

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
MARCH 17, 2022

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

I. Roll Call

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

Absent: Samuel Alai

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Ms. Chambers seconded to approve the Minutes of the March 3, 2022 Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

Kyle Dreyfuss-Wells, Chief Executive Officer, provided an update regarding NEORS's ongoing COVID-19 pandemic response and informed the Board that NEORS staff has one active COVID-19 case, and no employees with COVID-19-like symptoms awaiting test results. There are no employees remaining at home because a member of their household tested positive. There has been a total of 207 employees with confirmed diagnoses since the beginning of the pandemic, 206 of whom have recovered and returned to work.

Last week, Congress approved an omnibus spending bill for fiscal year 2022, with funding for a range of projects in Northeast Ohio, including \$2 million of the \$9.8 million Brookside Culvert Repair project in Cleveland, and \$1 million of the \$3.4 million Upper Ridgewood Basin Improvement project in Parma. Ms. Dreyfuss-Wells expressed appreciation to Senator Brown and Congressman Gonzalez for their efforts, as well as NEORSD staff, including Danielle Giannantonio, Manager of Legislative Affairs, and the Watershed Programs and Engineering and Construction (E&C) Departments for obtaining the funding. President Brown offered congratulations.

Ms. Dreyfuss-Wells explained that the Upper Ridgewood Basin project involves the redesign of an inline pond to create stormwater storage and alleviate building and road flooding during significant storm events. Ms. Dreyfuss-Wells thanked Mayor DeGeeter for his leadership and Frank Greenland, Director of Watershed Programs, and Donna Friedman, Watershed Team Leader, for their hard work and commitment to addressing questions and concerns from residents and community leaders.

On March 16, Ms. Dreyfuss-Wells testified before the United States Senate Environment and Public Works Committee regarding clean water State Revolving Fund (SRF) funding. The additional funding to the SRF through the Infrastructure Investment and Jobs Act has sparked discussion on Capitol Hill about the formula by which SRF funding is allocated across the states. The National Association of Clean Water Agencies (NACWA) asked Ms. Dreyfuss-Wells and Tom Sigmond from New Water in Green Bay to address the Committee and discuss how they work with their respective states to use SRF funding, the importance of financing projects to controlling rates, and the need for the dollars allocated to states to not be reduced.

Mayor DeGeeter offered kudos to Donna Friedman and Matthew Scharver, Deputy Director of Watershed Programs, for their work on the Upper Ridgewood Basin Project, noting that they received and responded to hundreds of emails and met with residents and council members to ensure they understood the project. The Mayor noted that Parma City Council voted unanimously to approve the easement and it will be a great project for the community.

Ms. Dreyfuss-Wells invited Marie Fechik-Kirk, Manager of Sustainability and Special Projects, to provide an update regarding the District's Sustainability Plan.

Ms. Fechik-Kirk reminded the Board that the 2021 Sustainability Plan was the first of its kind for NEORSD and advised that she would highlight four aspects of the program.

Beginning with electricity reduction, NEORSD has reduced its electricity consumption by 19% in 2021 compared to 2014, equating to \$1.4 million in cost savings. This is due to a variety of upgrades including the installation of LED lighting, upgrades to pumps and blowers, and turbine performance at the Renewable Energy Facility (REF). NEORSD will be conscientious in its upcoming energy procurement to ensure continued reduction in energy costs and greenhouse gas emissions.

The Sustainability Checklist was implemented by E&C and Watershed Programs as a way to seamlessly integrate sustainability into projects to identify cost-effective strategies in the pre-design phase and better capture the environmental impact.

NEORSD updated its idling policy to reduce idling of District vehicles. There is information regarding the policy and the reasons behind it available to staff on the Intranet.

Lastly, there was a barrier identified within the Green Infrastructure Grant (GIG) Program. The current program provides for reimbursement funding, creating concern that NEORSD may be missing good projects in diverse neighborhoods in the combined sewer overflow (CSO) area, where upfront funding may not be readily available.

The Green Infrastructure Leadership Exchange is providing \$18,000 to address those barriers and potentially create a loan product to compliment the reimbursement program. This should be finalized in June, in advance of the September 2022 application deadline. Because the Green Infrastructure Exchange is a national organization, these ideas can be replicated elsewhere. Ms. Fechik-Kirk thanked Christopher Hartman, Stormwater Technical Specialist, for leading the effort in this initiative.

Ms. Dumas asked for additional information regarding the \$18,000 and how it relates to the ability to perform GIG projects. Ms. Dreyfuss-Wells clarified that the \$18,000 is to investigate the possibility of creating the loan concept, not to provide funding to applicants, and invited Mr. Scharver to further address the question.

Mr. Scharver explained that the \$18,000 is intended to cover the cost of the development of a loan product that will be marketed to applicants and specifically Community Development Corporations throughout the Cleveland area to acquire funding.

V. Action Items

Authorization to Issue Request for Proposal (RFP)

Resolution No. 97-22	Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for professional services and equipment for the Storage Area Network Replacement project.
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MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 97-22. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

- Resolution No. 98-22 Authorization to enter into a reimbursement agreement with the City of Strongsville for reimbursement of District design and construction costs in an amount not-to-exceed \$163,351.87 for the replacement and concrete encasement of a City-owned sanitary sewer performed under the District's Blodgett Creek Bank Stabilization project.
- Resolution No. 99-22 Authorization to enter into a project agreement with West Creek Conservancy (WCC) to provide local match funding toward the acquisition of PPNs 457-19-014 and 457-20-006, located in the City of Parma and within the Federal Emergency Management Agency's (FEMA) 100-year floodplain along Baldwin Creek, with a District contribution in an amount not-to-exceed \$125,000.00, combined with \$231,800.00 from the Clean Ohio Fund Green Space Conservation Program and \$32,300.00 from WCC toward the total project cost of \$389,100.00.
- Resolution No. 100-22 Authorization to enter into a project agreement with Cleveland Metroparks to provide funding toward the acquisition of the 8.24 acre PPN 364-26-015, located in the City of Berea and within the Federal Emergency Management Agency's (FEMA) 100-year floodplain along Baldwin Creek, with a District contribution in an amount not-to-exceed \$325,000.00 and a Cleveland Metroparks contribution toward the remaining costs of the acquisition and demolition costs, currently estimated to be \$325,000.00.

MOTION –Ms. Chambers moved, and Mr. Sulik seconded to adopt Resolution Nos. 98-22 through 100-22. After the following discussion, without objection, the motion carried unanimously.

President Brown asked, regarding Resolution Nos. 99-22 and 100-22, who will be the property owner once the projects are complete, noting his concerns regarding floodplains potentially being reverted to development opportunities.

Mr. Greenland explained that both of the properties are along Baldwin Creek. The first project is to be performed with West Creek Conservancy (WCC), which will maintain possession. WCC will receive Clean Ohio funding for the program, which is overseen by the Ohio Public Works Commission, and therefore, there is a declaration of restrictions to prevent future development activities.

The second project will be performed in cooperation with the Cleveland Metroparks, which will maintain possession of the property. The Metroparks' mission, pursuant to the Ohio Revised Code,

is the preservation of property around natural resource areas, meaning that the property will be protected in the long-term.

Mr. Sulik requested an additional explanation of the division of funding under the agreement with the Cleveland Metroparks. Mr. Greenland explained that NEORSD has agreed to contribute \$325,000 for the purchase of the property, 50% of the current total estimated cost of \$650,000, and the Cleveland Metroparks will provide the remainder, currently estimated to be \$325,000.

Authorization to Enter Into Contract

Resolution No. 101-22 Authorization to enter into a two-year requirement contract with Pirc Company Landscaping & Snowplowing, LLC for Green Infrastructure Maintenance Services in an amount not-to-exceed \$451,949.70.

MOTION – Mayor Bacci moved, and Mr. Sulik seconded to adopt Resolution No. 101-22. After the following discussion, without objection, the motion carried unanimously.

President Brown asked whether there will be a designated number of facilities and locations that the vendor will be responsible for maintaining and a level of quality control that will be administered.

Mr. Greenland explained that there are 12 sites in total and each of the sites has standing work orders with frequencies and activities expected of the contractor. NEORSD has internal resources to perform inspection activities and ensure that the contractor is adhering to the work orders. Special work orders are written as needed.

Mr. Greenland provided photographs of the sites and explained that they are primarily comprised of the large green infrastructure sites constructed under the Consent Decree. NEORSD performs routine inspections of the sites and work orders are added if needed.

Authorization to Amend Agreement

Resolution No. 102-22 Authorizing final adjusting change order for Design-Build Agreement No. 190003913 with US Communications and Electric, Inc. for the Easterly/Southerly Fiber Replacement project by decreasing the agreement amount by \$173,778.19, thereby bringing the total agreement amount to \$3,669,228.81.

MOTION – Mr. Sulik moved, and Mayor Bacci seconded to adopt Resolution No. 102-22. Without objection, the motion carried unanimously.

Authorization to Amend Resolution

Resolution No. 73a-22 Authorization to amend Resolution No. 73-22, adopted February 17, 2022, which authorized the District to acquire one permanent stormwater easement and two temporary easements at the property known as PPN 581-07-049, located at 2728 Oakview Circle, in the City of Broadview Heights, owned by William T. Eden III, Richard G. Eden Jr., and Sharon Kay Eden, to revise the total consideration from \$18,950.00 to \$20,450.00.

Resolution No. 103-22 Authorization to amend Resolution No. 188-21 to approve the District's Operating and Capital Budgets for the fiscal year ending December 31, 2022, as presented.

MOTION – Mr. Sulik moved, and Mayor Bacci seconded to adopt Resolution Nos. 73a-22 through 103-22. After the following discussion, without objection, the motion carried unanimously.

President Brown noted, regarding Resolution No. 103-22, that the Finance Committee meeting was held on March 8, which was chaired by Mayor Alai, and attended by Ms. Chambers and himself. A detailed presentation of the proposed Operating and Capital budgets was presented for sewer and stormwater, with key expense categories discussed in detail.

Operating revenue projections support the proposed .6% increase in sewer operating expenses for a total of \$134.5 million for 2022, as well as a 5.9% increase in stormwater operating expenses, for a total of \$35.8 million for 2022. The projections are consistent with the 2022 to 2026 Rate Study projections and include a budget for 802 full-time staff members.

The Capital budget for 2022 is \$262.8 million for sewer and \$7.5 million for stormwater. Debt service payments for 2022 will be \$119.5 million.

The Finance Committee meeting also included a discussion of the current ten-year long-term financial plan, which incorporates a comprehensive plan of finance developed by NEORS and its financial advisor, Baker Tilly. The plan is to utilize cash balances to defease higher interest rate debt and fund more of the capital programs. The goal is to utilize cash and other resources to lower debt service to achieve the lowest impact on customer rates.

President Brown added that the Board has reviewed the budgets and is happy to make the recommendation to approve.

Property Related Transactions

- Resolution No. 104-22 Authorization to acquire one temporary easement at the property known as PPN 531-23-003, located at 800 West Resource Drive, in the Village of Brooklyn Heights, owned by Koehler Rubber & Supply Co., necessary for the construction of the West Creek Stabilization Brooklyn Heights project with total consideration of \$17,600.00.
- Resolution No. 105-22 Authorization to acquire one temporary easement at the property known as PPN 531-28-013, located at 1000 Resource Drive, in the Village of Brooklyn Heights, owned by R&J Real Estate Holding Company, LLC, necessary for the construction of the West Creek Stabilization Brooklyn Heights project with total consideration of \$30,000.00.
- Resolution No. 106-22 Authorization to acquire one permanent stormwater easement and one temporary easement at the property known as PPN 771-12-002, located at 4749 Derbyshire Drive, in the Village of North Randall, owned by Vanessa Fisher and Maxie Williams, necessary for the construction and maintenance of the Bear Creek Culvert Improvements project with total consideration of \$9,350.00.
- Resolution No. 107-22 Authorization to acquire one permanent stormwater easement and one temporary easement at the property known as PPN 771-12-042, located at 4902 North Randall Drive, in the Village of North Randall, owned by Phillip Serina and Anne Barnett, also known as Anne Serina, necessary for the construction and maintenance of the Bear Creek Culvert Improvements project with total consideration of \$10,500.00.
- Resolution No. 108-22 Authorization to acquire one parcel in fee simple known as PPN 702-29-045, located on Whitehall Road, in the City of South Euclid, owned by Paul M. Antonelli, necessary for the construction and maintenance of the EWSE05 project area, and to allow for the entirety of the payment plus closing costs to be disbursed to Innovative Title and Escrow Agency, LLC, with total consideration of \$38,000.00 plus closing costs.

MOTION – Ms. Chambers moved, and Mr. Sulik seconded to adopt Resolution Nos. 104-22 through 108-22. Without objection, the motion carried unanimously.

Authorization to Grant Credit

Resolution No. 109-22 Authorizing the District to issue a credit adjustment in the total amount of \$50,475.76 against sewer charges on the NEORSD account ending in 2511 for Fairmount Presbyterian Church at 2757 Fairmount Boulevard, Cleveland Heights.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 109-22. After the following discussion, without objection, the motion carried unanimously.

President Brown asked if there was a verified water leak for this account. Kenneth Duplay, Chief Financial Officer, answered affirmatively and explained that there was an outlet leak on the meter that the Cleveland Water Department repaired.

Authorization to Distribute

Resolution No. 110-22 Authorization to submit to all Member Communities a proposed change to Title I of the District’s *Code of Regulations*, delaying until July 1, 2022 the effective date of the approved rate increase for hauled waste for the period 2022-2026, as presented.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution No. 110-22. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that this issue was discussed as part of the rate analysis in evaluating different classes of customers and charges based on level of service and asked whether the notice is a due diligence issue.

Ms. Dreyfuss-Wells answered affirmatively and explained that there was an error on NEORSD’s part in not communicating the rate to the impacted haulers and the District is attempting to correct for its mistake. Ms. Dreyfuss-Wells invited Scott Broski, Superintendent of Environmental Services, to provide additional information.

Mr. Broski reminded the Board that there is an approved set of rates for 2022 through 2026, approved in July 2021. Under the Rate Study, Operation and Maintenance along with Engineering and Construction performed a comprehensive cost analysis for treating hauled waste and determined that it was necessary to increase the rate from \$.04 per gallon to \$.08 per gallon and this was also consistent with what other treatment plants are charging.

The new rate for hauled waste went into effect on January 1, 2022, and there was a comprehensive plan to communicate rate changes to residential and industrial customers. It was discovered that the septic hauler customers, a small group of approximately 40 customers, were not informed of

the rate increase. This was concerning to them as they had already billed their customers under the old rate and were now being charged a considerable amount more than expected.

The recommendation under Resolution No. 110-22 is to modify the Code of Regulations and grant a change to the rate for a six-month period, making it effective July 1, rather than January 1, to allow the businesses to adapt the new rate into their quotes and contracts. NEORS D will follow its procedures to notify the member communities, take comments from them and the haulers, review the comments, and return to the Board in approximately 30 days for approval to formally modify the Code. The current request is to grant permission to send the proposal to the member communities for comment.

The financial implication to NEORS D of delaying the rate increase by six months is a decrease in revenue of approximately \$300,000.

Ms. Dumas asked whether there is a probability that NEORS D will request a rate less than \$0.08 after the 30-day period. Mr. Broski advised that there has not been any discussion about changing the rate, which is based on cost of service. While the communities or customers may comment that they would like the rate changed, the intent is to acknowledge the mistake in not providing proper notice and providing the six-month period as they are now on notice.

President Brown and Mayor Bacci expressed that this is an appropriate action under the circumstances.

Authorization of Pay Classifications

Resolution No. 111-22 Approval of the District's adjusted salary ranges of all classifications of non-union salaried employees and the hourly wage ranges for all classifications of non-union hourly employees to reflect a four percent increase, as presented.

MOTION –Mr. Sulik moved, and Mayor Bacci seconded to adopt Resolution No. 111-22. Without objection, the motion carried unanimously.

Authorization to Amend Purchase

Resolution No. 112-22 Authorization to amend the purchases under the Cisco SmartNet Maintenance Agreement through the State of Ohio Cooperative Purchasing Program, to add funding for additional hardware in the amount of \$45,000.00, requiring authorization of an additional amount of \$25,000.00, thereby bringing the total purchase amount not-to-exceed \$607,382.08.

MOTION –Ms. Dumas moved, and Ms. Chambers seconded to adopt Resolution No. 112-22. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 113-22 Authorization to enter into a construction contract with Shook Construction for the Westerly Chemically Enhanced High Rate Treatment project in an amount not-to-exceed \$79,975,400.40.

MOTION –Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 113-22. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that the project has been discussed previously and requested an update.

Devona Marshall, Director of Engineering and Construction, advised that this project is Control Measure 3 of the Consent Decree and as with all Consent Decree projects, there are critical milestone requirements. This is a very large, complex project in a very small space at the Westerly Wastewater Treatment Plant (WWTP) within a tight time frame.

At the last meeting, the Board authorized the request to enter into an agreement with the EPA for loan funding for the project. Since that time, NEORSD opened bids on the project and received three strong bids, including the low bid by Shook Construction. The engineer’s estimate was \$84.4 million, and the low bid was just under \$80 million, which allows NEORSD to move forward with the Board’s approval.

The project was always intended to be completed using SRF funding, which has buy-American requirements under the current provisions, which will expand to materials beyond iron and steel. The project was designed under the old provisions, meaning that it is imperative to submit it before the May 15, 2022, deadline or risk significant delays resulting in critical milestone deadlines not being met.

President Brown emphasized that meeting the milestones is the critical issue for the District and added that the Business Opportunity Program (BOP) numbers are favorable under this agreement.

VI. Information Items

Ms. Marshall provided an update regarding the Capital Improvement Program (CIP) for February 2022, beginning with cashflow. The month ended at 66% of planned, which is below the overall target of 85%, but not uncommon for winter months when construction is impacted by weather. In addition, some projects were late in the billing cycle and the invoices are not yet accounted for. As for dollars spent, approximately \$13 million was paid out in February for a year-to-date total just over \$25 million.

Regarding Key Performance Indicators (KPI), substantial completion of the Easterly/Southerly Fiber Replacement project was achieved within 90 days of planned, meeting that KPI.

The construction contract for the Doan Valley Storage Tunnel was closed with a final cost of \$136.5 million, within 95% of the original contract amount, meeting that KPI. The BOP goals for the project were set at 10% MBE/WBE and 5% for SBE. The projected actual for MBE/WBE is 15.56%, exceeding that portion of the goal; however, the SBE projected actual is 3.68%, short of the 5% goal. From a cumulative standpoint, the total is over 19% for BOP participation, and the MBE/WBE firms are also SBE firms, but they are not double counted. As for total work orders by change categories as a percent of construction, the total was 1.39% equating to \$1.9 million. The majority of the changes fell to differing or unforeseen site conditions and much of the remaining going to the category of owner requested changes.

Ms. Marshall provided construction highlights, beginning with the Westerly Tunnel Dewatering Pump Station. Ms. Marshall provided a rendering of the final facility and explained that the pump station is located along the Westbound Shoreway, just west of the Soap Box Derby and the Garrett Morgan Water Treatment Plant. The pump station will dewater the Westerly Storage Tunnel, which is also currently under construction, and pump those flows to the Westerly WWTP for full treatment. The pump station and tunnel will be responsible for 285 million gallons of annual CSO reduction from two of the outfalls that are tributary to the Cuyahoga River including CSO-080, which is one of the District's largest CSO locations.

The Westerly Tunnel Dewatering Pump Station is a \$27.2 million construction contract. It includes a 36 million gallons per day (MGD) submersible pump station with a 9,550 square foot building. Ms. Marshall provided a rendering of the internal workings of the pump station explaining the components. The 25-foot diameter storage tunnel, being constructed under a different contract, will connect to the pump station where flows will first be screened through a bar screen that is 25 feet high and 8.5 feet wide, before dropping into a wet well where the flows will eventually be pumped up 215 feet through five pumps, each of which has a 9 MGD capacity, and includes one backup pump. The captured CSO flow is pumped through 20-inch diameter vertical discharge pipes, then on to the 36-inch force main to the Westerly interceptor, and into the WWTP for treatment. The wet well, which is 46 feet in diameter and 215 feet underground, was constructed by the Westerly Storage Tunnel contractor and handed over to the pump station contractor to install the pumping components.

As for project status, the construction of the pump base at the bottom of the wet well, the vertical discharge piping, and the bar screen have been installed. The flushing tank has also been constructed as well as a 46-foot diameter shaft cover over the wet well shaft location. The exterior masonry walls have been erected as well as the lower roof system, and the 36-inch diameter force main has also been constructed. Ongoing construction includes the discharge piping and the gates in the valve vault area, as well as installing structural steel in the higher elevation roof section, and

ongoing electrical and plumbing work. It is scheduled to achieve substantial completion in May of 2023. Ms. Marshall provided several photographs of the construction site, demonstrating the work performed and yet to be performed as described.

Open Session

There were no items.

VII. Public Session (any subject matter)

There were no items.

VIII. Executive Session

There were no items.

IX. Approval of Items from Executive Session

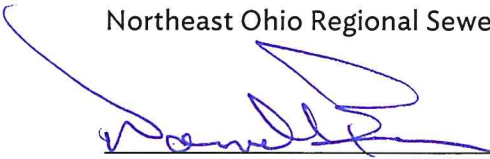
There were no items.

X. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Ms. Dumas seconded the motion to adjourn at 1:19 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