

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
JANUARY 17, 2019

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

I. Roll Call

PRESENT: D. Brown
R. Sulik
R. Stefanik
T. DeGeeter
J. Ciaccia
S. Dumas
J. Bacci

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

II. Approval of Minutes

MOTION – Mr. Sulik moved and Mr. Ciaccia seconded to approve the Minutes of the January 3, 2019, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Dreyfuss-Wells began her report by providing an update on the District's partnership with Land Studio and some of the other community-based arts organizations on public art, to take advantage of the opportunities available out in the community to explain the District's work and to communicate with our customers in all sorts of ways. One way is with signage, as previously explained by Mike Uva, Senior Communications Specialist, and the District is starting to see the results. There is a sign in University Circle, across from the art museum, which explains the watershed issue, the problem and then overflow as a solution.

Ms. Dreyfuss-Wells explained there are three signage locations: MLK Jr. Drive, Euclid Avenue and Sterns, where there is a great deal of both foot traffic and automobile traffic. She said the signage is visually appealing and very informative in an easy to understand way.

Next, Ms. Dreyfuss-Wells discussed Governor DeWine's appointment of Laurie Stevenson as the new Ohio EPA Director. Ms. Stevenson was most recently the Deputy Director for Business

Relations at Ohio EPA, where she focused on compliance issues, particularly dealing with entities that have multiple permits. Ms. Stevenson has been with the agency for 20 years and has a good relationship with former Director Butler.

CEO Dreyfuss-Wells also pointed out that last week the District received the Distinguished Budget Presentation Award for the 2018 Budget Book from the Government Finance Officers Association and read from their letter: "The award represents a significant achievement by the entity," (which is the District). "It reflects the commitment of the governing body and staff to meet the highest principles of governmental budgeting. In order to achieve the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation." This award is recognition of the good work of the District, Ken Duplay, Chief Financial Officer, and his staff, along with the leadership of the Board.

Closing the report, CEO Dreyfuss-Wells noted that 2019 is the anniversary year of the last time the Cuyahoga River caught fire and that there is a lot of work the District will be rolling out for 2019 with many partners, including the City of Cleveland, to celebrate this milestone.

Constance Haqq, Director of Administration & External Affairs explained how excited the District is with what is being called "A River Reborn" and the work being done with Cleveland and all the other communities to celebrate the rebirth of the river and the District's role in that rebirth. Ms. Haqq introduced Jean Smith, Community and Media Relations Manager, to present the District's plans in 2019 for the celebration.

Ms. Smith began by stating that the 50th anniversary celebration will take place on Saturday, June 22nd and explained the outreach tools the District has been using to interface with the public and some of the media plans and events leading up to the anniversary. Ms. Smith noted the River Reborn logo created by Yolanda Kelly, Communications Specialist, which graphically tells the story behind A River Reborn.

Ms. Smith said the District will articulate the logo through key messages, including the courage and commitment of local leaders, like former Mayor Stokes, who shined a national spotlight on environmental issues and effected significant change.

Ms. Smith explained that the Board of Trustees and past executive directors, along with ratepayers who have funded these investments, will be celebrated during the anniversary along with District employees, who have been protecting public health and the environment for nearly 50 years. She discussed the work done through the investments of our ratepayers that have improved sewer infrastructure in greater Cleveland, that has resulted in the increase of pollution-intolerant fish, where back in 1969, many of those fish did not exist.

Ms. Smith explained that the District will talk about Project Clean Lake and the District's Regional Stormwater Management Program, as well as the Industrial Pretreatment Program that really helped reduce the amount of pollutants going into the District's treatment plants and discharging into the environment.

Ms. Smith added that the District will talk about the state-of-the-art laboratory and the tremendous work that is being done at local beaches.

This is a celebration of the work that has been done for nearly 50 years. Ms. Smith noted that the reality of Algae Blooms, aging infrastructures, and affordability issues still exist and they will be discussed during the Anniversary to support the District's commitment to the river's protection. She noted that the District has already started to roll out a lot of the messaging. Last Spring, the District started the distribution of A River Reborn button packs throughout outreach events, including the District's 2018 Open House.

Ms. Smith highlighted the most recent edition of the District's Clean Water Works magazine which explains the history in the District's role of the Cuyahoga River and the button packs, which helped communicate A River Reborn message. The District website also provides resources regarding the anniversary and the District's role, including a recent Ohio EPA video on the rebirth of the Cuyahoga River that features CEO Dreyfuss-Wells and Director of Watershed Programs, Frank Greenland. Ms. Smith explained that working with numerous media resources is beneficial to the District's Cuyahoga River story. Staff is working with journalists, attending conferences, and working with local media to cover A River Reborn, but also encouraging everyone to come out and see the District's work.

District staff will be participating in over 125 events this year with A River Reborn content throughout all those events, with a number of those events specifically focused on the Cuyahoga River. Cleveland Public Theater will resurrect their Fire on the Water play, which will be sponsored by the District, and the Cleveland Museum of Natural History is planning to put together an exhibit around the Cuyahoga River and the District will help with some of the content. Local media is also being asked to not only cover the story, but to come and see the work done at the District and tour the Edgewater CSO plant and the Southerly plant.

Ms. Smith explained there are several conferences coming to Cleveland because of the 50th Anniversary, including the NACWA Strategic Communications Conference, as well as several other events, including the State of the Great Lakes and River Rally.

Ms. Smith explained what the District is doing publicly to promote A River Reborn, but also within the District itself. Employees are part of this journey as well as the leadership and support from both is critical in getting the message out. Ms. Smith extended her hope that everyone would participate in some of the upcoming events to support the District's role in the River's rebirth.

Mr. Brown noted that it looks like an exciting year and a great opportunity to talk about all the great work that has been done by the District as well as other entities and agencies that have supported this effort.

Mr. Sulik questioned whether there will be a calendar put out with the dates for all of the different events. Ms. Smith stated that there will absolutely be a calendar put out.

V. Action Items

Authorization to Purchase

Resolution No. 12-19

Authorization to purchase Wonderware software maintenance and support services for a one-year period for all wastewater treatment plants and EMSC from sole source vendor Q-Mation Wonderware North in an amount not-to-exceed \$168,538.00.

Resolution No.13-19

Authorization to purchase Rockwell Automation maintenance and support services for a one-year period from sole source vendor Rexel in an amount not-to-exceed \$229,730.00.

Resolution No.14-19

Authorization to purchase telecommunication services from AT&T and Verizon Wireless for a one-year period under the NASPO, GSA and State of Ohio Cooperative Purchasing Program in a total amount not-to-exceed \$699,720.00

MOTION – Mayor Stefanik moved and Mr. Ciaccia seconded to adopt Resolution Nos. 12-19 through 14-19. Without objection, the motion carried unanimously.

Authorization to Enter into Contract

Resolution No.15-19

Authorization to enter into a design-build services contract with Cemtek KVB-Enertec for the Westerly WWTP 2018 CEMS Upgrade project in an amount not-to-exceed \$122,598.00

Resolution No. 16-19

Authorization to enter into a professional services contract with Stantec Consulting Services, Inc. for the Pearl & Jennings Storage Tanks and Pump Station Upgrades project in an amount not-to-exceed \$3,617,527.00.

Resolution No. 17-19

Authorization to enter into a three-year collective bargaining agreement between the Ohio Patrolmen's Benevolent Association and the District, in accordance with the terms presented, for the period of July 1, 2018

through June 30, 2021.

MOTION – Mr. Sulik moved and Ms. Dumas seconded to adopt Resolution Nos. 15-19 through 17-19. After the following discussion, without objection, the motion carried unanimously.

Mr. Brown requested an explanation for Resolution No. 16-19. Devona Marshall, Director of Engineering and Construction, explained that on contracts of this size, the range of professional services increases. On larger tunnels it is about 10% of construction, but on smaller construction jobs the range does increase, looking at about 15% to 23% on these size projects. This project comes just over 22% of the full construction cost and the reason is that there is an increase during pre-design.

Ms. Marshall explained that extensive flow monitoring will be done in this area due to the uncertainty of the flow and in order to properly design and hopefully save money in construction. In addition, the District will be working with two hydraulic models. This project will cover two service areas, so there will be more modeling done than what is done on a typical job. Finally, the specific allowances on this job are also a little bit higher. There is some known contamination in the area of construction which will be looked at closely in an attempt to avoid it during construction.

Mr. Brown asked if this construction was around the Harvard/Jennings area due to events where the river has crested out of the stream and ended up in the businesses down the street. Ms. Marshall advised that under this project they found a stream going into the combined systems and as part of this project, the District will be pulling out that flow from the system. Ms. Marshall stated that the contract covers both design services as well as construction administration, so not only does it take us through construction, there is a year on the end of that to ensure that everything was constructed as designed.

Authorization to Modify Contract and Ratify Expenditure

Resolution No. 18-19

Ratification of expenditures totaling \$7,491.00 in excess of the approved agreement amount with Paladin Protective Systems, Inc. for integrated security services for Southerly, GJM and EMSC, and authorization to modify said agreement to add the said ratified funds and extend the term of the agreement by thirty-three (33) days.

MOTION – Mayor Stefanik moved and Mr. Ciaccia seconded to adopt Resolution No. 18-19. Without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 19-19

Authorizing the final adjustment modification of Contract No. 16001787 with McNally Tunneling Corporation for the Dugway South Relief and Consolidation Sewer project by decreasing the contract amount by \$3,483,866.37, thereby bringing the total revised contract amount to \$22,604,533.63.

MOTION – Mr. Ciaccia moved and Mayor Bacci seconded to adopt Resolution No. 19-19. Without objection, the motion carried unanimously.

Authorization to Adopt Policy and Appoint Compliance Officer

Resolution No. 20-19

Authorization to adopt the District's Commercial Credit Card Policy as presented, and to appoint the District's Manager of Debt and Treasury as Compliance Officer for District credit cards, pursuant to Ohio Revised Code Section 6119.60.

MOTION – Mr. Sulik moved and Mayor Stefanik seconded to adopt Resolution No. 20-19. Without objection, the motion carried unanimously.

VI. Information Items

I. Program Management Status Report and Update

Devona Marshall, Director of Engineering & Construction, stated that the Department of Engineering and Construction has 103 active contracts with a value of over \$1.2 billion. The majority of that figure is \$906 million in construction, \$262 million in design and \$42 million in planning. The District issued a total of 13 requests for proposals in 2018 and awarded 7 professional services contracts for a total amount just under \$26 million. That number also includes the award of the design for the shoreline tunnel for \$19 million.

The District also awarded 15 construction contracts in the total amount of just under \$273 million. That number included the award of the Westerly Storage Tunnel Project for \$135 million and the London Road Relief Sewer Project for \$40 million. Ten construction projects were closed, including the Easterly Tunnel Dewatering Pump Station Project.

Ms. Marshall moved the discussion to Project Clean Lake and advised that they ended 2018 and started 2019 with 27 projects completed to date and currently have 33 active projects. Ms. Marshall stated that \$1.42 billion has been spent and/or awarded to date but for purposes of

compared to the \$3 billion estimate when the District entered into the Consent Decree, it is equivalent to about \$1.15 billion.

Next, Ms. Marshall discussed highlights in 2018 specific to Project Clean Lake including achieving full operation of the Easterly Wastewater Treatment Plant Secondary Expansion Project, which is Control Measure I under the consent decree. Under this project, capacity was increased from 300 MGD to 400 MGD which allowed elimination of an internal bypass that bypassed some of the processes at the plant. Also, Engineering activated the Euclid Creek Tunnel and the Tunnel Dewatering Pump Station, controlling approximately 365 million gallons of annual CSO control.

Engineering and Construction completed five construction projects in 2018, with a total estimated CSO control associated with those projects of 515 million gallons. Construction commenced on five projects, including the Westerly Storage Tunnel Project, which is the fourth of seven tunnels that will be constructed under Project Clean Lake. Ms. Marshall stated that the District has commenced design of the fifth tunnel, the Shoreline Storage Tunnel.

Cash flow ended 2018 at 90 percent, for a total payout of approximately \$221 million. The District set a record on contract awards by awarding \$300 million in contracts for 2018. The previous record was in 2010 when the District awarded approximately \$277 million in contracts.

Ms. Marshall advised that in 2018, the Engineering and Construction Department closed ten construction contracts in the total amount of \$142 million, with final Business Opportunity Program (BOP) participation at 27 percent, which exceeded the 16.6 percent goal. Looking at the BOP from a cash flow standpoint and what went out in the way of pay out, the planning amount was \$38.1 million and they closed 2018 at \$42.4 million.

As to planning level KPIs, the Engineering and Construction Department closed 2018 meeting one of two of the KPIs. Ms. Marshall said that they fell short on the required 2018 Consent Decree compliance reporting and performance milestones, where they met 6 out of 7. They also fell short on Control Measure 9 of the Consent Decree which is the Superior Avenue Pump Station Upgrade Project. Ms. Marshall explained that within the Consent Decree, there are critical milestones identified around achievement of full operation. For the Superior Avenue Project, that was required to be achieved on December 31st of last year. The definition of "achievement of full operation" under the Consent Decree means that construction is complete and full operation has taken place. Ms. Marshall stated that they did meet that portion of the definition – they are achieving the required CSO control. The second part is that it needs to function and perform as designed. Ms. Marshall stated that they are meeting that goal. She explained that where they fell short is on the completion of the training and O&M development. They are currently still training O&M staff and training is scheduled to be complete within the next week or so. When training is complete, they will achieve full operation of that control measure.

Mr. Ciaccia asked what the implications are of not meeting that particular control measure.

Ms. Marshall responded that it is at the discretion of the EPA.

Eric Luckage, Chief Legal Officer confirmed that it would be at the EPA's discretion. He stated that we will notify them but that he does not anticipate any problems given the fact that we are functioning and doing what is supposed to be done on time.

Ms. Dumas asked what "shakedown activities" mean. Ms. Marshall advised that shakedown means the training of staff and operation manuals in place. Ms. Marshall went on to say that because they are still training O&M staff in construction and the contractors are still helping operate the facility, the shakedown has not been met.

Next, Ms. Marshall advised that the Engineering and Construction Department closed three out of the four design level KPIs for 2018. They fell short on the engineer's estimate. The goal is to be within 10 percent on the average of the three lowest bids. They just missed that, coming in at a negative 10.26 percent.

Moving on to construction KPIs for the end 2018, they missed two of the three. The first one is around substantial completion and the second is around closing contracts within 95 percent. Ms. Marshall explained the reason they did not meet that KPI is because of the Easterly Tunnel Dewatering Pump Station project. That project was well behind schedule and closed 1,000 days late. She said the big reason they did not meet substantial completion was on the construction close. The contract did close above the original contract amount. Early in construction of the Project they had a change order related to the cavern construction. The increase in cost had nothing to do with the issues at the end of construction related to the pumps. Ms. Marshall stated that they did meet their KPI in the way of trending work orders by change categories. Of the projects that did close, they came in at 6.8 percent on the total amount, compared to 7.9 percent from last year.

Construction KPIs that occurred in the month of December included two projects that achieved substantial completion - the Easterly Service and Security Building project, which was a \$5.7 million construction contract and the Superior Stones Canal Improvements project, which was at \$18.4 million. Both of these projects did achieve substantial completion within 90 days of the planned substantial completion date.

Ms. Marshall advised that the Engineering and Construction Department also closed out the Kingsbury Run Preliminary Engineering contract at \$4.5 million, meeting the KPI, closing that Project within 95 percent, and meeting the BOP goal. The BOP goal was set at 20 percent. Projected actuals are actually 100 percent on this Project. The lead contractor was a Women-Owned Business Enterprise (WBE) firm that had both Minority-Owned Business Enterprise (MBE) and Small Business Enterprise (SBE) participation. Ms. Marshall stated that they also closed on the Westerly Wet Weather Facilities Improvements Project which was a \$3.3 million contract, meeting the KPI and both closing and contracting within 95 percent and meeting BOP goals at 25 percent.

Mr. Brown noted that Ms. Marshall's report was very informative and a good internal report as far as the goals set and expenditure of funds that are there for that purpose but he believes there should be a way for staff to communicate a result of the work that impacts the hydraulic profile in a

community which would illustrate a tangible benefit to the community in addition to the environmental impact of not putting sewage in the lake.

CEO Dreyfuss-Wells agreed and noted this would be added to the report moving forward.

Ms. Marshall agreed as well and added that the District's Consent Decree covers not only CSO control, but flood relief as some of the District's control measures, which are covered in the Resolution request, could be something highlighted as part her status reports and updates to the Board.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

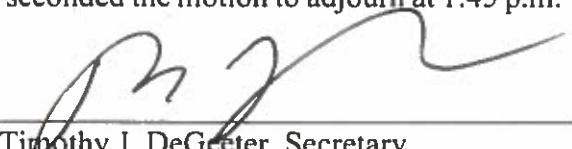
IX. Executive Session

MOTION – Mayor Bacci moved pursuant to Ohio Revised Code Section 121.22(G)(1) to enter into Executive Session to consider the employment and compensation of a public employee. Roll call vote: all yes.


Following executive session, the Board returned to regular session at 1:44 p.m.

X. 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 1:45 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