

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
APRIL 2, 2015

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:33 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown
R. Sulik
W. O'Malley
J. Bacci
S. Dumas
T. DeGeeter
R. Stefanik

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

II. Approval of Minutes

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to approve the minutes of the March 19, 2015, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Chief Executive Officer (CEO) Ciaccia advised that no one signed up to speak about a specific agenda topic.

IV. Chief Executive Officer's Report

CEO Ciaccia began his report by stating that a meeting was held on Tuesday with a number of mayors and a township trustee relative to the potential community investment grants proposal. Broadview Heights Mayor Alai chaired the meeting that was also attended by mayors Elkins from Newburgh Heights, Welo from South Euclid, Leiken from Shaker Heights, Infeld from University Heights and Olmsted Township Trustee Lippus.

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District staff conducted a presentation similar to what was offered to the Board previously as it relates to the consent decree, integrated planning and findings as to other Clean Water Act (CWA) obligations in the region. Staff also introduced the notion of investment by the District to help deal with those issues.

Chief Financial Officer (CFO) Demmerle discussed the financial plan and rate implications. The presentation was well received and there was interest on the mayors' part in seeing the District proceed with the efforts. Some were disappointed with the amount of money potentially available at the onset, but CEO Ciaccia explained that the District is constrained to the current rate structure through next year.

CEO Ciaccia stated that there was a lot of good discussion about the amount of money needed and the program process. During the meeting they told District staff that NOPEC also has a process for grants, which he had been unaware of. The parties also discussed how to communicate with their peers. The next meeting will be held in May.

Moving to the next topic, CEO Ciaccia advised that last week the District and the Cleveland Water Alliance co-sponsored a speaking engagement at the City Club. Edwin Piñero, a senior vice president of Veolia Water, gave a presentation on the value of water. The speech included many ideas of how to make the business case for the sewer rates.

Concluding his report, CEO Ciaccia informed the Board that a reporter from a Pittsburgh newspaper interviewed District staff recently regarding a story they are writing on the Allegheny County Sanitary Authority and its consent decree negotiations with the federal government. The Mayor of Pittsburgh has asked the federal government for a one-year moratorium in the negotiations so they can incorporate green infrastructure into their plan.

The story will be published on Sunday and does not focus as much on green infrastructure as it does on the fact that the District has been mitigating combined sewer overflows (CSOs) for decades. CEO Ciaccia stated that the region should be proud of its proactive approach regarding CSOs; as onerous as the program may seem, it would have been much worse had his and the Board's predecessors not gotten an early start.

CEO Ciaccia advised that the District spent \$1.2 billion mitigating CSOs prior to the consent decree. That figure would more than double in today's dollars.

CEO Ciaccia noted that the situation in Pittsburgh may sound familiar because one of the District's former Board members also called for a one-year moratorium on negotiations with the federal government. Each day the District delayed would have meant \$290,000 in additional costs.

V. Action Items

Authorization to Advertise

Resolution No. 73-15

Advertise for Bids for the Construction of the Southerly Maximum Achievable Compliance Technology and Operations Improvement Project. Engineer's Opinion of Probable Construction Cost: \$13,700,000.00.

MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution No. 73-15. After discussion and without objection, the motion carried unanimously.

Mr. Brown inquired regarding the project's benefit. James Bunsey, Director of Engineering & Construction, advised that the District must meet air emissions compliance requirements by March 2016 at the Renewable Energy Facility (REF). They currently do not meet those requirements.

The SMACT project will place filters in the scrubber system to remove mercury and SO₂ that is in violation. Approximately \$2 million of the project is for the purchase of equipment, the contract for which was entered into already with the equipment supplier. The equipment contract will be assigned to the construction contractor to allow for single-source responsibility.

Mr. Bunsey stated that a unique aspect of this project is an incentive fee. Staff felt the incentive fee was in the best interests of the District due to the high degree of difficulty meeting the March 2016 deadline, as well as the high cost of hauling if they are unable to incinerate.

The incentive fee is spelled out in the bid documents and is a bit over 1% of the contract value. If the contractor supplies the five-day performance of the equipment, it passes testing and EPA accepts it, the contractor can get each unit in every week up to four weeks with an incentive fee.

Mr. Brown inquired whether the technology is proven in the field. Mt. Bunsey explained that it has been installed and is operational at other facilities -- particularly power installations. The technology is relatively new technology and the District is one of the first sewer districts to utilize biosolids on it. As part of the equipment manufacturing contract, the District has received guarantees that the equipment will reduce emissions below the limits set for the March 2016 deadline.

Mr. Brown questioned whether the contractual challenges with a previous project would be rectified. Mr. Bunsey advised that the intent is to avoid those issues with a single source. The equipment itself -- all terms and conditions -- is guaranteed and assigned to the construction

contractor.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 74-15	Design-Build RFPs for the Highland Park Golf Course Stream Restoration Project.
Resolution No. 75-15	RFPs for Design and Construction Administration/Resident Project Representation Services for the Easterly Chemically Enhanced High Rate Treatment Facility Project.
Resolution No. 76-15	RFPs for the Assessment of the Water Analysis, Water Quality and Permit Compliance Information and Reporting Systems.
Resolution No. 77-15	RFPs for the Customer Inquiry Tracking Application Replacement Project.

MOTION – Mr. O’Malley moved and Mayor DeGeeter seconded to adopt Resolution Nos. 74-15 through 77-15. After discussion and without objection, the motion carried unanimously.

Mr. Brown stated that this project will cost upwards of \$140 million, including 10% to 20% on engineering. This is a lucrative contract and he questioned how staff makes sure it gets the best qualified firm? Mr. Bunsey advised that the engineering fee is estimated at \$13.6 million. This is a second project to the sister project which currently has a pilot study. Every time a wet weather event occurs staff conducts small-scale analyses to hone in on what the facility needs to be.

Mr. Bunsey explained that the difference from a standard RFP is that this is a very sophisticated project and it has been advanced. There is going to be up-front engineering work to allow for an “off-ramp” if the consulting engineer’s work is not satisfying.

Mr. Brown referenced discussions a number of years ago regarding appropriate technology with the federal government. He questioned whether it will be was a little less expensive. Mr. Bunsey advised that the EPA was initially looking for more advanced process and the pilot study was conducted to find a more standard process at a higher rate. The report from the pilot study has been submitted and the EPA has as long as six months to review it. The District’s findings are on solid ground from a technology and pilot study standpoint.

Mr. Brown welcomed future updates on the subject.

Authorization to Purchase

Resolution No. 78-15

Annual Purchase of Desktop and Laptop Hardware from Dell Marketing L.P., Through the State of Ohio Cooperative Purchasing Program. Cost: \$222,640.00.

MOTION – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution No. 78-15. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 79-15

Agreement with the Ohio Department of Health (ODH) for the Sewer District to Provide Water Quality Sampling and Analysis During 2015 for the ODH Beach Monitoring Program.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution No. 79-15. After discussion and without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 80-15

Modify the Existing Stormwater General Professional Services Contract. Cost: An Increase in the Contract Term of One Year or Until the Contract Funds are Expended with No Change in the Contract Price.

Resolution No. 81-15

Modify the Existing Two-Year Requirement Contract with K.A. Steel Chemicals, Inc. to Provide Sodium Hypochlorite Solution for Use at All Wastewater Treatment Plants. Cost: A Six Month Time Extension with No Change in the Contract Price.

Resolution No. 82-15

Modify the Existing Three-Year Requirement Contract with Herbst Electric for Substation Preventative Maintenance and Repair at All Wastewater Treatment Plants and the Environmental and Maintenance Services Center. Cost: A Twelve Month Time Extension with No Change in the Contract Price.

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Resolution No. 83-15

Modify the Existing Two-Year Requirement Contracts with Star Concrete and Construction and O.C.I. Construction, Inc. for Stream Sediment and Debris Removal. Cost: A Twelve Month Time Extension with No Change in the Contract Price.

MOTION – Ms. Dumas moved and Mr. Sulik seconded to adopt Resolution Nos. 80-15 through 83-15. After discussion and without objection, the motion carried unanimously.

Mr. Brown stated that it would be helpful if the Board had an indication as to how vendors performed, which might warrant consideration for contract extensions. Ray Weeden, Director of Operations & Maintenance, explained that there are a variety of reasons why there is money remaining on the contracts. Staff is pleased with the work of all contractors.

Hypochlorite usage can vary based on the quality and volume of the influent flow. There is enough money left to make it through one more hypochlorite season, which also helps with budgeting. New substations came online that did not require preventive maintenance and therefore, funds were available for unanticipated repairs. The Stormwater Management Program was also suspended.

CEO Ciaccia stated that estimates have budgetary implications and they should be tightened like engineer's estimates for construction projects. COO Rotunno and Mr. Weeden are working to refine estimates for requirement-type contracts.

Authorization of Award Modification

Resolution No. 84-15

Modify Award for Green Infrastructure Grants Program.

MOTION – Mr. O'Malley moved and Mayor Bacci seconded to adopt Resolution No. 84-15. After discussion and without objection, the motion carried unanimously.

Property-Related Transaction

Resolution No. 85-15

Authorization of One Relocation Payment Associated with the District's Permanent Acquisition of Property in the City of Cleveland Necessary for Construction of the Doan Valley Tunnel Project. Consideration: \$696.09.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution No. 85-15.

After discussion and without objection, the motion carried unanimously.

Authorization to Participate

Resolution No. 86-15

Authorization for the District to Participate in the Bulk Treated Ice Control Cooperative Purchasing Program with the Ohio Department of Transportation.

MOTION – Mr. O’Malley moved and Mayor Bacci seconded to adopt Resolution No. 86-15. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Industrial Pretreatment Program Legal Notice

Frank Greenland, Director of Watershed Programs, advised that every year District staff manages the federal industrial pretreatment program locally. The regulations require the publishing of a list of industrial entities in significant noncompliance. He provided the Board with said list.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

No members of the public registered to speak during Public Session.

IX. Executive Session

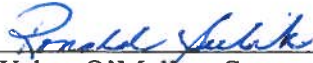
There were no items.

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 Ms. Dumas seconded the motion to adjourn at 1:00 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