

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
JANUARY 19, 2017

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
W. O'Malley
J. Bacci
T. DeGeeter
S. Dumas
R. Stefanik

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

II. Approval of Minutes

MOTION – Mayor Bacci moved and Mr. Sulik seconded to approve the minutes of the January 5, 2017, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Ciaccia began his report with financial projections for year 2016.

Revenues were 5% higher than projected and consumption increased by 1% for the second straight year, which may be attributable to the new metering system installed by the Cleveland Water Department (CWD). Expenses were significantly under projections by 14%, which is primarily attributable to certain contracts not getting underway as quickly as expected. The Stormwater budget was also over projections.

CWD has begun monthly billing and they have assumed billing responsibility for the City of Cleveland Heights' system.

CEO Ciaccia noted that the Suburban Council of Governments will hold a meeting on January 26 at the Cleveland Clinic for the purposes of appointing a representative to the Board of Trustees from the "population seat" that is currently occupied by Ron Sulik.

Closing his report, CEO Ciaccia stated that Constance Haqq was the recipient of the Cleveland chapter of the Southern Christian Leadership Conference Award for corporate leadership. The Board and attendees acknowledged the award and offered congratulations.

Resolution of Acknowledgement

Resolution No. 52-17

Resolution of Acknowledgement presented to Raymond Weeden in recognition of his more than thirty-five (35) years of outstanding services and noteworthy contributions to the Northeast Ohio Regional Sewer District.

MOTION – Mayor DeGeeter moved and Ms. Dumas seconded to adopt Resolution No. 52-17. After the following discussion and without objection, the motion carried unanimously.

Resolution No. 53-17

Resolution of Acknowledgement presented to George Schur in recognition of his more than thirty-one (31) years of outstanding services and noteworthy contributions to the Northeast Ohio Regional Sewer District.

MOTION – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution No. 53-17. After the following discussion and without objection, the motion carried unanimously.

V. Action Items

Authorization to Advertise

Resolution No. 39-17

Publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for construction of the Cuyahoga River at Towpath Bank Stabilization project with an engineer's opinion of probable construction cost of \$1,820,000.00.

MOTION – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution No. 39-17. After the following discussion and without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 40-17

Authorize the issuance of RFPs, in accordance with Ohio Revised Code Chapter 6119, for the Enterprise Wireless Network Implementation Project.

MOTION – Mr. O’Malley moved and Mayor Bacci seconded to adopt Resolution No. 40-17. After the following discussion and without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 41-17

Authorize the purchase of telecommunications services from AT&T and Verizon at a cost not to exceed \$962,192.00.

MOTION – Mr. Sulik moved and Mr. O’Malley seconded to adopt Resolution No. 41-17. After the following discussion and without objection, the motion carried unanimously.

Authorization to Enter into Agreement(s)

Resolution No. 42-17

Authorizing the District to enter into a cooperative agreement with the Cleveland Metroparks for mutual services related to the Regional Stormwater Management Program at an estimated cost of approximately \$710,000.00 for 2017 with annual payment thereafter.

MOTION – Mayor DeGeeter moved and Mayor Stefanik seconded to adopt Resolution No. 74217. After the following discussion and without objection, the motion carried unanimously.

Mr. Brown requested an explanation. Frank Greenland, Director of Watershed Programs, advised that Cleveland Metroparks is the largest landowner in Ohio and plays a fundamental role in stormwater management.

Similar resolutions in the past were not executed because of the stormwater litigation. The agreement under discussion would entail a partnership with the Metroparks and establishing a regional stormwater management reimbursement to advance the ability to perform construction, operations and maintenance in the Metroparks. The fund would be similar to the Community Cost Share Program in that the Metroparks would pay a fee matched by the District for mutually agreeable construction projects that protect the regional stormwater management program. The Metroparks would apply for projects that would be reviewed by the District. The agreement also clarifies maintenance responsibilities and procedures.

Mr. Greenland further explained that the District would collect the fees applicable to Metroparks’ property.

Mr. Brown inquired whether there will be a requirement for some level of inspection of facilities to prevent potential catastrophic events. Mr. Greenland affirmed and advised that there are preventative actions and inspection that will be emphasized through a maintenance agreement.

Mr. Sulik questioned whether this will be an annual payment. Mr. Greenland stated that the annual

expense will be around \$710,000 annually but that may need to be adjusted. The District would match the adjusted fee in any event.

Eric Luckage, Chief Legal Officer & General Counsel, explained that the current Metroparks' fee is approximately \$282,000, which the District will match,

Mr. Brown inquired whether there is a cap on how much can accrue in the account. Mr. Greenland explained the account may only accrue for five years.

Authorization to Enter into Contract

Resolution No. 43-17	Authorize design-build contract with First Energy for the Southerly First Energy Substation project in the amount of \$14,950,000.00.
Resolution No. 44-17	Authorize construction contract with Kokosing Industrial, Inc. for the Southerly Second Stage Lift Station Improvements project in the amount of \$10,551,300.45.
Resolution No. 45-17	Authorize professional services contracts with Professional Services Industries, Inc.; Terracon Consultants, Inc.; Solar Testing Laboratories, Inc.; and Resource International, Inc. for the Testing and Construction Inspection Services Project in the amount of \$16,000,000.00.

Resolution No. 44-17 was withdrawn.

MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution Nos. 43-17 and 45-17. After the following discussion and without objection, the motion carried unanimously.

Mr. Brown referenced Resolution No. 43-17 and questioned who owns the assets. James Bunsey, Director of Engineering & Construction, explained that the District will own the assets at the conclusion of the project. However, it is likely staff would contract with CPP for a maintenance agreement.

Referencing Resolution No. 45-17, Mr. Brown asked how long the contracts would cover. Mr. Bunsey indicated that there are four contracts of \$4 million each over a five-year period. The firms are currently providing similar services to the District and it could be considered a replacement set of contracts.

Mr. Brown questioned whether there is an issue with subcontracting opportunities because the firms are all self-performing. Mr. Bunsey stated that the RFP did not include BOP participation but historically firms in the field have a fairly high percentage of participation, but staff negotiated

to add subcontracting services to cover BOP participation.

Mr. Brown stated that it is questionable whether a prime contractor who is a District-certified MBE, WBE, or SBE should be required to have BOP subcontracting opportunity. Mr. Bunsey advised that there is less opportunity for smaller firms when a large prime is a minority BOP participant. CEO Ciaccia stated that is a legitimate issue to address through the Business Opportunity Program.

Authorization to Ratify Expenditure

Resolution No. 46-17

Authorize ratification of an emergency construction contract with Nerone and Sons, Inc. for the Emerald Parkway Culvert Collapse Pumping Project in the amount of \$506,430.00.

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 46-17. After discussion and without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 47-17

Modify Contract No. 15004682 for final adjustments with Independence Excavating, Inc. for the Chevrolet Boulevard Detention Basin Project with a decrease in the amount of \$3,351.10 bringing the total contract price to \$2,635,759.40.

Resolution No. 48-17

Modify Contract No. 15004900, with Shook Construction Company for the Westerly Wastewater Treatment Center Ferric Chloride Tanks project with a scope modification only with no change in the contract price.

MOTION – Mayor Stefanik moved and Ms. Dumas seconded to adopt Resolution Nos. 47-17 through 48-17. After discussion and without objection, the motion carried unanimously.

Property-Related Transactions

Resolution No. 49-17

Authorize the payment of relocation benefits associated with the District's acquisition of property in the Cities of Cleveland and East Cleveland necessary for construction of the East 140th Street Consolidation and Relief Sewer Project with a consideration of \$48,336.81.

Resolution No. 50-17

Authorize the District to appropriate the entirety of one parcel of real property, located in the City of Cleveland, necessary for construction of the Kingsbury Run Preliminary Engineering Project with a consideration of \$85,000.00.

Resolution No. 51-17

Authorize the payment of relocation benefit associated with the District's permanent acquisition of property in the City of Cleveland necessary for construction of the Union/Buckeye Green Infrastructure Project with a consideration of \$3,380.00.

MOTION – Ms. Dumas moved and Mayor Bacci seconded to adopt Resolution Nos. 49-17 through 51-17. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. IT Professional Services - 2016

Mr. Bunsey advised that cash flow at the end of the year was \$204 million which met the Key Performance Indicator (KPI). The District added 13 contracts and has 102 open contracts valued at \$950 million.

Project Clean Lake is 34% complete or under contract. Staff has so far saved \$560 million from the original \$3 billion total.

Mr. Bunsey advised that staff met 10 of the 11 consent decree-driven milestones in 2016. The District achieved 400 MGD capacity through Easterly in December and the contractor met its obligation, but there also must be an operational period during which Operations is comfortable, all facilities are online and there is an operational plan. That goal was not attained but probably will be probably by June. Staff reported that to regulatory agencies.

Designs were out within 26 days versus the goal of 60. Staff has also identified \$18 million in value engineering savings. Work orders as a percentage of construction was higher than historically. Mr. Bunsey explained that staff missed KPI in regards to the engineer's estimates with a very competitive bidding environment.

The Doan Valley Storage Tunnel was five days early completing design and the Shaw Brook Culvert Project came in at 25% lower than the engineer's estimate, but is a small job.

The Westerly Low Level Sewer Project is a contract with an out-of-town contractor the District has not dealt with before. The contractor was aggressive and beat the competition significantly, skewing the average of the lowest three bids.

The District-wide LED lighting Project is on schedule and will pay for itself with decreased energy usage within a five-year period.

Easterly Primary Settling Tank Rehabilitation, we closed that financially at 85% of total contract value. As well, we did not meet the MBE, the BOP, and the reason was scheduling problems with the weather. The significant component of the work was concrete repair. It was the concrete in the tank was not as bad as we originally thought and budgeted for as well as ran into scheduling trouble with the weather, so we had to de-scope that work.

Southerly Ash Lagoon design-build financially came in great at 88% of total contract value. The BOP here was exceeded significantly. Our goal was 10% and it came in at over 19%. The contractor was able to add material suppliers that increased their BOP.

The Southerly First Stage Improvements Project schedule was increased by 178 non-compensable days due to the pump manufacturer being unable to supply the pumps in a timely fashion.

The Southerly Low Voltage Replacement Project is in the around 85% complete and significant work was de-scoped and moved to the Southerly Parallel Treatment Project to coordinate it with the new pump station.

The Dugway Storage Tunnel Project is nearing completion in mid-March.

The Tunnel Dewatering Pump Station about 95% complete. The concrete around the facility is laid, hydro seating is done. The pumps are in the first of three phases of testing went fairly well and we expect to be in a position to be hydraulically testing those pumps sometime by March.

The Mary Street Pump Station Project is also 50% complete.

The Superior Stones Canal Project has just begun. Mr. Bunsey alerted the Board that staff worked with the contractor to modify the micro-tunnel alignment that goes up Superior Avenue to move it away from an historical building to reduce risk and the likelihood of losing a machine in the street.

Mr. Brown inquired at which point the Superior Stones Canal Project ends. Mr. Bunsey explained that the project ends at the top of the hill by the Reserve Building. The area is crowded in terms of utilities.

With that, I would like to, unless there are any other questions, call up Steve Janosko, the project manager, to give you a very brief overview of what the Westerly -- a conceptual view of what the Westerly Tunneling Pump Station will be looking like which is going to be down by the Shoreway at the soapbox derby area.

Steve Janosko, Project Manager, stated that he would present a brief overview of the Westerly Tunneling Pump Station. The pump station will hold 36 million gallons of water, collecting CSO

from the Walworth Run overflow and a sewer on West 45th Street. Most of the flow is coming into the tunnel system from Shaft-3. Shaft-1 is the site of the proposed pump station.

Great Lakes Towing is looking to expand their facilities on the east side and perhaps on top of the Old River Channel, and there is ongoing conversion of the Shoreway to the Boulevard, and staff is attempting to run the access road into the site through a right-of-way occupied by the soapbox derby.

The pump station is submersible and requires a shaft excavation of a 46-foot diameter with an estimated cost of \$36 million. The cost of the station will be \$20 million less than if it had been a wet well/dry well arrangement because that type of arrangement would have required a much larger excavation plus other amenities.

Mr. Brown questioned what size the pipes will be coming into the facility from the south of the Shoreway? Mr. Janosko indicated that the tunnel will be 200-feet deep in rock.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

MOTION – Mayor Bacci moved to go into Executive Session pursuant to Ohio Revised Code Section 121.22(g)(1) to consider the appointment of a public employee. After discussion and without objection, the motion carried unanimously by roll call vote.

The Board met in Executive Session from 1:24 p.m. to 1:53 p.m.

X. Approval of Items from Executive Session

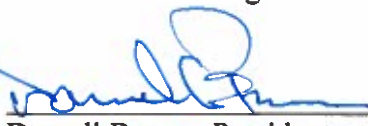
There were no items.

IX. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mr. O'Malley seconded the motion to adjourn at 1:53 p.m. Without objection, the motion carried unanimously.



Walter O'Malley, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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