

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
APRIL 15, 2010

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
D. DePiero
G. Starr
J. Bacci
W. O'Malley
R. Sulik

Ms. Kelly was absent.

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

II. Approval of Minutes

MOTION – Mr. Sulik moved and Mr. O'Malley seconded that the minutes of the April 1, 2010 Board meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no members from the public registered to speak at Public Session.

IV. Executive Director's Report

Executive Director Ciaccia moved to the first report item regarding the Combined Sewer Overflow Long Term Control Plan (hereinafter "CSO LTCP"). The District met with representatives from the state and federal governments on Tuesday, April 13th, which Executive Director Ciaccia described to be a "very enlightening meeting." We are getting "down to some of the fine points" of the CSO LTCP and moving toward a Consent Decree to carry out the CSO LTCP.

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The Board will convene in an Executive Session at the end of the meeting to discuss some of the details involving the CSO LTCP. Executive Director Ciaccia indicated that the technical-based issues are ongoing as well as the program term and whether this should be a 15, 20, 25 or 30 year program. There was some good discussion involving green infrastructure. Discussions also included penalties, supplemental projects and the schedule of the Consent Order and those issues will be discussed further during Executive Session.

Executive Director Ciaccia moved to the next report item regarding the Stormwater Management Program (hereinafter "SMP"). The draft SMP Credit Policy Manual was distributed to the member communities for review and comment.

Executive Director Ciaccia referred to a letter received from the City of Strongsville wherein the City opted not to comment or participate in any meetings related to the SMP. The District is anticipating comments from the member communities regarding the SMP Credit Policy Manual whereas some of the community officials are being advised by their attorneys not to participate in this initiative. Executive Director Ciaccia advised that the District will continue to encourage participation, and that "it would be nice if this region would pull together, including Summit County communities," and in a cooperative effort do something great for this region and "let the chips fall where they may as the legal cases roll through the court." However, in some instances, the attorneys are firmly in control which has resulted in this disappointing response.

The District continues monitoring the potential amendment to Ohio Revised Code (hereinafter "ORC") §6119, which was proposed by Ohio State Senator Tim Grendell (R-District 18) and pushed by Attorney Sheldon Berns. The District has been working with the Council of Regional Districts, an organization also in opposition to the proposed amendment. There were previous discussions about attaching this amendment onto Senate Bill 110, which deals with septic tanks and is currently going through the legislative process; however, there has been no evidence, at this point, that this has happened.

Executive Director Ciaccia advised that there are no developments as it relates to the case pending in the Summit County Court of Common Pleas.

Executive Director Ciaccia advised that with respect to the case pending in the Cuyahoga County Court of Common Pleas, a Case Management Conference was scheduled for April 16th at 2:00 p.m. at the Justice Center before Judge John Russo. We look forward to obtaining a timeline as to how this case will proceed.

Executive Director Ciaccia referred to an article published in *The Plain Dealer* this week as it relates to problems associated with stormwater. There is erosion in the Cleveland

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Metroparks, and hundreds of thousands of taxpayers' dollars each year support the Cleveland Metroparks. This region is a major contributor to problems caused by stormwater. Executive Director Ciaccia advised that the article "was a good example of what we are trying to accomplish" here at the District and that "it would be nice if some of these communities, instead of just bringing their lawyers to the table, actually bring some alternate solutions to the table, if they had any."

Executive Director Ciaccia moved to the next report item regarding the District's first-quarter finances. The revenues are on target and actually .6% above the 25% benchmark for 2010. The District is 3.9% below the 25% benchmark for Operations and Maintenance (hereinafter "O&M"). Executive Director Ciaccia indicated that we are on target in the different expense categories.

The District's cash balance in its capital account is down approximately \$20 million from the last quarter of 2009, which is indicative of the District beginning to spend down this account as we become more aggressive in our Capital Improvement Program (hereinafter "CIP"). Since this account will continue to decline, the District anticipates having a bond issue in the third or fourth quarter of 2010. Furthermore, the rate of spending on the capital side is going to increase as we carry out the CSO LTCP.

Executive Director Ciaccia indicated that "the financial plan is in place to ensure that we stay financially sound." On the agenda, staff made recommendation to the Board to award a contract to a financial consulting firm to assist with carrying out our financial plan and rate study for the years 2012 through 2016. It will be of paramount importance to ensure that that our finances are healthy enough to carry out the CIP.

Executive Director Ciaccia moved to the next report item and advised that the District executed the contract with the American Federation of State, County and Municipal Employees (hereinafter "AFSCME") Local 2798. Those employees will receive their 2009 retroactive paychecks on April 30th and the 2010 retroactive checks on May 7th.

Executive Director Ciaccia turned discussion over to Deputy Director of Operation & Maintenance, Ronald Czerski, and Manager of Safety of Security, James Davidson, to provide the Board with a brief update on the internal investigation of the electrical explosion which transpired at the Easterly Wastewater Treatment Plant (hereinafter "WWTP").

Mr. Czerski provided an overview of the timelines related to the incident. On February 1, 2010, the District shut down power to a couple of blowers in order for Bay Mechanical, a contractor doing work at Easterly, to install new cables. The cables were tested after installation.

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On February 3, 2010 at around one o'clock, the power for the blowers was turned back on, and at that time, an explosion occurred inside of one of the blower panels. A piece of metal placed inside one of the blower panels was determined to have caused the explosion. Consequently, the District conducted a series of investigations.

Mr. Czerski advised that the initial investigation involved Cleveland Fire and Arson (hereinafter "CFA") "because of the potential for sabotage." The District also requested that URS examined the District's work in order to make procedural recommendations. The District performed an internal investigation which primarily focused on the District's reaction to the event and the incidents which transpired leading up to the event including our lockout/tagout procedures and emergency response.

Mr. Czerski referred to blower panel #5. He explained that the blower is divided into the upper compartment and lower compartment. Bay Mechanical's work was limited to the upper compartment, and they were replacing the conductors shown in red. Mr. Czerski indicated that it is important to note that you cannot access the upper panel without releasing the lower panel and that there is a safety device to ensure that you are not exposed to the high voltage. Furthermore, the upper panel cannot be closed without getting into the lower panel.

Mr. Czerski indicated that this obviously raised the question: "how can we turn the power back on and not see this object placed in the lower panel?" Mr. Czerski stated that "Bay Mechanical closed up the panels" and that the "District was responsible for turning power on and turning power off" and therefore "we were mixing some contractor work with our work." And we are questioning whether "this is the process we really want" and "should we hold the contractor completely responsible for all of the switching, and not mix the two together?"

Mr. Czerski advised that as part of the lockout/tagout procedure, there is no specific procedure for this type of equipment and that Bay Mechanical did not submit a specific procedure for "locking this thing out."

Mr. Czerski referred to an image of the blower panel, and he advised that the work was performed in the upper compartment and there is a disconnect switch on the lower compartment. The foreign object placed in the lower compartment, which was circled in the image, was an "old metal cover placed across all of the phases." When the disconnect switch was turned on, the metal object caused a short across the three phases. Mr. Czerski explained that the disconnect switch was first turned on and then the main breaker, therefore, no person was inside the room when the explosion occurred.

There was not as much damage in the upper compartment and the damage was limited to the blower panel itself. Initial damage estimates are approximately \$50,000 assuming we

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do not need to make repairs outside of the panel. Mr. Czerski advised that the District is currently examining its repair options.

As a result of the District's investigations in conjunction with the URS investigation, there are six recommendations including an audit of the District's lockout/tagout procedures. Mr. Czerski advised that the District changed its lockout/tag out policy in May of 2009. According to said policy, the District needs to have specific equipment procedures. Mr. Czerski indicated that those procedures need to be developed and that we need to train District employees accordingly.

Mr. Czerski stated that "there were some communication problems and not everyone knew completely what to do" as it related to the emergency response. There are a lot of new people in new positions, the emergency response plans are dated and employees "need to get up to speed on these plans."

The District intends to examine the engineering specifications in two areas including the design to ensure that "the equipment is designed for a lockout/tagout when we put new equipment in." In addition, the District wants to ensure that it obtains the specific lockout/tag out procedures from the contractor before receiving new equipment. With regards to work being performed, the District wants to ensure that the contractor's health and safety plans include "specifics related to the work that they are doing," which was not the case in this incident. The District intends to hold meetings with the contractors before turning the power on or off and to "clearly define the role of individuals involved in this."

The District plans to improve the documentation process for employee qualifications, and that according to NFPA-70E, the District must ensure that employees involved in this type of work must be qualified. The District does not have a formal process to ensure that all qualification-related documentation is in the employee files.

The District needs to examine and make recommendations for the security measures. Mr. Czerski turned discussion over to Mr. Davidson to discuss the CFA investigation and security measures.

Mr. Davidson stated that although the District has security procedures for access control currently in place, additional technology would greatly enhance those procedures. The District formed a workgroup comprised of individuals from the Department of Engineering and Construction, Information Technology, and Operations and Maintenance. The workgroup's responsibilities include developing District standards related to security which consists of the design implementation and deployment of a region-wide security management system. A timeline has yet to be established, but Mr.

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Davidson anticipates having recommendations brought to the Board before the end of 2010.

Mr. Davidson indicated that he is somewhat limited on discussing this issue publicly since CFA has determined the incident to be an intentional criminal act and is an ongoing investigation. Twenty-five interviews were conducted, which included District personnel, outside contractors and laborers at the facility during the event.

Mr. Davidson advised that this crime was the subject of a "Crime Stoppers" television segment which aired April 10th and April 11th. Bay Mechanical offered a \$5,000 reward regarding this incident and that "Crime Stoppers" increased this reward by \$2,000 bringing the total reward amount to \$7,000.

Mr. Davidson advised that the investigation is anticipated to last "another couple of weeks" and that "it may be decided that we will bring in federal authorities to be part of this investigation," and, in this instance, would include the Department of Alcohol, Tobacco and Firearms.

Mr. Brown commented that he appreciated the due diligence conducted by these agencies. There is a work plan strategy developed in order to get "some of these things in place." Mr. Brown indicated that there are some safety concerns with regards to the lockout/tagout process, for example, determining which individuals have access to certain parts of the WWTPs. There have also been discussion as to the use of technology in order to identify which individuals have access to the buildings, and Mr. Brown suggested that "we might want to begin to look at it as we look at the process for updating parts of our planned infrastructure."

In response to Mr. Brown, Executive Director Ciaccia advised that a multi-department workgroup is being established to carry out the project and that money has been budgeted for this initiative. Executive Director Ciaccia explained that it will be a challenge coordinating the installation of the security systems with all of the ongoing construction projects and that "we kind of took a step back notwithstanding the problem...to get organized around the various things that we got going on within the District."

Executive Director Ciaccia anticipates that by the end of 2010, the District will be ready to move forward with the technology needed in order to implement an enhanced security system throughout the District. The installation of these systems will be incorporated into the construction projects or aside from the construction projects and those logistics must be worked out "so we are not putting in security systems only to rip it out three months later."

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Mayor Starr inquired if Mr. Davidson could address why human negligence has been ruled out in this investigation. Mr. Davidson replied that "based upon the evidence that has been reviewed so far, [and] again it is a professional determination of the fire arson investigators, that based upon how that foreign object had to be introduced into the box made it almost impossible that it was a negligent act." Mr. Davidson explained that there are some issues he cannot address in a public forum since this is a pending investigation.

Executive Director Ciaccia concluded his report by informing the Board that the Suburban Council of Governments (hereinafter "SCOG") will convene on April 29th at 10:15 a.m. at the Environmental Maintenance and Services Center (hereinafter "EMSC") to elect the SCOG officers. Currently, Mayor Earl Leiken is the president and Mayor Georgine Welo is the Vice President.

V. Action Items

Authorization to Advertise

Resolution No. 103-10	One (1) year requirement contract for 170,000 pounds of Liquid Polymer for use at the Southerly Wastewater Treatment Plant. Anticipated Expenditure: \$374,000.00.
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Resolution No. 104-10	Two (2) year requirement contract for the maintenance and repair services for the heating, ventilation, air conditioning and refrigeration systems at all District locations. Anticipated Expenditure: \$370,000.00.
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Resolution No. 105-10	Two (2) year requirement contract for the removal, transportation and disposal of 2,500 tons of skimmings at all Wastewater Treatment Plants. Anticipated Expenditure: \$123,000.00.
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MOTION – Mr. Sulik moved and Mr. Bacci seconded to adopt Resolution Nos. 103-10 through 105-10. Without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 106-10

Direct purchase from sole source vendor Andritz Separation, Inc., services needed to refurbish two (2) Sludge Dewatering Centrifuges at the Southerly Wastewater Treatment Plant. Anticipated Expenditure: \$150,000.00.

MOTION – Mr. O’Malley moved and Mayor Starr seconded to adopt Resolution No. 106-10. Without objection, the motion carried unanimously.

Authorization to Implement Grants Program

Resolution No. 107-10

2010 Small Scale Stormwater Demonstration Grants Program. Cost: Not to Exceed \$50,000.00.

MOTION – Mr. Sulik moved and Mayor Starr seconded to adopt Resolution No. 107-10. Without objection, the motion carried unanimously.

Authorization to Appropriate Easement

Resolution No. 108-10

Appropriation of one permanent easement (ECT-6P), owned by Richard A. Spech, Trustee, necessary for the construction of the Euclid Creek Tunnel Project. Fair market value to be deposited with the Cuyahoga County Probate Court: \$100.00.

MOTION – Mayor Starr moved and Mr. O’Malley seconded to adopt Resolution No. 108-10. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 109-10

Contract with Raftelis Financial Consultants, Inc. for professional services for the performance of a comprehensive cost of service and rate design study. Cost: \$295,881.26.

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- Resolution No. 110-10 Contracts With Media and Sponsorship Partners as part of the public outreach campaign. Cost: \$577,500.00.
- Resolution No. 111-10 Three (3) year requirement contract with Aramark Uniform Services to provide uniform rental and cleaning services at all District facilities. Cost: \$482,519.24.
- Resolution No. 112-10 One (1) year requirement contract with Valley National Gases, LLC for industrial gases for use at all Wastewater Treatment Plants, the Environmental Maintenance Services Center and the East Bank Pump Station. Cost: \$35,596.98.
- Resolution No. 113-10 Contract with C.N.A. Insurance Company for builder's risk coverage relative to District Contract Nos. 28 and 28F on a term basis from inception of the policy Through the projected contract completion date of June 15, 2013. Cost: \$194,190.00.
- Resolution No. 114-10 Contract renewal with Safety National Casualty Corporation for District excess worker's compensation coverage through 6/30/10. Cost not to exceed \$7,300.00.
- Resolution No. 115-10 Contract renewal with Traveler's Insurance Companies for District liability and property insurance through 6/30/10. Cost not to exceed \$74,790.00.

MOTION – After discussion, Mr. Sulik moved and Mr. O'Malley seconded to adopt Resolution Nos. 109-10 through 115-10. Without objection, the motion carried with one abstention from Mayor DePiero on Resolution Nos. 113-10 and 115-10.

Executive Director Ciaccia advised that a presentation was prepared for Resolution No. 110-10. Discussion was turned over to Director of Administration and External Affairs, Constance Haqq to discuss the District's community education and information program.

Ms. Haqq commented that the District has been "vigorously providing education and information to the community for a number of years," and that Resolution No. 110-10

addresses media buys. It is important to understand how the media efforts coincide with the District's overall outreach strategy.

In addition to the media, the District has an advocacy program, conducts outreach and programming, maintains a website for community education, conducts tours, and hosts a speaker's bureau. Ms. Haqq advised that anticipated media efforts include the District's ability to efficiently, effectively and economically communicate the District's message.

The "*Where Does It Go?*" campaign began about four years, and the core message of this campaign is to educate the community about wastewater management, stormwater management and the critical need to mitigate CSOs. Ms. Haqq advised that the District wants the community to understand the available small business opportunities as well as "the regional and environmental efforts that we put forward for the health and protection of this community."

Ms. Haqq moved discussion to the process used to select the proposed media vendors. The District conducted 16 interviews with electronic media vendors. Certain criteria used including the accuracy of delivering our message, their audience, the frequency of spots to be secured by the District and affordability.

Ms. Haqq referred to an image which listed the various media vendors which included television stations, print media and radio media. Ms. Haqq advised that the District anticipates engaging in two special programs with the Cleveland Cavaliers, the Lake Erie Monsters and the Cleveland Indians.

Ms. Haqq welcomed some of the media vendors to the meeting which included representatives from Channel 5, Time Warner, CBS Radio, Radio Disney, WCLV, WCPN, the Cleveland Indians and the Cleveland Cavaliers.

Ms. Haqq referred to a slide which showed the media value and she stated that we will cover our entire service area and have "at least 3,000 spots." We will frequently address the public, for example, the average WCPN listener will hear the District's message at least three times per week.

The District plans to conduct customer awareness surveys in conjunction with Baldwin-Wallace College to evaluate last year's outreach program in an effort to determine whether our customers understand District's core message. We will make adjustments and respond accordingly.

Ms. Haqq moved discussion to the District's 2010 focus. The mission is to increase the customers' understanding that the District's work benefits this region, to ensure a cleaner and healthier environment, that CSOs are critical and costly, that rates will increase, what

programs those rate increases will be applied to, opportunities for stormwater credits, possible cost savings in other areas and small business opportunities.

Ms. Haqq presented the Board with a sample television advertisement which provided a stormwater message.

Ms. Haqq presented the Board with a sample Radio Disney audio advertisement, which is a media outlet primarily directed towards children and parents.

Ms. Haqq referred to a slide depicting sample visual displays that the District will use to promote their message. The display was placed aside an image of Executive Director Ciaccia in order to show the size of those posters. Some of the images portrayed the “ugly photos” of what the District plans to mitigate.

Ms. Haqq advised that the District is building special relationships with our sports teams and she turned discussion over to Public Information Specialist, Jean Chapman.

Ms. Chapman advised that the District plans delivering its message through other venues such as sporting events. Given the vast amount of attendees at such events, the District is interested in partnering with the Cleveland Cavaliers and the Cleveland Indians. Ms. Chapman presented the Board with examples of some of the outreach measures the District intends using which includes bathroom stickers within the Cleveland Indians ballpark and signage within the bathrooms at The Q-Arena and Progressive Field.

Ms. Chapman referred to the PUP [Pick up Poop] campaign which will be geared towards stormwater. During wet-weather events, stormwater runoff flows into our local watersheds. According to Ms. Chapman, not picking up your dog’s poop could lead to “bacteria issues” and the PUP campaign will be “a really fun, interesting way to get that information across.”

Ms. Chapman advised that the Cleveland Cavaliers is working with the District to form a partnership with their mascot, Moondog. During Cavs games, there will be vignettes displaying the District’s PUP campaign and Moondog. Once those vignettes are developed they will be shared with the Board.

Ms. Chapman concluded by stating that “it is a very interesting, easy way for us to get our message across to a very vast group of individuals.” It will build upon our media buys and extend the District’s message to greater audiences.

Discussion was turned back over to Ms. Haqq who advised that the District is utilizing social media outlets such as Twitter and YouTube to deliver the District’s message. The “*Where Does It Go?*” movie has received 5,000 hits on YouTube thus far.

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Ms. Haqq presented print media examples, which were designed in-house. The print media covers a range of topics. For example, the District's Small Business Enterprise (hereinafter "SBE") program was advertised in "*Crain's* and other venues." Ms. Haqq referred to the "*Why are sewer rates going up?*" handout which addresses the rate increase issues "head-on so that people have a clear idea of why their rates are going up, where their money is going and why it is very important that we are raising rates for real reasons."

Ms. Haqq advised that the PUP campaign and booklet provided to the Board members are communications that local communities can use to satisfy some of their EPA [Environmental Protection Agency] public education requirements. This booklet also received an award from the National Association of Government Communicators, which the District will be receiving next month. Ms. Haqq recognized Communication Specialist, Michael Uva, for putting the booklet together.

Ms. Haqq concluded by advising the Board that the District did not hire a public relations firm and that the Communications and Community Relations (hereinafter "CCR") staff, managed by Kim Jones, developed the materials. Ms. Haqq recognized the entire CCR team on their efforts and asked them stand.

Mr. Brown thanked Ms. Haqq and her staff for the "good work." The District has attempted to deliver its message "for quite a long time" and we must realize that this is an expense that has to be "value-added" which he explained to be creating the right message that informs the public. At times, people are hindered by the actual rate increases and do not focus on the benefits or the results. Mr. Brown commented that this work-product demonstrates some of the "value-add that we have already received." The District has an opportunity and the responsibility to leave a legacy of a cleaner environment.

Mr. Brown suggested that the District inform, enlighten, and engage individuals as well as the need to change behaviors. Mr. Brown applauded staff's efforts and was hopeful that the message will be heard throughout the greater community. Mr. Brown anticipated that the public outreach will deliver the District's message as we roll out the SMP. He also indicated that this is an "excellent approach" to display the District's continued efforts to improve the quality of life for this region. Mr. Brown again thanked staff on their efforts.

Executive Director Ciaccia commented that outreach is an important component of the District's overall strategy, and when comparing the amount for media to the District's operating and capital budget of \$300 million, media is not as costly as initially perceived. It is paramount for the District to increase public awareness.

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Executive Director Ciaccia anticipates that the District will receive some criticism on their media efforts, but we are not advertising as a means to garner profits. We understand that the District is a monopoly. Our goal is to educate the public in an effort to increase their awareness of the District's function, what is forthcoming and what efforts can be made at the individual level.

The District will continue holding face-to-face meetings with customers and communities. Executive Director Ciaccia explained that there will be some "naysayers that will be complaining about it," but if the District institutes rate increases without educating the public, then there will be individuals criticizing the District on their lack of communication. Therefore, the District has chosen to follow the aggressive approach of communicating.

Executive Director Ciaccia referred to Ms. Haqq's previous comment with regards to the District's literature benefitting the communities by meeting some of the EPA's Stormwater Phase 2 requirements. Executive Director Ciaccia advised that the District can transfer these materials to the member communities at no additional cost. Mayor Starr agreed and he requested extra booklets in which he committed to distribute.

Mayor Starr inquired if the District's outreach message will include the District's recent reforms in transparency, public inclusion, contractors as well as Board oversight and involvement. Ms. Haqq replied that this is an ongoing issue since accountability and transparency are two of the District's core values. The District takes advantage of every opportunity to portray this message.

Mayor Starr referred to previous discussions regarding a possible name change and he questioned whether the District is considering changing its name to the Northeast Ohio Clean Water District. Ms. Haqq replied that the name change issue has been discussed, but has since been taken off the table. It would be the Board's responsibility to reintroduce those discussions.

Mayor Starr referred to Resolution No. 111-10 regarding uniform services. He questioned why the District received only one bid for uniform services since it is not a highly specialized area. Director of Operations and Maintenance, Dave McNeeley, explained that the District solicited feedback from the companies that did not submit a bid, and those responses were listed in the resolution request. The last time this contract was put out for bid, the District only received one response. Of the ten firms solicited, three firms attended the mandatory pre-bid meeting.

Mayor Starr inquired why the District only received one bid. Mr. McNeeley explained that Spirit Services attended the pre-bid meeting and indicated that since they were in the

process of switching bonding agents, it may not be a good time for them to be involved. Arrow was unable to meet the 100% performance bond requirement.

Mayor Starr inquired about Cintas since it is one of the largest uniform services firm in the country. Mr. McNeeley replied that "they are not interested in doing business with the District."

Mayor Starr commented "it's a half a million dollar contract." Executive Director Ciaccia explained to Mayor Starr that the District had "a previous experience" with Cintas. They were not pleased with the outcome and have therefore chosen not to bid with the District.

Authorization of Contract Modification

Resolution No. 116-10	Contract No. 3401 with AMEC for an increased scope of work in the Stormwater Management Program implementation Project. Cost increase in the Amount of \$400,000.00 bringing the total contract price to \$3,750,154.00.
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Resolution No. 117-10	Extending Contract No. 3486 with The Fedeli Group for four (4) months beginning September 1, 2010 through December 31, 2010. Cost an increase in the amount of \$20,850.00 bringing the total contract amount to \$120,850.00.
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MOTION – After discussion, Mr. O'Malley moved and Mayor Bacci seconded to adopt Resolution Nos. 116-10 and 117-10. Without objection, the motion carried unanimously.

Mr. Brown requested an explanation on Resolution Nos. 116-10 and 117-10.

Executive Director Ciaccia turned discussion over to Director of Watershed Programs, Frank Greenland, to discuss Resolution No. 116-10. Mr. Greenland advised that the District is entering into the most critical phase of stormwater billing and must ensure that the files accurately reflect the parcels. The data is getting old and needs to reflect the most current conditions. Mr. Greenland stated that those procedures must be instituted and that staff augmentation at this time is necessary to make this happen.

Mr. Greenland stated that as the District gets ready to launch its SMP, it will need some external resources "to help to get us over the hump with regards to billing and

rectification of questions related to the bills”. Mr. Greenland indicated that this is a “critical effort and we need to transition from the consultant to District staff.”

Mr. Brown commented that the District initially presumed a program would be in place by now and he questioned whether “any of this related to the extended time that we are keeping them on the contract?” Mr. Greenland replied that delays in finalizing the billing files has impacted the process and that the longer this drags out the staler the data can become. As we get new sources, we continuously are updating those files.

Executive Director Ciaccia turned discussion over to Human Resources Director, Douglas Dykes, regarding Resolution No. 117-10 and the extension of the District’s contract with The Fedeli Group (hereinafter “Fedeli”).

Mr. Dykes advised that the District entered into a 2-year contract with Fedeli and that said contract will end on August 31st. The District would like to align the cycles of all benefits related contracts to the end of the year. Mr. Brown commented that it made sense to put this contract on a “12-month cycle calendar year.”

Executive Director Ciaccia added that staff “has been very pleased” with the services provided by Fedeli. We considered making recommendation to extend this contract further; however, it was determined to only extend the contract to the end of this year and then issue Requests for Proposals (hereinafter “RFPs”) for a new contracting period.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 118-10	RFP for a two (2) year contract for benefits consulting services with three (3) one (3) year options to renew. Cost not to exceed \$53,000.00 plus a 5% increase each contract year.
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Resolution No. 119-10	RFP for retention of risk management consultant services firm to provide consulting services on insurance risk analysis and insurance coverage requirements for the District’s capital projects and related matters on a project-specific basis. Cost not to exceed \$80,000.00.
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MOTION – Mr. Sulik moved and Mayor Starr seconded to adopt Resolution Nos. 118-10 and 119-10. Without objection, the motion carried unanimously.

VI. Information Item

1. Industrial Pretreatment Program Legal Notice.

Executive Director Ciaccia advised that this is the annual industrial pretreatment legal notice and the entities listed have exceeded their maximums limits. Mr. Greenland added that the District is required to post this list annually and that they are typically placed on the list for exceeding certain limitations on different pollutant parameters.

Mr. Brown suspected that in terms of compliance, some of these entities are the “usual suspects.” Mr. Greenland affirmed and advised that there are “some new suspects” as well. All of those agencies are undergoing some enforcement by the District in an effort to rectify those issues.

2. Program Management Status Report and Update – February 2010.

Director of Engineering and Construction, Kellie Rotunno, began discussion by advising that she will provide the Board with the Capital Improvement Program (hereinafter “CIP”) status for April. The Tunnel Dewatering Pump Station Electrical Substation (hereinafter “TDPSSES”), which is intended to support construction of the Euclid Creek Tunnel (hereinafter “ECT”) and the towering of the tunnel boring machine, will be advertised in July. The estimated probable construction cost is \$9 million. The ECT is scheduled to be advertised in July and the engineer’s opinion of probable construction cost is \$204 million.

Ms. Rotunno moved discussion to the Key Performance Indicators (hereinafter “KPIs”). The District is ahead on 90% delivery of its CIP KPI and has awarded three contracts instead of two contracts.

We are behind on the cash flow KPI by approximately \$270,000, but Ms. Rotunno suspected that “we will make that up in no time” since the District has not yet begun to award some of the bigger projects.

Ms. Rotunno moved discussion to the engineer’s estimate compared with the average of the bid population and she advised that one project was bid in 2010, which was within the KPI range of plus or minus 10% of the engineer’s opinion of probable construction costs, which was 3.4% under the bid average.

Ms. Rotunno advised that seven of eight projects closed out within our KPI goal of being within 105% of the base contract value, and that the project shown in red, the Southerly Electrical Rehabilitation Project, “exceeded that on a percentage basis.” This was a small

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project and the District expended \$41,000 of the \$44,000 of the general allowance which led to that project being more than 105% of the base bid amount. According to Ms. Rotunno, "it was under the total bid price, so we are still in good shape."

Ms. Rotunno moved discussion to the tracking of general allowances and she stated that a large portion of our general allowance allocation has yet to be committed due to Executive Director Ciaccia's "judicious management of that allowance." Ms. Rotunno advised that the District authorized approximately \$300,000 in specific allowances.

Ms. Rotunno moved discussion to an issue that developed on the Train Avenue Relief Sewer (hereinafter "TARS") project. In January, the District received a claim from the contractor in the amount of approximately \$434,000 and a change relating to jet-grouting. There were a number of sub-points to the contractor's claim, and the engineer of record and the District's engineering department is looking into this matter. The District is preparing to respond to the contractor and Ms. Rotunno expects that the District will engage in claims negotiations with the contractor on the TARS project.

Ms. Rotunno advised that the TARS project is estimated to cost \$5.5 million and this is a sizable claim when compared to the percentage of this contract. This could result in a contract modification depending upon the claims negotiations. Ms. Rotunno advised that the District is still evaluating said claim and this issue may prove to be invalid. In the meantime, Ms. Rotunno found it prudent to apprise the Board of this issue.

Mayor Starr inquired as to the name of the contractor on the TARS project wherein Ms. Rotunno replied Stevens Painton Corporation.

Mr. Brown requested an explanation of "excessive heave." Ms. Rotunno stated that it is related to the soil and jet-grouting and that there was "a deviation of how the contractor perceived the ground conditions would perform under jet-grouting operations."

Executive Director Ciaccia advised that the District rejected the claim, at this point. Ms. Rotunno stated that their basis for the claim is "differing site condition."

Mr. Brown questioned if "this is different from what was described in the scope of the original project" wherein Ms. Rotunno affirmed and advised that this relates to "technical details of what was in the geotechnical baseline report and what was revealed to them and their interpretation of it and our interpretation of it and the engineer's intent."

Ms. Rotunno indicated that we are examining this issue very closely and that "there are arguments that could be made." Both sides feel strongly on their positions and we intend to sit down with them when we issue our letter. The District's stance at this time is to

reject the claim unless the contractor can bring additional information forward to be negotiated.

Ms. Rotunno moved discussion to the Minority Business Enterprise (hereinafter "MBE"), Women's Business Enterprise (hereinafter "WBE") and SBE project participation. The blue bar represented the District's goal set at the time of bidding. The red bar represented the contractor's commitment at the time of their bid. The Green bar indicated what they actually completed. Of the three projects completed, one did not meet the District's goal, one project met the bid commitment but fell short of the District's goal and one project exceeded both the District's goal and the bid commitment.

The three projects exceeded their WBE bid commitment, and Contract 28-F exceeded the District goal at the time of bid.

Executive Director added that these projects were bid under the former MBE/WBE program.

Ms. Rotunno went into further detail about the MBE/WBE performance. The first project missed the MBE and WBE goals. This was a small project at around \$500,000. The contract finished under budget because the District elected not to purchase mechanical pumps, and that those mechanical pumps were to be purchased from a to an MBE supplier. Therefore, the MBE goal was not realized on this project. It is important to note that the decision not to purchase the mechanical pumps was made by the District and not the contractor.

With respect to the Big Creek Interceptor Rehabilitation (BCI-3D) project, the contractor exceeded their bid commitments but missed District goals.

The third project exceeded the MBE and WBE bid commitments as well as the District's goal. The contractor on this project was Independence Excavating.

Ms. Rotunno concluded her presentation by informing the Board that the first project closed out under the SBE program was the Southerly Electrical Rehabilitation (hereinafter "SER") project. The contractor, Doan Pyramid, exceeded the District's SBE goal, at the time of the bid, as well as their own bid commitment.

VII. Open Session

No items for discussion.

VIII. Public Session (any subject matter)

No members from the public registered to speak at Public Session.

IX. Executive Session

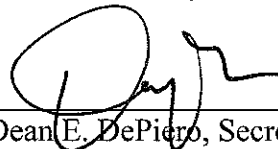
Mr. Brown stated that there were matters for discussion in Executive Session.

MOTION – Mr. Sulik moved to enter into Executive Session to consider the proposed hiring of a District employee, updates on the Big Creek Interceptor 3D project, and CSO LTCP litigation matters and to specifically designate all matters discussed in Executive Session to be protected from public disclosure in accordance with Ohio Revised Code §121.22(g)(3) and attorney-client privilege. A roll call vote was taken and without objection, the motion carried unanimously.

The Board met in Executive Session from 1:35 p.m. to 2:00 p.m.

X. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved and Mayor Bacci seconded the motion to adjourn at 2:01 p.m. Without objection, the motion carried unanimously.



Dean E. DePiero, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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