

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
JANUARY 16, 2020

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:32 p.m. by Darnell Brown.

I. Roll Call

In the absence of Mayor DeGeeter, Mr. Sulik was named as the Acting-Secretary for this meeting.

PRESENT: Darnell Brown
Ronald Sulik
Samuel Alai
Terence Joyce
Jack Bacci
Sharon. Dumas

ABSENT: Timothy DeGeeter

The Acting-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 December 19, 2019, Board Meeting. Without objection, the motion carried unanimously.

III. Installation and Oath of Newly Appointed Board Members

Eric Luckage, Chief Legal Officer, noted that the oath had been privately administered to Mayor Samuel J. Alai and Terence P. Joyce on December 20, 2019 and then publicly administered the oath, swearing them in as Members of the Board of Trustees. President Brown welcomed them as new Members of the Board.

IV. Public Session

There were no items.

V. Chief Executive Officer's Report

Kyle Dreyfuss-Wells, Chief Executive Officer, welcomed Mayor Alai and Mr. Joyce to the Board of Trustees.

Ms. Dreyfuss-Wells recognized and thanked the District staff that worked through the holidays and keep the District running 24/7, 365 days per year.

In December, the District received the Government Finance Officer Association's Distinguished Budget Presentation Award for its 2019 Budget Book. The award represents a significant achievement by the District, and it reflects a commitment from both the Board and the staff to meet the highest standards of governmental budgeting. Specifically, the award signifies the Budget Book serving as a policy document, a financial plan, an operations guide and a communications device and recognizes that the District's Budget Book goes above and beyond. Ms. Dreyfuss-Wells congratulated Chief Financial Officer Ken Duplay and his team for the accomplishment. The 2019 Budget Book is available on the District's website. The District is now working on the 2020 budget.

Ms. Dreyfuss-Wells advised that the District has also been recognized by U.S. EPA's Green Power Partnership as one of the top 30 local governments for green power use. This comes from the District purchasing National Wind Renewable Energy credits, which accounts for 35% of the District's total electricity usage. The top 30 list is almost entirely cities, except for the District and Washington Suburban Sanitary Commission.

VI. Action Items

Authorization to Advertise

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| Resolution No. 01-20 | Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for a one-year requirement contract for Grounds Maintenance Services with an anticipated expenditure of \$146,000.00. |
| Resolution No. 02-20 | Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for a three-year requirement contract for CSO Floatables Control Sites Maintenance with an anticipated expenditure of \$670,000.00. |
| Resolution No. 03-20 | Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for a two-year requirement contract for Green Infrastructure Maintenance Services with an anticipated expenditure of \$1,000,000.00. |
| Resolution No. 04-20 | Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for the Doan Valley Regulators/Relief Sewers project with an anticipated expenditure of \$3,800,000.00. |

MOTION – Mayor Bacci moved, and Mayor Alai seconded to adopt Resolution Nos. 01-20 through 04-20. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that Resolution No. 04-20 appears to be an adjustment of existing infrastructure, as opposed to installation of new infrastructure, and that it will have significant impact on the environment in terms of what gets discharged as the District moves toward compliance with CSO orders.

Devona Marshall, Director of Engineering and Construction, confirmed that President Brown's observations are correct. This project is a part of Control Measure 8 and is the last project in that control measure. It will work with the Doan Valley Relief Sewer and the Doan Valley Tunnel for 207 million gallons of annual CSO control. The Doan Valley Tunnel system in its entirety will control about 365 million gallons annually. This project is just modifying existing infrastructure including manholes and regulators. The District is also increasing the size of some dry weather outlets as part of this project.

Authorization to Purchase

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| Resolution No. 05-20 | Authorization to purchase Wonderware software maintenance and support services for a one-year term from sole source supplier Q-Mation Wonderware North for all Wastewater Treatment Plants and EMSC in an amount not-to-exceed \$172,460.00. |
| Resolution No. 06-20 | Authorization to purchase Rockwell Automation maintenance and support services for a one-year term from sole source supplier Rexel in an amount not-to-exceed \$273,340.00. |
| Resolution No. 07-20 | Authorization to purchase technical support services for a one-year term for analytical instruments from sole source manufacturer Thermo Electron North America, LLC in an amount not-to-exceed \$59,986.77. |
| Resolution No. 08-20 | Authorization to purchase technical support services and an extended warranty for a one-year term from sole source manufacturer Shimadzu Scientific Instruments in an amount not-to-exceed \$67,191.30. |
| Resolution No. 09-20 | Authorization to purchase telecommunications services for Year 2020 from AT&T and Verizon Wireless under the applicable Federal GSA and State of Ohio Cooperative Purchasing Programs, as presented, in a total amount not-to-exceed \$630,860.00. |

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 05-20 through 09-20. After the following discussion, without objection, the motion carried unanimously.

President Brown asked for clarification regarding Resolution No. 09-20, as to whether products will be acquired in addition to services, whether it is an expansion or maintenance of existing services and how it is compared to the annual procurement for this type of service.

Mohan Kurup, Director of Information Technology, informed the Board that this telecommunication request is brought annually. It covers certain hard circuits, such as telephone service to buildings and cellular service and includes some hardware, such as iPhones, iPads and air cards.

Last January, the amount authorized was \$699,720. The cost has dropped by approximately \$70,000 to \$630,860 this year because several of the remote monitoring devices used in the field are now run on cellular service, which is less expensive.

Ms. Dumas asked if, regarding Resolution Nos. 05-20 through 08-20, there is reason to be concerned about purchasing goods and services from a sole source provider from a practical sense.

Mr. Luckage explained that the term sole source is used so that the Board knows that the products or services were not competitively bid, and why. Ms. Dumas clarified that her question was more about any practical concerns with the limitations of a sole source provider.

Frank Foley, Director of Operation and Maintenance, stated that Wonderware software maintenance and the Rockwell Automation are both related to the automation system in the plants and collection system and these are the only sources from which the District can get this support.

Ms. Dumas asked what would happen if one of the sole source companies no longer existed.

Bob Meholif, Automation Program Manager, explained that Rockwell Automation is the largest automation firm in North America, serving more than 10,000 customers. Wonderware is the largest Human Machine Interface (HMI) in North America and Europe and is owned by Schneider Electric. There is no concern of these companies going under.

Frank Greenland, Director of Watershed Programs, explained that the District will periodically get bids for the different types of instruments in the lab. Thermo Electron North America, LLC manufactured six instruments in the lab and Shimadzu Scientific Instruments manufactured five. To get proper services and warranty, the District must contract with those companies.

Authorization to Enter Into Agreement

Resolution No. 10-20 Authorization to enter into a professional services agreement with NEXGEN Asset Management to implement the WAM/Computerized Maintenance Management System Upgrade project in an amount not-to-exceed \$1,908,912.00.

Resolution No. 11-20 Authorization to enter into a loan agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority to accept WPCLF funding for design costs related to the CIP Environmental project for a total amount up to \$1,500,000.00.

- Resolution No. 12-20 Authorization to enter into a loan agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority to accept WPCLF funding for design costs related to the Collections PLC Replacement project for an amount up to \$10,487,860.00.
- Resolution No. 13-20 Authorization to enter into a loan agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority to accept WPCLF funding for design costs related to the Easterly PLC Replacement project for an amount up to \$9,492,201.00.
- Resolution No. 14-20 Authorization to enter into a loan agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority to accept WPCLF funding for design costs related to the Southerly PLC Replacement project for an amount up to \$10,487,860.00.
- Resolution No. 15-20 Authorization to enter into a professional services agreement with GPD Group for the General Engineering Services – Mechanical/Electrical/Plumbing project in an amount not-to-exceed \$1,500,000.00.
- Resolution No. 16-20 Authorization to enter into a professional services agreement with Osborn Engineering for the General Engineering Services – Civil/Structural/Architectural project in an amount not-to-exceed \$1,500,000.00.
- Resolution No. 17-20 Authorization to enter into a professional services agreement with Brown and Caldwell Consultants for the General Engineering Services – Treatment and Collections project in an amount not-to-exceed \$3,000,000.00.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution Nos. 10-20 through 17-20. After the following discussion, without objection, the motion carried unanimously.

President Brown asked for clarification as to whether this is a different approach to the general engineering services where the District would split an amount equitably among vendors, as this seems to be based on particular disciplines or competencies.

Ms. Marshall stated that it is different than what was done historically, but it is the second time that the District has had these distinct general engineering services in Engineering and Construction. The same format was followed on the previous set of contracts where there were three different areas. The first is the wastewater treatment and collections area, the second is the more specialized area of mechanical, electrical and plumbing, and the third is in the area of civil,

structural and architectural. This is more efficient as smaller projects arise. These contracts are all task-based contracts. As efforts are identified, the District goes through the process of reviewing both scope and budget and it goes through an approval process.

Authorization to Enter Into Contract

- Resolution No. 18-20 Authorization to enter into a one-year requirement contract with Southern Ionics, Inc. for Sodium Bisulfite Solution at all wastewater treatment plants in an amount not-to-exceed \$261,156.00.
- Resolution No. 19-20 Authorization to enter into a construction contract with ABC Piping Company, Inc. for the District Wide HVAC Equipment and Systems Upgrades project in an amount not-to-exceed \$4,859,000.00.
- Resolution No. 20-20 Authorization to enter into a construction contract with Shook Construction Co. for the Easterly Aeration Tanks Rehabilitation project in an amount not-to-exceed \$10,387,732.63.

MOTION – Mr. Sulik moved, and Mayor Alai seconded to adopt Resolution Nos. 18-20 through 20-20. After the following discussion, without objection, the motion carried unanimously.

President Brown asked whether Resolution No. 20-20 is for equipment that is nearing the end of its useful life or if this is a different process.

Ms. Marshall explained that this is a rehab repair/renewal project at the Easterly plant to upgrade the aeration system and replace diffusers in each of the tanks. It is improved technology from what was previously used and had reached its useful life.

The District is making some improvements to O&M activities with the floor flushing gates in each tank and replacing blowers, which will result in more energy cost savings. Additionally, there are some necessary repairs to the main drainage conduit where there have been major issues resulting in sinkholes at the plant.

Authorization to Amend Resolution

- Resolution No. 21-20 Authorization to amend Resolution No. 340-19 for the 2020 Watershed Partners Service Agreement Program to add the Chagrin River Watershed Partners, Inc. as fiscal agent for the Friends of Euclid Creek.
- Resolution No. 22-20 Authorization to amend Resolution No. 313-19 for the 2020 Green Infrastructure Grants Program to add the Archwood United Church of Christ as a co-applicant on the Julia De Burgos Cultural Arts Center Green Infrastructure Retrofit project.

MOTION – Mayor Bacci moved, and Mr. Joyce seconded to adopt Resolution Nos. 21-20 through 22-20. Without objection, the motion carried unanimously.

Authorization to Grant Credit

Resolution No. 23-20 Authorizing the District to issue a credit adjustment in the total amount of \$45,869.88 against sewer charges on NEORS account number ending in 7018 for AEP Charter Lake Erie CP, LLC, 14405 Saint Clair Avenue, Cleveland.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution No. 23-20. Without objection, the motion carried unanimously.

Authorization to Assign Agreement

Resolution No. 24-20 Authorizing the assignment of District Contract No. 18001325 with BASIC to BASIC Benefits, due to a company name change, with all current terms and conditions of the agreement to remain unchanged under the assignment.

MOTION – Mr. Sulik moved, and Mr. Joyce seconded to adopt Resolution No. 34-20. Without objection, the motion carried unanimously.

Authorization to Donate

Resolution No. 25-20 Authorization to donate, at no cost, obsolete and broken information technology equipment to RET3 Job Corp, 1814 East 40th Street, Cleveland, and a determination that said equipment is no longer necessary or needed for the operation or purposes of the District.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 25-20. Without objection, the motion carried unanimously.

Sewer Use Code Matters

Resolution No. 26-20 Adopting the findings of the Hearing Officer with regard to the account of Liz Young, Sewer District Hearing No. 19-028, that the customer receive a sewer charge credit in the total amount of \$1,688.28.

MOTION – Mayor Bacci moved, and Mayor Alai seconded to adopt Resolution No. 26-20. Without objection, the motion carried unanimously.

VII. Information Items

1. Program Management Status Report and Update – 2019 Year End/December 2019

Devona Marshall, Director of Engineering and Construction, presented the year-end report for 2019 on the Capital Improvement Program and provided an update on contract management and KPIs at the program level and project level.

The second half of the year ended with issuing six requests for proposals. There were also eight professional service awards, totaling \$51.7 million. Of note, there were the three PLC replacement projects for Easterly, Southerly and the collection system. The total amount of those three awards was \$36.6 million. The District also had three construction awards totaling \$4.2 million and closed out seven construction contracts.

Overall, the District ended the year with 20 requests for proposals issued. There were 12 professional service awards totaling \$56.3 million and eight construction awards totaling \$16 million. The Easterly/Westerly Low Voltage Equipment Replacement project was a two-step design-build with a guaranteed maximum price contract of \$9.6 million. There were also 15 construction closeouts.

Currently, the District is managing 96 active contracts with a total value of \$1.056 billion. Most of the costs are in construction at \$742 million, then \$273 million in design activities, and \$41 million in planning projects.

By location, the majority of this is focused on the collection system at \$775 million, \$240 million focused on the plants and \$41 million in the category of “other,” which means it is most likely something at GJM, EMSC or a District-wide type project.

Ms. Marshall then provided an update on the District’s key performance indicators. Regarding program level KPIs, for cashflow and the Business Opportunity Program (BOP), the District ended 2019 at 90% of planned, exceeding the KPI of 85%. The total amount paid out was \$213 million, which is in line with spending over the past four years.

The District awarded \$72 million in total contracts, the lowest amount in the past 10 years. There will likely be a cash flow dip in 2021 as a result of the lower amount but it will go back up as there is a busy year planned.

Regarding BOP goals, the District closed 15 construction contracts in 2019. The total contract value paid on those projects was \$93.8 million and the final amount that went to BOP firms for their efforts on those projects was \$26.7 million, which gave the District a BOP participation of 28.47 %. For these 15 projects, the District well exceeded the 17.35% goal.

President Brown praised the District for a job well done.

Ms. Marshall continued her presentation discussing cash flow for BOP. The planned amount was \$47.7 million, and the District spent \$54.3 million.

Regarding planning level KPIs, the District met both of its KPIs as it relates to CIP planning schedule requirements in support of the 2020 budget process; however, the District fell short on its KPIs as it relates to consent decree reporting performance milestones, coming in at 5 of 6.

The District fell short on its Appendix 3 Green Infrastructure projects and its requirement to complete construction of those projects by July 7, 2019. Eight of the nine planned projects were completed by that date; however, the Woodland Central Green Infrastructure project was delayed due to extensive environmental issues and issues with property acquisition. The District did achieve substantial completion of this project at the end of December. The District notified the EPA as part of its semiannual report at the end of July that this milestone would not be met. The EPA has not responded.

This is a project that the District has presented on many times to the Board. This project is achieving substantial environmental benefits beyond that CSO control. There was no delay by the District to push this project forward through design and construction. There were a lot of differing site conditions including PCBs in the soil, over 10,000 cubic yards of solid waste and industrial waste, and over 6,000 tires that the District removed from the site. Ms. Marshall showed before and after photos of the site and explained that there were contaminates both at the surface and going down many feet.

Ms. Marshall provided a chart outlining the design level KPIs. The District met all KPIs and exceeded most of them.

The District's value engineering KPI was set for \$15 million in 2019 and was well exceeded at over \$61 million, the majority of which was achieved through the Shoreline Consolidation Sewer project with good pre-engineering, pre-design activities, and updated flow monitoring modeling. The District was able to significantly reduce the size of that project.

In the month of December, the design of the Doan Valley Miscellaneous Regulators and Relief Sewer project was completed within 60 days of planned, meeting the KPI.

Construction KPIs were all met and the budget and schedule KPIs were exceeded.

Ms. Marshall provided a graphic that demonstrated where funds were spent. In 2019, the District closed 15 projects. The total work orders were 4.49%, which equates to \$4.2 million dollars in spend of the total \$93.8 million that was spent on those projects. Most of those costs fell under the category of differing or unforeseen site conditions as well as owner requested changes.

In December, the District closed the construction contract for the Westerly Low-Level Relief Sewer project. This was an \$8.7 million construction contract. It was closed within 95% of planned, meeting the KPI and further meeting the KPI for BOP goals, which were set at 10%

MBE/WBE and 5% percent SBE. The projected actual were over 11.5% for MBE/WBE and over 23% for SBE.

Total work orders specific to this project were 6.63%, which equates to \$574,000. The majority were for differing or unforeseen site conditions and owner requested changes, which is in line with the overall trend for 2019.

In the coming months, the District has two requests for proposals planned and five professional service awards planned, with an estimated total amount of \$9.3 million. Three of those resolutions were approved today with the approval of the three GES agreements. There are 15 construction awards planned in the first half of 2020, totaling an estimated \$95.7 million. Of note is the Westerly Tunnel Dewatering Pump Station project, which has an estimated construction cost of \$28 million. There are also eight construction closeouts planned for the first half of the year.

President Brown asked for additional information regarding value engineering savings over the life of Project Clean Lake. He stated that it is important to know and communicate this information to the community to demonstrate the District's ability to be good stewards by not just getting the work done, but the ability to do it at a funding level that does not unnecessarily use ratepayer funds, allowing the District to spend funds on necessary projects that that ultimately result in savings to ratepayers.

Ms. Marshall informed the Board that when the District entered into the Consent Decree, the estimated cost of Project Clean Lake was \$3 billion in 2009 dollars. To date, the District has saved \$430 million through value engineering savings and good bids.

Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

President Brown noted that, in his absence following executive session, Mr. Sulik would preside over adjournment of the meeting.

Pursuant to Ohio Revised Code Section 121.22(G)(5), Mayor Bacci moved and Mayor Alai seconded to enter into executive session to discuss information that is prohibited from public disclosure under Ohio Revised Code Section 1333.61, the Uniform Trade Secrets Act. On a roll call vote with abstention from voting and attending executive session by President Brown and Ms. Dumas, Messrs. Sulik, Bacci, Alai and Joyce entered into executive session from 1:12 p.m. to 2:39 p.m.

X. Approval of Items from Executive Session

N/A

XI. Adjournment

MOTION – Mr. Sulik stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Mayor Alai seconded the motion to adjourn at 2:39 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