

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
MARCH 19, 2020

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.

President Brown opened the meeting by addressing the COVID-19 pandemic. He stated that The World Health Organization has declared COVID-19 a pandemic of international concern. On March 9th, the Governor of Ohio declared a State of Emergency in Executive Order 2020-10D. On March 17, 2020, the Director of the Ohio Department of Health on issued an Amended Mass Gathering Order. This Order was pursuant to her authority (R.C. 3701.13) to make special orders for preventing the spread of contagious or infection diseases.

The Order prohibits mass gatherings that bring together fifty (50) or more persons in a single room or a single space at the same time. The Order also urged all persons, regardless of whether a gathering meets the definition of a mass gathering, to maintain social distancing whenever possible. The Centers for Disease Control (“CDC”) has recommended that workplaces implement social distancing measures. The CDC defines social distancing as being approximately 6-feet from others. Furthermore, Mayor Jackson has issued a Proclamation that a state of Civil Emergency exists within the municipal boundaries of City of Cleveland due to the severity and duration of COVID-19 in the City.

President Brown further stated that the Board meeting remains open to the public as required by Ohio’s Open Meetings Act and the District is using its best efforts to reconcile those requirements with the Health Department Order and guidance that he previously mentioned. He stressed that we want to do our best to protect this Board, employees, ratepayers, and our visitors. Toward that goal of reconciliation, seating for the Board meeting was modified to comply with the ODH Order and with CDC guidance on social distancing.

Attendance at this meeting may not exceed 50 persons and the chairs in this meeting room for the Board, staff and public have been distanced accordingly. If there are no chairs available in this room, members of the public may go to the District’s First Floor Training Room across the hall or to the O&M Training Room on the third floor. This meeting is being live streamed for public viewing in those rooms and they are both configured to comply with CDC social distancing guidance. Any members of the public who wish to address the Board will be given the opportunity to do so and District staff will be attending to each room to help you. Mr. Brown stated that anyone wishing to listen to a live broadcast of today’s meeting can do so by calling (614) 407-0382 and using access code 692118.

I. Roll Call

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

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 March 5, 2020, 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, advised the Board that in order to protect its employees, the District is following Governor DeWine's directives regarding social distancing and mass gatherings. The District also implemented a telework policy for employees who are able to work remotely, with approximately 25% of the District staff doing so. However, there are employees in several departments who are unable to perform their duties remotely. Accordingly, the District continues to take appropriate measures to ensure those employees can practice social distancing and regularly disinfect their workstations. Additionally, the District has implemented a leave policy allowing for ill employees to stay home and have the necessary PTO to do so.

The District has been keeping employees up to date on decisions and changes being made in response to the COVID-19 pandemic via email, monitors at all facilities, the District intranet, and the swift reach network.

Ms. Dreyfuss-Wells urged District staff to check the intranet daily for updates, as this is a time of rapid change and policy decisions are being made daily. Additionally, it is important for the staff working remotely to be available to their colleagues via cell phone and email.

The District is fully functioning with wastewater treatment and stormwater management continuing to be 24/7, 365-day operations. Sewer system maintenance and operations (SSMO), collections system and stormwater inspection and maintenance (SWIM) continue their activities. The Analytical Services department continues to operate, and the lab ensures the District maintains NPDES permit compliance. The Customer Service department is working remotely and continues

to answer customer questions. Additionally, the District is reaching out to the public via social media and press releases.

Ms. Dreyfuss-Wells further informed the Board that the District is monitoring the pandemic through its incident management team and senior leadership, which meets daily. The District is also evaluating the potential financial impacts for the District in the event of a prolonged economic downturn. Ms. Dreyfuss-Wells invited Ken Duplay, Chief Financial Officer, to provide the Board with a brief update in that regard.

Mr. Duplay informed the Board that the District has begun analyzing the potential economic impact of the situation. The District has a very strong financial situation with strong liquidity and adequate funds to manage current operating expenses. Revenue for the first two months of the year has been in line with the projections. In reviewing data from 2008-2010, the District experienced collection rates as low as 89% during that timeframe and has been in the high 90% range in more recent years. Analyzing that data along with data received from District partners through NACWA regarding consumption declines on the west coast, the District was able to ascertain the potential tipping point of financial distress.

Mr. Duplay indicated that the District is in a very strong position now and is running different scenarios to determine at what point it would encounter financial issues. For example, if there is a 20% decline in consumption over three months, the District would be able to withstand the decline. However, if the District experienced a 20-30% decline for the remainder of the year, which would be an extreme, that could be problematic.

Mr. Duplay reiterated that there is plenty of cash on hand for current operating expenses and noted that as long as OWDA maintains their operations, the loan funded capital projects should be able to continue as long as the District obtains those reimbursements.

President Brown noted that most of the District's revenues come from commercial and industrial customers and the level to which those customers are impacted will dictate outcomes. Additionally, residents' ability to pay their bills will be a large factor, noting that the City of Cleveland has put a moratorium on utility disconnections.

President Brown further noted that other utilities will be facing similar challenges and in the American spirit, will rise to meet those challenges. He noted the importance of monitoring the financial situation to plan accordingly and working with legislators and agencies that oversee utility operations to stay in the forefront.

Ms. Dreyfuss-Wells indicated that NACWA has initiated some of those discussions.

Mr. Duplay added that District management has decided not to move forward with first-half 2020 certifications in an effort to maintain its customers' ability to pay and access to clean water. The District will re-evaluate in second half of 2020.

Mr. Joyce asked whether the 25% of District employees working remotely was the maximum number of employees able to, or whether that number might increase. Ms. Dreyfuss-Wells explained that on Friday of last week, the District began transitioning to permitting employees who are able and would like to work remotely, to work from home. On Sunday, she advised staff that if they are able to work remotely, they should. James Bunsey, Chief Operating Officer, added that he believes that the majority of staff that are able to effectively work from home are doing so. He added that services, such as plant operators, maintenance workers, security, and construction staff, are fully operational with the possibility of pairing down those crews, should it become necessary.

V. Action Items

Authorization to Amend Resolution

Resolution No. 78-20 Authorization to amend Resolution No. 164-19 to approve the District's 2020 Operating and Capital Budgets for the fiscal year ending December 31, 2020, as presented.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution No. 78-20. After the following discussion, without objection, the motion carried unanimously.

Ms. Dumas commented that Mr. Duplay presented the 2020 proposed budget on March 12, to the Finance Committee. The review included the sewer operating budget, the sewer capital budget, debt service, stormwater, the ten-year long-term financial plan, public purpose, and budget transfers that were over \$100,000.

The operating budget in total is comparable to the rather flat operating budget of 2019 with very minimal variances. Revenue projections were in alignment with the 2017 through 2021 rate study and considered appropriate adjusting factors. The staffing level is also historic at about 775 positions.

Detail on the expense side included the establishment of the Technical Services Group and the Environmental Services Group. Both efforts centralized and coordinated existing resources to provide greater support and effectiveness and efficiencies in current and anticipated operations and services.

Other changes in operating expenses reflected estimates for inflation as well as anticipated declines on all major expenses. Capital expenditures and debt service were as anticipated in the five- to ten-year projection with coverages well beyond requirements. The stormwater program is trending in the right direction. Ms. Dumas commended Mr. Duplay and the Finance Department for an extraordinary job and indicated that the Board recommends the budget for approval as presented.

Authorization to Advertise

Resolution No. 79-20 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for the Westerly Grating and CSOTF Washdown Replacement project with an anticipated expenditure of \$1,200,000.00.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 79-20. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposal (RFP)

Resolution No. 80-20 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for radiation consulting services to maintain compliance with the District’s Ohio Department of Health Radioactive Materials License.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 80-20. After the following discussion, without objection, the motion carried unanimously.

President Brown asked for additional information regarding the purpose of obtaining the license. Frank Greenland, Director of Watershed Programs, explained that the District has long had a need to maintain the license, primarily for legacy radioactive material, such as Cobalt-60 at the Southerly and Easterly Wastewater Treatment Plants. The District does not have such a person on staff. This is an RFP to gather those services. It will be a continuation of previous work in coordinating with the Engineering and Construction department on certain construction projects. The District is working to reduce the number of sites that require these services.

Authorization to Enter Into Agreement

Resolution No. 81-20 Authorization to enter into a cooperative agreement with the City of North Royalton for the District’s performance of the stream portions of the Ridge Road Repair and Rocky River Tributary Stabilization and Re-Alignment project and to reimburse the City all costs associated with property acquisition and any appropriation action necessary to be taken by the City to secure easements for the project.

MOTION – Mr. Joyce moved, and Mayor Alai seconded to adopt Resolution No. 81-20. After the following discussion, without objection, the motion carried unanimously.

President Brown asked for clarification as the language in Resolution No. 81-20 is different than usual. Mr. Greenland explained that the project is consistent in terms of stream restoration but in this instance, because it is also a road project, the City of North Royalton will help to advance easement needs to complete the project.

Authorization to Enter Into Contract

- Resolution No. 82-20 Authorization to enter into a ten-year contract with the City of Cleveland, Division of Cleveland Public Power (CPP) for the provision of CPP electric service to the Easterly and Westerly Wastewater Treatment Plants at the rates presented, with an option to renew the contract for an additional five-year period, and to pay CPP the amount of \$389,574.42 toward improvements to be made by CPP at the Easterly Wastewater Treatment Plant.
- Resolution No. 83-20 Authorization to enter into a three-year requirement contract with Nerone & Sons, Inc. for the CSO Floatables Control Sites Maintenance project in an amount not-to-exceed \$721,191.80.
- Resolution No. 84-20 Authorization to enter into construction contract with Shook Construction Co., for the Westerly Primary Settling Tank No. 1 Drive Replacement project in an amount not-to-exceed \$368,296.50.

MOTION – Mr. Sulik moved, and Mayor Bacci seconded to adopt Resolution No. 82-20. The Resolution was adopted without objection, by roll call vote, with all present members voting yes and abstention and recusal by Mr. Brown and Ms. Dumas.

MOTION – Mayor Alai moved, and Mr. Joyce seconded to adopt Resolution Nos. 83-20 through 84-20. Without objection, the motion carried unanimously.

Authorization of Contract Modification

- Resolution No. 85-20 Authorization to modify Contract No. 18002222 with ThyssenKrupp Elevator Corporation for Elevator Maintenance and Repair Services at all District Facilities for a time extension of one year with no change in the total contract amount.

MOTION – Mayor Bacci moved, and Mr. Sulik seconded to adopt Resolution No. 85-20. Without objection, the motion carried unanimously.

Property Related Transaction

- Resolution No. 86-20 Authorizing the District to enter into a permanent license agreement on property known as part of PPN 733-09-008, located on North Park Blvd., in the City of Shaker Heights, owned by the City of Shaker Heights necessary for the construction of the Doan Brook Culvert Outlet Repair in Shaker Heights project with total consideration of \$0.00.

- Resolution No. 87-20 Authorizing the District to acquire one temporary construction easement on property known as part of PPN 445-12-004, located at 5515 Broadview Road, in the City of Parma, owned by Helen Shipka and Susan A. Tharp, Trustees of The Shipka Family Trust, under agreement dated September 10, 2003, necessary for the construction of the West Creek Bank Stabilization near Sandpiper Drive project with total consideration of \$45,000.00.
- Resolution No. 88-20 Authorizing the District to acquire one temporary construction easement on property known as part of PPN 601-29-013, located at 6699 Old Royalton Road, in the City of Brecksville, owned by E.C. and Maureen Pelaia, necessary for the construction of the Chippewa Bank Stabilization near the Chippewa Creek Condominiums project with total consideration of \$15,000.00.
- Resolution No. 89-20 Authorizing the District to acquire one parcel in a fee simple on property known as PPN 761-16-011, located at 4242 Cricket Lane, in the City of Warrensville Heights, owned by West Creek Conservancy, necessary for the construction and maintenance of the Mill Creek Bank Stabilization project, and to allow for the entirety of the payment to be disbursed to Innovative Title and Escrow Services, LLC with total consideration of \$75,000.00 plus closing costs.
- Resolution No. 90-20 Authorizing the District to acquire one permanent sewer easement located on property known as part of PPN 673-05-008, located at 1733 Strathmore Road, in the City of East Cleveland, owned by Willie Parks, necessary for the construction and maintenance of the East 140th Street Consolidation and Relief Sewer project with total consideration of \$300.00.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 86-20 through 90-20. Without objection, the motion carried unanimously.

Authorization to Grant Credit

- Resolution No. 91-20 Authorizing the District to issue a credit adjustment in the total amount of \$34,399.77 against sewer charges on NEORSD account number ending in 7475 for Joseph T. Kubic (Trustee), 15900 South Park Boulevard, Shaker Heights.
- Resolution No. 92-20 Authorizing the District to issue a credit adjustment in the total amount of \$34,132.46 against sewer charges on NEORSD account number ending in 0002 for the Richmond Heights Board of Education, 27125 Highland Road, Richmond Heights.

Resolution No. 93-20 Authorizing the District to issue a credit adjustment in the total amount of \$78,549.34 against sewer charges on NEORSD account number ending in 80001 for Case Western Reserve University, 11911 Carlton Road, Cleveland.

Resolution No. 94-20 Authorizing the District to issue a credit adjustment in the total amount of \$61,414.05 against sewer charges on NEORSD account number ending in 0510 for Wyant Athletic & Wellness Center, Case Western Reserve University, 1610 East 118th Street, Cleveland.

Resolution No. 95-20 Authorizing the District to issue a credit adjustment in the total amount of \$101,694.00 against sewer charges on NEORSD account number ending in 0643 for GT Parma HQ, LLC, 12900 Snow Road, Parma.

MOTION – Mr. Joyce moved, and Mayor Alai seconded to adopt Resolution Nos. 91-20 through 95-20. After the following discussion, without objection, the motion carried unanimously.

President Brown asked for clarification regarding Resolution Nos. 93-20 through 95-20, as significant credits are involved. Mr. Duplay explained that Resolution No. 93-20 involved a malfunctioning meter with a history of bad reads, so the District is offering a like credit to the customer in line with Cleveland Division of Water, associated with a large back bill.

Resolution No. 94-20 relates to a large bill stemming from an outlet leak at the water meter, which is not the customer's responsibility.

Resolution No. 95-20 involves a broken shut-off valve that occurred in the course of the Cleveland Department of Public Utilities performing work and is also not the customer's responsibility.

VI. Information Items

Ms. Dreyfuss-Wells informed the Board that Devona Marshall, Director of Engineering and Construction, had prepared a presentation regarding program management that was included in the Board Packet, however, in light of the evolving COVID-19 situation, Ms. Marshall would not give the presentation.

Open Session

There were no items.

VII. Public Session (any subject matter)

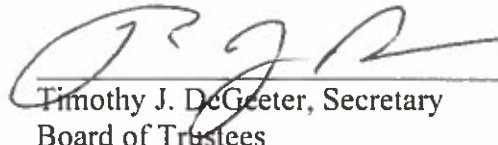
There were no items.

VIII. Executive Session

There were no items.

IX. 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 1:06 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