preliminary treatment.
Ms. Crestani explained that ample material is in sewage that enters Southerly at the influent end of the plant. The material includes anything that could be flushed down a toilet, rinsed down a drain or came in through a catch basin in the combined sewer area such as sticks, leaves, traffic cones and a range of material. Such material must be removed and cannot be in the downstream treatment processes because it would destroy equipment.

All seven bar screens in the screenings building were replaced under SFPI-1. This process is critical to flow management in the plant because there is no way to divert it, and must stay online during construction, which can be problematic at times.

Ms. Crestani reported that project scheduling was an issue. Three groups were working together and had to balance their needs. Operations & Maintenance's goal was to maintain as much capacity availability as possible during this process. Unfortunately, Engineering & Construction and the contractor wanted to take the equipment out of service so they could rebuild it and return it back to the District. Staff we had to focus on the common objective, which was to complete the project, get the contractors out and get the process back to Operations.

When the contractor concluded working on a piece of equipment, Operations & Maintenance wanted to start operating it quickly. There reasons were to get capacity up again with the new equipment, hand over the old equipment so the schedule could keep going and to determine what the limitations might be on the new equipment.

The new equipment has more automation and touchscreen. Overall, the operators rose to the challenge and throughout the construction project managed to maintain the permit limits and avoid flooding.

Ms. Crestani closed the report by stating that the project is done, the contractor has moved away from it and it is operating this 24 hours per day, 365 days per year.

VII. Open Session

Mr. Sulik stated that the Audit Committee charter adopted on July 18, 2013, and since reaffirmed, stated the purpose of the Committee is to assist the Board of Trustees as consultants in fulfilling the Board's oversight responsibilities with respect to the following: The integrity of the Sewer District's financial statements, the District's compliance with legal and regulatory requirements, the independent auditors qualifications and independence, the performance of the independent auditors and the District's internal audit function, and to provide annual reporting of the Committee's activities, whether verbal or written, to the Board of Trustees.

Pursuant to the charter, the Committee is to report its activities regularly to the Board in such a manner and in such times as the committee and the Board deem appropriate, but in any event, at least one a year. Such report should include review of any issues that arise with respect to the
quality and integrity of the District's financial statements, the District's compliance with legal and regulatory requirements, any effectiveness of internal controls, and the performance of independence of the District's independent auditors or performance of the internal audit function.

In addition, the Committee will conduct a review with the Board annually the evaluation the Committee's performance with respect to the requirement of its charter.

The 2014 comprehensive financial report and discussions with the issuing public accounting firm did not disclose any internal control weaknesses. A significant change in the financial statement is foreseen for 2016, as the District will begin to recognize its pension liabilities with OPERS on its financial statements.

While the change in accounting is significant, the financial impact on the District is not anticipated to be material. This dollar amount has not yet as of this date been established by OPERS.

The Committee has noted improvement in the agreement between management and internal audit and the issues presented and in the remediation activities taken. Audit issues this year have addressed risk and controls in financial and construction and engineering areas. Staffing within the internal audit was a challenge this year. Personnel and retirement issues led to many staffing challenges. When added two additional requested audits, i.e. the public purpose review, the output of the department did not cover what the audit committee had anticipated. Internal audit is now nearly back to full staffing and it anticipates the coverage for 2016 to help assure the audit committee and the Board.

The Committee will keep the Board informed of the progress in future reports. The Committee stands ready to answers any question about this report and would like to remind the Board that the Committee minutes are available for their review.

Mr. Brown suggested to CEO Ciaccia that staff supply a document that will provide guidance on the overall work plan as the SMP is revived. He would like a written plan so the Board understands when milestones can be expected and perhaps something regarding the benefits to the community at large.

VIII. **Public Session** (any subject matter)

No members of the public registered to speak during Public Session.

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 Ms. Dumas seconded the motion to adjourn at 12:56 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