

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
JANUARY 5, 2012

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
D. DePiero
J. Bacci
W. O'Malley

ABSENT: S. Kelly
G. Starr

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

II. Approval of Minutes

MOTION – Mr. Sulik moved and Mayor Bacci seconded that the minutes of the December 15, 2011, Board Meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no members of the public registered to speak during Public Session.

IV. Executive Director's Report

Executive Director Ciaccia stated that it was a quiet holiday season since the last Board Meeting. He advised that the District had a very successful year in compiling accomplishments against goals and a summary will be presented during the next meeting along with goals for 2012.

One of the goals for 2012 is to complete the major litigations, the first of which is the KMM&K Mill Creek Tunnel 3 litigation, which has been ongoing for quite some time.

There is still no trial date and the pretrial meeting has not yet been rescheduled. A second round of mediation is scheduled on January 19 and 20 and will be discussed in Executive Session.

Executive Director Ciaccia advised that staff is awaiting a decision regarding the Stormwater Management Program (hereinafter "SMP") litigation as the trial has concluded. In the meantime discussions continue with the Cleveland Municipal School System and the Catholic Diocese toward the resolution of their issues.

A trial has been scheduled for July in regards to the 3320 Woodland case, which relates to the landfill where the Mill Creek interceptor collapsed. Executive Director Ciaccia explained that in the meantime staff is working on settlement arrangements with some of the parties involved, and hopefully can reach some resolution with them and ultimately get a resolution with the main party to avoid a trial.

Executive Director Ciaccia indicated that there has been a fairly long billing dispute between Cleveland Thermal Energy, the Cleveland Water Department (hereinafter "CWD") and the District. However, a resolution has been reached and it will be presented during the next Board Meeting. The nature of the dispute involved a discrepancy between some meters they installed and meters CWD installed. District staff thought there was merit to their argument.

District staff continues discussions with the Village of Richfield. The District is entering into a new agreement with the Summit County Department of Environmental Services (hereinafter "DOES"), which conducts the billing for a number of communities in Summit County. Executive Director Ciaccia advised that staff is working out a new billing formula. DOES is a master meter account and are billed based on a master meter and a percentage; in turn they bill District customers in those communities.

Richfield was not a party to that agreement even though they are billed on the same arrangement through a separate master meter agreement. District staff wanted to offer them the same agreement offered to Summit County to be fair, and are trying to conclude those discussions.

Executive Director Ciaccia stated that the new rates went into effect this month. He advised that Humberto Sanchez, Director of Information Technology, has been working with CWD through the testing to make sure the bills are correct.

Mr. Sanchez advised that bills came through the system yesterday and were checked against the different rate quotes. The bills are correct and the process will continue for the next two weeks.

Executive Director Ciaccia advised that for the second year in a row the plants listed no violations, including the third year for Easterly. The previous time that was achieved was 1999. He congratulated the plant operations personnel for “keeping their eye on the ball.”

V. Action Items

Authorization to Advertise

Resolution No. 1-12

Two-Year Requirement Contract for Laboratory Filters. Anticipated Expenditure: \$116,700.00.

MOTION – After discussion, Mr. DePiero moved and Mr. Sulik seconded to adopt Resolution No. 1-12. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 2-12

Two-Year Contract for Outside Laboratory Services. Expected Expenditure: Not-to-Exceed \$45,000.00.

MOTION – After discussion, Mr. Sulik moved and Mr. O’Malley seconded to adopt Resolution No. 2-12. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 3-12

One-Year Requirement Contract with Dazzle Lawn Care (East & Westside) and S.A.W., Inc. (Southside) for Lawn Maintenance Services. Cost: \$36,288.42 to Dazzle Lawn Care and \$9,805.88 to S.A.W., Inc. for a Total Cost of \$46,094.30.

Resolution No. 4-12

One-Year Requirement Contract with JCI Jones Chemi Inc. for Sodium Hydroxide Solution for Use at All Was Treatment Plants. Cost: \$68,695.16.

Resolution No. 5-12

Two-Year Requirement Contract with Marous Brothers Construction, Inc. for Maintenance Services at the Dist Ten Combined Sewer Overflow Floatable Control Sites Cleveland Lakefront State Park. Cost: \$454,050.00.

Resolution No. 6-12

One-Year Requirement Contract with Stanley Rebacz Trucking, Inc. for Ash Lagoon Cleaning at the Southern Wastewater Treatment Plant. Cost: \$1,856,250.00.

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Resolution No. 7-12 One-Year Requirement Contract with Telog Instrument for Recording Telemetry Units for the Sewer System Maintenance & Operations Department. Cost: \$43,132

Resolution No. 8-12 Contract with Applications Software Technology Corp for the Implementation of the Oracle iRecruitment Soft Module for Human Resources. Cost: Not-to-Exceed \$264,195.00.

Resolution No. 9-12 One-Year Contract with Bay Mechanical & Electrical Corporation for the District Wide HVAC Improvements Project, Contract HVAC-2. Cost: \$3,157,943.20.

MOTION – After discussion, Mr. O’Malley moved and Mr. DePiero seconded to adopt Resolution Nos. 3-12 through 9-12. Without objection, the motion carried unanimously.

Mr. Sulik stated that it was gratifying to see 11 bids submitted in regards to the ash lagoon cleaning, noting that in years past two bids would be received.

Mr. Brown agreed but noted that the low bidder was not a local company. The work was advertised publicly and a number of small and minority businesses were listed. He questioned why that occurred because trucking is a component that is usually a subcontract.

Executive Director Ciaccia advised that bids were sent to all local companies and a number of MBE and WBE firms with the exception of the low bidder and was received at a favorable price. He indicated that some vendors responded regarding the reason they did not bid. Other vendors have not been successfully contacted.

Moving discussion to the requirement contract for the maintenance of the ten combined sewer overflow floatable controls, Mr. Brown inquired regarding the program’s level of success. He indicated that a contract is put out each year for that service and questioned how the District is doing in terms of capturing debris.

Brian Stapleton, Supervisor of Institutional & Procedural Control Systems, advised that there were very few failures with the equipment and the percentage of captures has been very high. The past year was extreme in terms of rain and they performed very well. We are able to keep the contract costs low. There have been no problems.

Mr. Brown speculated that there may have been a significant increase in debris due to the increase in rainfall. Mr. Stapleton stated that there was room in the contract to accommodate it.

Authorization to Write-Off Inactive Accounts

Resolution No. 10-12 Write-Off Cleveland and Cleveland Heights Accounts
in the Amount of \$1,979,164.99.

MOTION – After discussion, Mr. Sulik moved and Mr. O’Malley seconded to adopt Resolution No. 10-12. Without objection, the motion carried unanimously.

Mr. Brown stated that inactive accounts have not been written off in a couple years. He asked Executive Director Ciaccia to speak to that issue, the amount and whether it is consistent with prior practices.

Executive Director Ciaccia explained that the District has typically written-off inactive accounts each year since 1994. These accounts are inactive accounts over six years old and efforts to collect them have been exhausted.

Accounts were not written off last year because the new billing system had been implemented and the inability to verify accounts. He explained that staff now has solid information and are moving forward with the normal process of writing off inactive accounts. The number of accounts written off this year is in line with the historical average.

Mr. Sulik inquired how many accounts were written off. Ms. Demmerle advised that there were over 7,000.

Mayor Sulik inquired regarding the average dollar amount of the accounts. Ms. Demmerle advised that the average dollar amount over the last five years has been about \$1.6 million.

Mr. Brown stated that it seems the effects of the economy have not impacted this area. We would expect the correlation might be we'd have more.

Executive Director Ciaccia clarified that the accounts under discussion go back six years and the effects of the economy are yet to come.

VI. Information Items

1. Program Management Status Report and Update – December 2011

Kellie Rotunno, Director of Engineering & Construction, stated that she would present the year-end 2011 Capital Improvement Program (hereinafter “CIP”) update, the year-end performance and a look into 2012.

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Ms. Rotunno advised that the mining shaft an update at the Euclid Creek tunnel in Bratenahl at has been excavated to a depth of 195 feet. The rail tunnel is being excavated by a road header and the rock is performing as predicted. The contractor is not having any unusual problems with the performance of the rock and the excavation. She indicated that the project is proceeding according to plan.

Ms. Rotunno stated that the installation of soldier piles for earth support systems near the Easterly plant shaft 2 has continued. The Nottingham Road shaft, or shaft 4, is about 26 feet down. The final shaft -- shaft 5 -- is about 20 feet down. She indicated that the near surface challenges of the project are not to be underestimated; there is a lot of utility coordination and surface sewers that need to be brought into the tunnel, which has its challenges. However, she reiterated that the deep work is going according to plan.

Moving discussion to the Renewable Energy Facility, Ms. Rotunno advised that code welding on the high-pressure steam piping began recently and the air system purging was completed in the fluidized air blower rooms 1, 2 and 3. Additionally, workshops were held for the biosolids pumping process, make-up water treatment and centrifuge controllers.

The project system integration management consultant, whose task is to stitch the components together so they communicate, has completed its review of the skimming and sludge pump tank, pump hydraulic units and pipeline lubrication processes. Staff is preparing for the factory acceptance testing, which should take place in January.

Ms. Rotunno stated that the District awarded 11 design projects and 13 construction projects in 2011 for a total of 24 projects and a value of \$148 million. The District has awarded a total of 116 projects since 2008 in the amount of \$736 million, which is significantly more than the preceding six years.

Ms. Rotunno explained that cash flow is relevant at the end of the year because a lot of work has been done internally with the program management and finance staffs. It is important that capital expenditures do not exceed what can be financed.

The Finance Department had committed to spending no more than \$199 million in 2011; Engineering delivered the Capital Program at \$192.6 million for the year. She commented that represents tight cash flow and illustrates that staff is doing a good job closing that end. She indicated that most organizations across the country would be very happy within 10% of cash flow.

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Ms. Rotunno stated that another way to look at cash flow is as what the organization can afford to pay, but also what the Engineering & Construction Department is managing, processing invoices and administering projects.

The District's cash flow peaked in 2006 at \$101 million and declined until an enormous increase in 2008. She indicated that spike in that throughput and annual cash flow is the result of mega-award years in 2009 and 2010. During those years, cash flow increased from \$42 million to \$196 million without significantly increasing staff.

Turning attention to 2011 highlights, Ms. Rotunno stated that the Board would receive a high-level review from Tiffany Jordan, Manager of Contract Compliance, during the next Board meeting in regards to the Business Opportunity Program. Roughly \$42 million, or one-quarter, of current active construction contracts is coming to MBE, WBE or SBE enterprises.

Mr. DePiero questioned if the percentage has changed from years past. Ms. Rotunno replied by stating she did not have those percentages available but the current metric was based on active projects -- including projects that began from 2008 to 2010. She added that the data is available from a closeout perspective and Ms. Jordan could provide that during her update.

Mr. DePiero stated that it appears staff is doing better in that area. Ms. Rotunno agreed.

Mr. Brown stated that the issue is tracking performance in terms of the meeting of the goal. Previously the District was tracking the goal itself of what was awarded. He did not think that was accurately tracking the actual performance. Ms. Rotunno stated that the current metrics are a good sign and we'll get into the project's specific performance on the Business Opportunity Program. She indicated that additional information could be included in Ms. Jordan's presentation.

Changing subjects, Ms. Rotunno explained that during 2011 a systematic upgrading of Engineering & Construction Department tools took place, including the deployment of a project dashboard. Work flows have been automated, allowing her to sign off on actions electronically. She indicated that particular work tool was demonstrated to the Board several months ago. The monthly report has been streamlined and additional internal training has taken place.

Seven internal project audits were completed on Engineering & Construction projects without significant adverse finding. The Ohio Auditor of State performed an audit on active construction projects with very favorable feedback on the performance of Capital Program management.

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Ms. Rotunno advised that District staff met its annual Key Performance Indicator (hereinafter "KPI") goal of delivering 95% of the annual CIP. She noted that KPI was originally 90% and increased last year.

The engineer's estimates and performance with respect to the average bidder has been a bit off its KPI. Ms. Rotunno advised that the goal was plus or minus 10%, and it finished at 10.3% below. She thinks it is a good figure. Two bids came in much above the range while most came in below and a few came within. She stated that 85% of the projects were delivered within 105% of the budget.

Moving discussion to projects that closed in 2011, Ms. Rotunno displayed a table that showed how much of the contract funds were expended as a percentage and the remaining contract funds when the projects were closed out. The table enabled the Board to see which projects had money remaining and which projects did not.

Ms. Rotunno stated that staff attempted to answer Mr. Brown's prior question of how much the District is saving and what is in those deducts. The projects closed at an average of 94.8% of their original contract value and within 105% of base. \$3.1 million, or 12%, of the total \$25.7 million was not spent. Spending consisted of about 88% of the contract value.

\$1.3 million of the \$3.1 million was coming from contingency funds that were not authorized to be spent. The rest consisted of unspent specific allowance resulting from overestimating what was needed in specific allowance and base bid items that not performed.

That shows you the breakdown of the \$3.1 million and those deducts we brought to the Board, closing projects below their bid value as to where those monies went or where they were supposed to go and did not.

Ms. Rotunno stated that the final KPI relates to the Business Opportunity Program. A new KPI was set in 2011 at 80% and it fell just short at 75%. Two projects did not meet their goal: the Big Creek interceptor 3D lining rehabilitation and Chagrin SOM Center Road intercommunity relief sewer. Those two projects were fairly small and Ms. Jordan will provide a full report as to why it did not meet goal.

Looking ahead to the CIP in 2012, staff plans to award 9 design projects and 21 construction projects compared to 11 design and 13 construction projects in 2011. Many more construction projects are on the books for 2012, for a total of 30. 24 were awarded in 2011.

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Ms. Rotunno advised that the value of the projects will be about the same: \$148 million in 2011 and a projected \$147 million in 2012, with a larger percentage of them being construction jobs. The largest anticipated project is to be \$42 million and the average project will be \$5 million. She indicated that the focus in 2012 will be awarding new construction projects. In terms of KPIs, she proposed maintaining the delivery target as 95%.

Mr. Sulik inquired as to the reason the KPI is not 98%. Ms. Rotunno stated that she will maintain the 95% KPI although the department actually reached 97.7. Mr. Brown stated that staff knows it can attain that metric.

Ms. Rotunno explained that the engineer's estimates continue to be kept tight -- in the range of plus or minus 10%. She stated that maintaining the 105% budget for construction projects and 80% compliance in the Business Opportunity Program are good KPIs.

Ms. Rotunno stated that since cash flow was in good shape "why not hold our feet to the fire on that one" in 2012. She proposed a new KPI to deliver between 85% and 100% of planned cash flow. She clarified that staff does not wish to go higher than 100% or lower because they do not want to carry debt for money not being spent. Ms. Rotunno advised that Ms. Demmerle and Deputy Executive Director F. Michael Bucci support the 85% to 100% bandwidth.

Ms. Rotunno advised that in regards to Combined Sewer Overflow (hereinafter "CSO") consent decree compliance milestones in 2012, District staff will submit the first semi-annual compliance report to the regulators in July; award the construction of the chemically enhanced high-rate treatment demonstration/pilot projects at Easterly, Westerly and Southerly; and award the professional services for the design of the CSO-063 relief/consolidation sewer.

CSO tunnels advance facilities planning projects will be awarded. Those projects are being undertaken to hone in the alignment of the tunnels in present-day property terms to locate the shafts and get ahead of the procurement as far ahead as possible. The construction contract for Green Infrastructure early action projects will be awarded as well.

Staff plans to issue the Request for Proposal (hereinafter "RFP") for the Dugway tunnel storage design, which is the sister tunnel to Euclid Creek and will meet at the tunnel dewatering pump station up at Nine Mile. That will be a \$150 million construction project and the RFP will be distributed in October.

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Mr. Brown congratulated Ms. Rotunno on behalf of the Board for an outstanding year and a sensible report that is easily readable by a “non-techie.” He stated that it is gratifying to meet many metrics.

Mr. Brown stated that the tools Ms. Rotunno and her staff utilize are tools anyone in the industry would wish to emulate. He stated that it shows the value of the Program Management initiative implemented a number of years ago in which the goal was to achieve the capacity to manage projects in the pipeline, in terms of both money and start time. He believed the District was well on its way to accomplish that goal.

Mr. Brown stated that staff has good tools and that the Board is in the position of being better informed regarding activities and challenges and is able to be proactive in any response.

Mr. Brown again expressed appreciation to Ms. Rotunno and her staff on behalf of the Board for their indulgence in grasping the tools and effective reporting strategies, as well as being responsive to Board input.

2. Green Infrastructure Plan

Executive Director Ciaccia stated that a fine article recently appeared in *The Plain Dealer* concerning the District’s requirement to submit its green infrastructure study to the U.S. EPA. He wanted to provide the Board with a briefing on what is in the report submitted.

At that time, he turned the meeting over to Devona Marshall, Planning Manager.

Ms. Marshall recognized the efforts of the internal team in developing the green infrastructure plan. She noted that it “has been a long year and longer past few months” and much time and effort was put into its development. She acknowledged Denis Zaharija, Rachel Webb, Vicky McCauley, Tim Coleman and Kyle Dreyfuss-Wells.

Ms. Marshall stated that she wanted to recap the highlights of the CSO consent decree.

On July 7, 2011, the District officially entered into a consent decree with U.S. Environmental Protection Agency (hereinafter “EPA”) and the Ohio EPA. Additionally, the District commenced the Federal Supplemental Environmental Project, which is a project part of the settlement that requiring a \$1 million expenditure towards household hazardous waste collection. Through an agreement with the Cuyahoga County Solid Waste District, to date 18 collections have been held at a total cost of \$100,000.

The District received EPA approval of the work plan for the chemically-enhanced high-rate treatment/pilot facilities and there will be one at each plant. Ms. Marshall explained

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that if the pilots are successful the technology will be implemented to treat two large CSOs -- one at Easterly and one at Westerly -- as well as the bypass at Southerly. She advised that is important because if it is not successful, a more costly technology must be utilized.

Ms. Marshall advised that staff continues to move forward with gray infrastructure. Three projects are in design related to the consent decree and three in construction.

The year concluded the submittal of the plan on December 28.

Ms. Marshall stated that she would explain the consent decree requirements regarding green infrastructure, then the plan itself which includes program requirements, candidate green infrastructure projects and a brief discussion of plan development and the schedule going forward.

The consent decree contains two elements regarding green infrastructure; the first of which is Appendix 3, which Ms. Marshall referred to as required green infrastructure projects. Appendix 3 requires the District to control an additional 44 million gallons of CSO beyond that which will be controlled by gray infrastructure.

The second element is Appendix 4, which is the opportunity for green infrastructure and to replace the required gray infrastructure with green where it makes sense financially or otherwise. This is not part of the green infrastructure plan District staff submitted.

Ms. Marshall advised that Appendix 3 requires the District to develop a plan for green infrastructure and submit it by December 31, 2011. Additional requirements included developing a process for locating, designing, constructing, operating, maintaining and evaluating the control measures that will capture the additional 44 million gallons.

In addition to the requirement to capture 44 million gallons at a minimum expenditure of the \$42 million, there were other requirements in Appendix 3 that had to be met in developing the plan. She advised that Chapter 2 outlines each requirement and how the District met each of them.

The first requirement was geographic coverage. Ms. Marshall stated that she would revisit this item later during the presentation because it is very important.

The second requirement is preservation of practices, ownership and access requirement. Ms. Marshall explained that the EPA wants to ensure the District has control of the control measures. The District is required to either take ownership of control measures or make an agreement with a second party to maintain and operate it.

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Ms. Marshall advised that a public participation requirement is mandated not only through plan development, but also implementation. She advised that Ms. Dreyfuss-Wells would provide more information regarding the public participation.

The District has eight years to implement and control an additional 44 million gallons. Ms. Marshall noted that while that sounds like a lot of time, it is really not. The “clock is sticking” even though the plan has not been approved; staff is moving forward to implement the plan.

Ms. Marshall explained that the District is required to develop methods for measuring achievement of performance and compliance.

Environment justice (hereinafter “EJ”) is taken into consideration by requiring the prioritization of areas considered EJ areas, defined by the consent decree as low-income, high-minority neighborhoods. The final requirement was related to operation and maintenance.

Returning to geographic coverage, Ms. Marshall advised that the District is limited in regards to CSO control and the location of green infrastructure projects by the area tributary to the combined sewer system. That limits the possibilities to the city of Cleveland and some inner-ring suburbs. Appendix 3 further limits the areas where remaining CSO volume is present after implementation of the planned gray infrastructure.

Taking that into consideration on this map is included in Chapter 2 of the plan is the tributary area to those CSOs that have remaining overflow volume greater than 1 million gallons. These are the areas where likely projects will fall related to Appendix 3.

Ms. Rotunno explained that the areas outside the tributary combined sewer system are not candidates for green infrastructure under Appendix 3 but may be under Appendix 4. As staff looks closer at gray infrastructure that will be designed and implemented it will look for opportunities to offset it with green infrastructure where sensible.

At that time, Ms. Rotunno introduced Kyle Dreyfuss-Wells, Manager of Watershed Programs, to discuss the development of the projects.

Ms. Dreyfuss-Wells stated that Chapter 3 of the green infrastructure plan details how the candidate green infrastructure projects were identified. She stated that one could “think of the green infrastructure plan as a novel” and Chapter 3 is when things begin to get tense and exciting because of what will happen.

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The green infrastructure index was the tool used to sort the data and led to the priority areas with candidate projects.

Ms. Dreyfuss-Wells advised that projects were ranked based on CSO removal potential, cost, extensive public participation and communication with partners -- mainly the City of Cleveland and other community development corporations. The extent of the public participation and the partnerships is detailed in the plan, including about one hundred people listed in Appendix C and groups that staff will need to speak with going forward.

The green infrastructure priority areas were refined to the 20 candidate projects.

Moving to examples of green infrastructure candidate projects, Ms. Dreyfuss-Wells indicated E-8, located in the Collinwood neighborhood tributary to Nine Mile Creek; D-1, in the Buckeye neighborhood tributary to Giddings Brook and Doan Brook; and F-6, which is the tributary to Kingsbury Run in the Kinsman and Woodland neighborhood.

The candidate projects total 95 million gallons of potential CSO reduction for a cost of \$1.2 million. She explained that will be narrowed to 44 million gallons of projects that can be implemented. Not all of the 95 million gallons of projects will work.

Ms. Dreyfuss-Wells explained that the individual projects range from 13.7 million gallons of capture to 0.9 million gallons of potential CSO reduction. Throughout the candidate projects the common approach includes capturing stormwater, pulling it out of the combined sewer system, sending it through a stormwater control measure -- which adds value to the neighborhood, integrates economic development and reuses vacant properties. The water is discharged and offloaded into the environment.

This first example is E-8, located at St. Clair and East 152nd. She noted that the projects and maps are included in Appendix G of the plan.

Another example is the Collinwood High School football stadium at East 152nd. She advised that there is potential for 13.7 million gallons of CSO reduction capture across the area and East 140th, which is 580 acres of drainage. The District does not need to own the land to capture the runoff.

The residential streets between East 152nd and East 140th have existing separate storm and sanitary sewers that is combined. The idea, Ms. Dreyfuss-Wells stated, is to maintain the separation, take it into a stormwater control measure in the vacant properties along East 140th and discharge that managed stormwater to Nine Mile Creek.

The Collinwood stadium needs parking and the City of Cleveland has assembled some vacant properties for that purpose. The properties can integrate stormwater management

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with discharge to the Nine Mile site which would account for 13.7 million gallons captured, treated and discharged drainage across 580 acres.

The next project is in the Buckeye neighborhood on the east side of the city at Shaker Boulevard and Woodland Avenue. She stated that there is ample public investment in this neighborhood and large owners of impervious surface that can integrate stormwater management.

Giddings Brook runs in a pipe through the residential neighborhoods leading to Doan Brook. Ms. Dreyfuss-Wells advised that the intention of the project is to capture, manage and discharge CSO away from the combined sewer system, accounting for 8.5 million gallons of potential capture across 339 acres. With a high rate of vacancy, there is a large amount of impervious surface that is not providing economic function at the moment.

The final project is F-6, at East 55th to Woodland Avenue and Kinsman. This is a total of 201 acres for 8.1 million gallons of potential capture.

An example project is the rehabilitation of Woodland Avenue. Ms. Dreyfuss-Wells stated that District staff is in talks with the City of Cleveland about the project. The extensive number of vacant properties inbetween Woodland and Kinsman represents the potential for economic development that integrates stormwater management and offloads stormwater to Kingsbury. In terms of the funnel, the 52,000 acres is the drainage area for the combined sewer system.

Ms. Dreyfuss-Wells explained that staff continues to narrow down to viable projects. There is currently a potential of 95 million gallons with candidate projects across 3,400 acres.

In terms of timeline, the District has eight years -- from 2012 to 2019 -- to accomplish the requirement of 44 million gallons. Staff is overshooting that requirement with a target of 55 million gallons to provide a "buffer."

Ms. Dreyfuss-Wells advised that a green infrastructure project selection will be conducted going forward, with some early-action projects and construction with the intention of meeting the target two years early while exceeding volume.

Executive Director Ciaccia stated that the Board will hear more about this subject as work continues, and he thinks staff must acclimate themselves to this new form of construction and planning.

VII. Public Session (any subject matter)

No members from the public registered to speak at Public Session.

VIII. Open Session

There were no items for discussion.

IX. Executive Session

Mr. Sulik stated that there was a matter for discussion in Executive Session.

MOTION – Mayor Bacci moved to enter into Executive Session to consult with legal counsel and District administration regarding three litigation matters: authorizing settlement with Flats East Development and Independence Excavation regarding the Flats sewer improvement project; authorizing settlement with Stevens Painton Corporation with regard to the Train Avenue relief sewer project; and discussions of KMM&K litigation mediation. Mayor Bacci stated that discussion of these matters in Executive Session are permitted as specific exceptions to the Public Meetings Act pursuant to Ohio Revised Code §121.22(G)(3) and he specifically designated all matters discussed in Executive Session to be protected from public disclosure in accordance with Ohio Revised Code §102.03(B), and attorney-client privilege. A roll call vote was taken and the motion carried unanimously to adjourn into Executive Session.

The Board met in Executive Session from 1:25 p.m. to 2:05 p.m.

X. Approval of Items from Executive Session

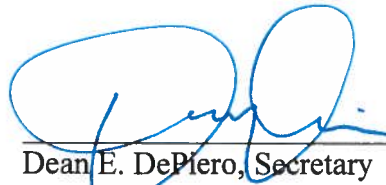
Resolution No. 11-12 Authorizing Settlement with Flats East Development, LLC and Independence Excavating

Resolution No. 12-12 Authorizing Settlement of Stevens Painton Corporation, nka Stevens Engineers and Constructors, Inc. v. Northeast Ohio Regional Sewer District, Case No. CV 10 743130

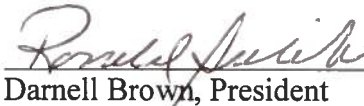
MOTION – After discussion, Mr. DePiero moved and Mr. O’Malley seconded to adopt Resolution Nos. 11-12 and 12-12. Without objection, the motion carried unanimously.

XI. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved and Mr. O'Malley seconded the motion to adjourn at 2:06 p.m. Without objection, the motion carried unanimously.



Dean E. DePiero, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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