

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
SEPTEMBER 15, 2022

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

I. Roll Call

Present: Darnell Brown
Timothy DeGeeter
Ronald Sulik
Sharon Dumas
Samuel Alai
Jack Bacci
Marjorie Chambers

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Mayor Alai seconded to amend and approve the amended Minutes of the September 1, 2022 Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

Ms. Dreyfuss-Wells provided an update regarding NEORSD's ongoing COVID-19 pandemic response and informed the Board that NEORSD staff has one active COVID-19 case, and 4 employees with COVID-19-like symptoms. There has been a total of 231 employees with confirmed diagnoses since the beginning of the pandemic, 230 of whom have recovered and returned to work.

On August 31, NEORSD's Good Neighbor Ambassador Employee Resource Group hosted Talk a Mile, a one mile walk from the Fairhill/Martin Luther King, Jr. Green Infrastructure site to the Cleveland Museum of Natural History, where there is an NEORSD Green Infrastructure Grant Project. The walk featured presentations from NEORSD staff regarding green infrastructure, stormwater management, and Project Clean Lake. Ms. Dreyfuss-Wells expressed appreciation to the NEORSD staff who participated in the event.

NEORSD received the 2022 NorthCoast 99 award, honoring NEORSD as one of 99 great workplaces in Northeast Ohio. This is an acknowledgement of NEORSD's policies and practices that attract and retain top performers. This is the sixth year that NEORSD has received this recognition. Ms. Dreyfuss-Wells offered kudos to all staff, particularly managers and supervisors who support their teams.

NEORSD's open house, Clean Water Fest, will be held on Saturday, September 17. The event culminates NEORSD's celebration of 50 years of service. This will be the first in-person Clean Water Fest since 2019. The event will be held from 9:00 a.m. to 4:00 p.m. at EMSC with exhibits, games, prizes, and various outreach activities. There will be tours of the Southerly WWTC and the lab throughout the day. Channel 3 News will be in attendance throughout the morning and airing live on their morning show. All NEORSD departments will be represented. Ms. Dreyfuss-Wells expressed appreciation to NEORSD staff for their contributions, especially Operation & Maintenance Southerly staff, SSMO, Analytical Services, and Administration and External Affairs.

V. Action Items

Authorization to Advertise

Resolution No. 293-22	Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for the Doan Brook Stream Stabilization at Shaker Heights Country Club project with an anticipated expenditure of \$410,000.00.
-----------------------	---

Resolution No. 294-22	Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for the Property Demolition Services 2 project with an anticipated expenditure of \$800,000.00.
-----------------------	---

MOTION – Mayor Alai moved, and Ms. Chambers seconded to adopt Resolution Nos. 293-22 through 294-22. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFP)

Resolution No. 295-22 Authorization to issue an RFP for the provision of as-needed supplemental technical resources for the Process Control and Automation Department under the Support Services for Automation Controls project.

Resolution No. 296-22 Authorization to issue an RFP for as-needed support services for changes, redesigns, and diagnostics of the Business and Controls Networks.

MOTION – Mr. Sulik moved, and Ms. Dumas seconded to adopt Resolution Nos. 295-22 through 296-22. Without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 297-22 Authorization to purchase fourteen HPE DL380 Gen10 Plus Servers from Corbel Solutions in an amount not-to-exceed \$494,890.00.

MOTION – Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 297-22. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that authorization was granted to advertise for up to 20 servers, however, NEORSD is requesting to purchase 14. President Brown asked if NEORSD would need to purchase more in the near future or if 14 servers are sufficient. Mohan Kurup, Director of Information Technology, explained that 20 was a placeholder amount. Given the current market, it was not known how much the equipment would cost. There was a provision in the bidding documents that NEORSD could reduce the number of units purchased without impacting the unit price. NEORSD staff determined that 14 were needed, the sum of which is less than what was budgeted for the capital year 2022.

Ms. Dumas noted significant price variances among the bids. Mr. Kurup explained that while he does not have a specific answer, he was provided the explanation that the lowest bidder is a U.S. based company that may have some efficiencies that the other companies do not.

Authorization to Enter Into Agreement

Resolution No. 298-22 Authorization to enter into a project agreement with West Creek Conservancy to provide funding toward the demolition of two homes located on PPNs 455-22-011 and 455-22-004 in the City of Parma, owned by West Creek Conservancy, with a District contribution in an amount not-to-exceed \$50,000.00.

Resolution No. 299-22

Authorization to award the following agreements for 2023 employee benefits, with two additional one-year options to renew the agreements for 2024 and 2025:

- MedMutual Life Insurance Co: \$850,000.00 for Group Life, Accidental Death & Dismemberment, and Short-Term Disability Insurance;
- Medical Mutual of Ohio: \$1,794,000.00 for Administrative Fees and Stop-Loss Coverage;
- Medical Mutual Services, LLC: \$13,000,000.00 for Medical, Prescription, Vision & Hearing Claims Projection;
- Delta Dental: \$413,000.00 for Dental Claims and Administration Fees Projection,

for a total amount, for all 2023 agreements, not-to-exceed \$16,057,000.00.

MOTION – Ms. Chambers moved, and Mayor Alai seconded to adopt Resolution Nos. 298-22 through 299-22. After the following discussion, without objection, the motion carried unanimously.

Regarding Resolution No. 299-22, President Brown requested an explanation regarding the relatively small price increase for the insurance. Denise Rice-Ali, Director of Human Resources, explained that this is the proposal for NEORSD's 2023 employee benefit renewal, and invited Chuck Adamczyk of Willis Watson Towers, to discuss the changes.

Mr. Adamczyk presented a summary of the different categories of the plan design as well as the provider and the attached dollar figure for each of the programs.

First was Group Life Accidental Death and Dismemberment and Short-term Disability coverage. There is an increase primarily driven by the claims experience from the short-term disability. The administration fees and stop loss do show an increase. It is not unusual to have stop loss insurance increase from year to year.

Incurred healthcare claims projection for all of medical, drug, vision, and hearing, which is also provided by Medical Mutual, is essentially a flat increase driven by an offset of increase in trend, but also offset by the number of covered lives has gone down over the past year and a half.

The incurred dental claims and administrative fees projection involves a change from Medical Mutual moving to Delta Dental effective January 1, 2023, but there is a claims savings associated with that.

President Brown inquired about the impact on staff of switching to Delta Dental. Ms. Rice-Ali explained that moving to Delta Dental will include more staff members' doctors and provide more coverage.

Mr. Adamczyk continued, explaining that the rate quote for Group Life Accidental Death and Dismemberment and short-term disability includes an 8% increase, driven by the experience related to the short-term disability program and allows for fluctuations in headcount.

The individual threshold for Claims Administration and Stop Loss coverage remains at \$210,000, which means that NEORSD is responsible for the first \$210,000 of each members' claim, after which, Medical Mutual of Ohio (MMO) is then responsible. The requested fee amount of \$1.79 million is for medical prescription, vision, and hearing claim. This is based on actuarial projections and includes a 10% buffer.

There is a projected 7.9% increase in incurred healthcare claims cost from 2022 to 2023, as historically, healthcare claims costs tend to rise year over year. The requested amount of \$13 million for those lines of coverages includes a 20% buffer.

Ms. Dumas asked what the buffer provides. Mr. Adamczyk explained that it is a variability in case of a large number of claims or increased enrollment. Ms. Dumas noted that 20% is a significant number and asked if it would likely vary that significantly. Mr. Adamczyk explained that he believes that to be a fair amount as there is some claim fluctuation in a group of 620 covered individuals, making it wise to factor in the buffer.

Mr. Adamczyk further advised that Delta Dental only provides dental coverage and will result in \$40,000 in savings over the current arrangement with MMO. Delta Dental has a large network of providers and 90% of members and their dentists will be in network. The requested amount of \$413,000 includes the dental administration fee and a 10% buffer.

Authorization to Enter Into Contract

Resolution No. 300-22 REVISED	Authorization to enter into a maintenance contract with Pirc Company Landscaping & Snowplowing, LLC for the Green Infrastructure Vegetation Enhancements project at the Project Clean Lake Green Infrastructure Appendix 3 sites and other green infrastructure sites in an amount not-to-exceed \$126,053.52.
---	--

Resolution No. 301-22 REVISED	Authorization to enter into a contract with VanCuren Services, Inc. for Tree Maintenance Services to support the Regional Stormwater Management Program and to sustain function, safety, and aesthetic appearance at the Project Clean Lake Green Infrastructure Appendix 3 sites in an amount not-to-exceed \$182,080.80.
---	--

Resolution No. 302-22 Authorization to enter into a construction contract with Herbst Electric, LLC for the Southerly PLC Replacement project in an amount not-to-exceed \$15,697,197.00.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 300-22 through 302-22. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that, regarding Resolution No. 302-22, the engineer's estimate was approximately \$17 million and requested additional information as to the favorable pricing.

Devona Marshall, Director of Engineering and Construction, explained that there were only two bids received as this is specialized electrical instrumentation work. The low bidder came in at approximately \$1.3 million under the engineer's estimate, and the second bidder came in approximately \$1.5 million above. Herbst Electric is the low bidder, which until recently was a certified small business enterprise (SBE) company that has worked on several NEORSD projects as a subcontractor. The company was recently purchased by a larger firm and now has the capacity to bid on larger projects as a primary contractor.

Authorization to Enter Into Contract and Reject Bids

Resolution No. 303-22 Authorization to enter into contracts with The A.J. Gates Co. for the purchase of one forklift in an amount not-to-exceed \$59,682.00, with Sarchione Ford Lincoln of Alliance for the purchase of two cargo vans in an amount not-to-exceed \$106,900.00, with Feldman Ford, LLC for the purchase of two utility trucks in an amount not-to-exceed \$168,102.00, and with Kufleitner CDJR for the purchase of one utility truck in an amount not-to-exceed \$84,481.60, with a total amount, for all contracts combined, not-to-exceed \$419,165.60 and to reject all bids received for electric utility carts.

MOTION – Mr. Sulik moved, and Ms. Dumas seconded to adopt Resolution No. 303-22. Without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 304-22 Authorizing final adjusting change order for Contract No. 21000814 with Shook Construction Co. for the Southerly Primary Settling Tanks 1-10 Flush Valve project by decreasing the contract amount by \$290,589.25, thereby bringing the total contract amount to \$915,810.75.

MOTION –Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 304-22. Without objection, the motion carried unanimously.

Authorization to Implement

Resolution No. 305-22 Authorization to implement the 2023 Watershed Partner Service Agreement Program through the issuance of a Request for Proposals in a total amount not-to-exceed \$440,000.00.

MOTION –Mayor Alai moved, and Mayor Bacci seconded to adopt Resolution No. 305-22. Without objection, the motion carried unanimously.

VI. Information Items

Ken Duplay, Chief Financial Officer, advised the Board that NEORSD certified outstanding accounts related to both the accounts billed by NEORSD's billing agent, the Cleveland Division of Water, and the accounts that NEORSD bills directly through its Finance Department. The two categories combined represent approximately 4,200 accounts that were certified, for a total of approximately \$3.8 million outstanding sewer charges and \$600,000 in outstanding stormwater charges, which is consistent with pre-COVID-19 certifications.

The initial list was comprised of over 10,000 accounts and almost \$13 million in delinquent balances. The certification process has been expanded to include a 60-day soft letter, 30-day pre-certification letter, and increased efforts to engage the customers to enroll them in a payment plan. While this was ongoing, the Customer Service Department performed a thorough review of the accounts to ensure that the certification amounts are valid, customers are not already on payment plans, and the accounts should in fact be certified. A significant amount of work goes into ensuring that the charges are valid and that customers have been provided ample opportunity to avoid certification.

President Brown thanked Mr. Duplay for the update and added that the Board has a significant interest in ensuring that account certifications only occur when all other options are exhausted. The Board is pleased with the additional steps added to the certification process.

Ms. Marshall provided the August 2022 Capital Improvement Program update, beginning with cash flow. The month of August ended at 78% of planned with \$15.7 million paid out for a year-to-date total of approximately \$125 million. Spending continues to track below the key performance indicator (KPI) of 85%. This is primarily due to the start of some projects being later than was anticipated.

Regarding KPIs, the construction contract for the Southerly Chemically Enhanced High-Rate Treatment Upgrades Project was awarded within 60 days of planned, meeting that KPI. However,

the KPI of the engineer's estimate was not met as the lowest three bids came in at 10.8% below the engineer's estimate. Five bids were received with the low bid of \$8.9 million and the engineer's estimate was \$10.9 million.

Substantial completion was achieved within 90 days of planned for three projects, meeting that KPI. This includes the Southerly Primary Settling Tanks 1 through 10 Flush Valves Improvements Project, the Westerly Settling Tanks Rehabilitation Project, and the GJM Second Floor Renovations Project.

Ms. Marshall then provided construction highlights regarding the Shoreline Consolidation Sewer (SCS) Project, which is part of Control Measure 7 of the Consent Decree. This project along with the Shoreline Storage Tunnel (SST), which is also under construction, will control 350 million gallons of annual combined sewer overflow (CSO) from 12 outfalls directly tributary to Lake Erie. The SCS will control 200 million of those gallons and 8 of the 12 outfalls by collecting flow and directing it to the SST or the Easterly Interceptor and onto the Easterly WWTP for full treatment. The SCS Project is a \$55.5 million construction contract and will include 5,100 feet of 6-foot diameter consolidation sewer.

Ms. Marshall provided a graphic demonstrating where the SCS will be located parallel to the Shoreway between East 40th and just past East 55th where it will connect to the SST. It will include 4 shafts, 8 regulator modifications, and 4 direct connections to the existing Easterly Interceptor. The project is scheduled to achieve substantial completion in July of 2024.

The SCS is 6 months into construction and so far, the site preparation and site clearing, including utility relocation, has been completed at the Shaft 2, Shaft 4, and Regulator E-18a locations. Currently, Shaft 4 (located at East 53rd Street) is being excavated and the process of installing the support of earth for diversion structure at Regulator E-18a (located at Lakeside Avenue and East 12th Street) is underway. Next, excavation will begin at the Shaft 2 site, as well as at two of the regulator structures near East 26th Street and Lakeside Avenue.

Ms. Marshall provided graphics demonstrating the design plan relating to the shafts for construction purposes and operations and maintenance purposes. Ms. Marshall explained that there was a specific allowance included in the construction contract for rescue shafts, should differing site conditions be encountered and the micro tunnel machine need to be rescued, it could be paid for out of that allowance.

Ms. Marshall went on to explain that the contractor proposed that two shafts be eliminated from the design, which would require them to increase the size of one of the remaining shafts to make it the main launch shaft, and to increase the size of another shaft to serve as the reception site where the contractor will mine upstream from the Shaft 4 site to the Shaft 2 site, then downstream from Shaft 4 to the SST Shaft-3 site.

There will be some changes made to the alignment including a curve between Shaft 4 and the connection to the SST and a minor vertical adjustment to better the movement of solids in the sewer. All changes were carefully reviewed from an engineering perspective and by Operation and Maintenance staff members to ensure that the changes are acceptable.

In total, the changes resulted in value engineered savings of \$2.1 million. This does not include the savings associated with the property acquisitions that are no longer necessary to accommodate the shafts that will no longer be built. Also of note, while the specific allowance is still in place, the contractor would cover the cost of a rescue shaft if needed. NEORS D would only need to access the special allowance should a second rescue shaft be required.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

Mayor Bacci, pursuant to Ohio Revised Code Section 121.22 (G)(1) and (G)(3), moved, and Mr. Sulik seconded to enter an executive session to consider the compensation of public employees and to consult with the District's legal counsel concerning disputes involving NEORS D that are the subject of pending or imminent court actions. By roll call vote, the Board voted unanimously to enter into executive session at 1:11 p.m.

The Board returned to open session at 1:55 p.m.

X. Approval of Items from Executive Session

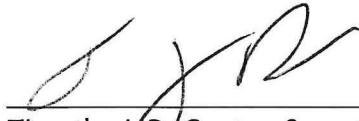
Authorization to Enter Into a Settlement Agreement

Resolution No. 306-22	Authorization to enter into a settlement agreement with Logan Citriglia in the amount of \$37,500.00 to resolve all Workers' Compensation claims for workplace injuries that occurred on May 13, 2016 and May 27, 2021.
-----------------------	---

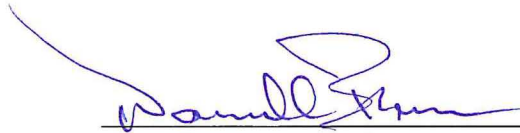
MOTION – Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 306-22. Without objection, the motion carried unanimously.

XI. Adjournment

MOTION – President 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 1:57 p.m. Without objection, the motion carried unanimously.



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



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