

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
APRIL 17, 2014

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 p.m. by Ronald Sulik.

I. Roll Call

PRESENT: R. Sulik
W. O'Malley
J. Bacci
T. DeGeeter
R. Stefanik

ABSENT: D. Brown
S. Dumas

The Secretary informed the Acting 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 April 3, 2014, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no one signed up to speak about a specific agenda topic.

IV. Executive Director's Report

Executive Director Ciaccia began his report with the budget summary for the first quarter of 2014. Operating revenues were running slightly ahead of the 25% benchmark at 26.4% and expenses were running below at 19.9%. Cash from receipts were running ahead by 5%, which could be a function of accounts receivables and collections running more slowly than previous years at this point. The Cleveland Water Department ("CWD") is collecting at a rate of 88%,

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which has historically been 98%; the severe winter resulted in trouble discontinuing service. He expects that rate to rise.

Executive Director Ciaccia stated that there are an inordinate number of accounts that are over 90 days past due or inactive and CWD must be pressed to address them. He indicated he will expand on that subject during the next Board Meeting when Mr. Brown and Ms. Dumas are in attendance.

Executive Director Ciaccia advised that he and some District staff traveled to Washington, D.C. a couple weeks ago for a National Association of Clean Water Agencies (“NACWA”) conference. They had an opportunity to meet with some of the offices of the Ohio Congressional delegation.

Executive Director Ciaccia stated that in the U.S. House of Representatives, Rep. Bob Latta sponsored House Bill 3862, which he introduced in January 2014. The bill would codify the Environmental Protection Agency’s (“EPA”) integrated planning framework to meet wastewater and stormwater obligations and extend National Pollutant Discharge Elimination System permits to terms up to 25 years for communities with approved integrated plans. The bill would require the EPA to broaden its financial capability determinations, which may help when the District enters integrated planning negotiations. The bill also extends the Clean Water State Revolving Fund (“SRF”) repayment schedules to 30 years. Additional subsidization, such as principal forgiveness, will be available for communities that meet affordability criteria and ensure small communities receive portions of abatable SRF funding.

Reps. Fudge and Chabot also introduced a bill in July 2013 titled “The Clean Water Compliance and Ratepayer Affordability Act,” also known as H.R. 2707. The bill would establish a 5-year integrated planning pilot program to meet wastewater and stormwater obligations in no less than 15 communities. The District could conceivably be among the pilot communities because of its existing consent decree. Staff will begin discussions with the EPA regarding integrated planning with the goal to bring funding to the communities that will be taking it on. Priority would be given to communities operating on a consent decree, facing compliance issues and affected by affordability constraints. Staff is putting a case together to make those arguments.

Executive Director Ciaccia advised that in the U.S. Senate, Sherrod Brown hopes to introduce a bill by July. He previously introduced “The Clean Water Affordability Act” that would have provided grants for Combined Sewer Overflow (“CSO”) communities, promoted the use of green infrastructure at the EPA, codify the EPA's integrated planning framework up to 25 years and require the EPA to broaden its financial capability determinations and extend SRFs to 30 years. The bill is somewhat a “companion piece” to Rep. Latta’s bill.

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Executive Director Ciaccia stated that staff is pleased with the Ohio Congressional delegation and they are introducing bills and trying to get them through. Rep. Latta spoke at the NACWA conference and was given an award for his efforts.

Executive Director Ciaccia advised that a meeting is scheduled on Tuesday with Independence Mayor Kurtz, who is also president of the Mayors & Managers Association. Mayor Bacci and Mayor Stefanik plan to attend, although Mayor DeGeeter cannot. They plan to discuss concerns the Mayors & Managers expressed related to ongoing commitments under the consent order.

Executive Director Ciaccia informed the Board that Shaker Heights Mayor Leiken invited him to attend the May 1 meeting of the First Suburbs Consortium to update them on the District's consent order and Stormwater Management Program ("SMP").

Mr. Sulik inquired if there had been a difference in collections or concerns since the water and sewer bills were split. Executive Director Ciaccia advised that there has not been an uptick in the number of calls and collections were about the same. He had some concern that District bills seem to arrive more than three days after the CWD bill, which was the agreed upon timeframe.

Executive Director Ciaccia noted for Mayor Bacci that CWD corrected the envelopes so they are no longer upside-down. The sewer bills will follow suit when they run out of the current stock.

V. Action Items

Authorization to Advertise

Resolution No. 78-14 Advertise for Construction of the Westerly Wastewater Treatment Center Infrastructure Rehabilitation Project. Engineer's Opinion of Probable Construction Cost: \$640,000.00.

Resolution No. 79-14 Advertise for the Southerly Low Voltage Equipment Replacement Project. Engineer's Opinion of Probable Construction Cost: \$15,100,000.00.

MOTION – Mr. O'Malley moved and Mayor DeGeeter seconded to adopt Resolution Nos. 78-14 and 79-14. After discussion and without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 80-14 RFPs for the Design Criteria Engineer - Southerly Maximum Achievable Control Technology

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Compliance and Operations Improvements Project.
Estimated Project Cost: \$3,600,000.00.

Executive Director Ciaccia stated that issues arose during the last Board Meeting regarding the Maximum Achievable Control Technology standards. Staff plans to brief the Board on the design-build procurement process, as well as discussions with a power company regarding a potential power facility and financing arrangement that might be associated with this project. A briefing is also being prepared regarding claims as it relates to the Renewable Energy Facility in Executive Session.

He asked that the resolution be held until the entire Board was present.

Resolution No. 80-14 was **held**.

Authorization to Purchase

Resolution No. 81-14

Purchase from Cambridge Computer Services, Through the State of Ohio Contract No. 534098, Storage Area Network Hardware, Software Licensing, Maintenance and Installation. Cost: \$211,772.01.

MOTION – Mr. O’Malley moved and Mayor DeGeeter seconded to adopt Resolution No. 81-14. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 82-14

Agreement with the Ohio Department of Health for the Northeast Ohio Regional Sewer District to Provide Water Quality Sampling and Analysis for the 2014 Ohio Department of Health Beach Monitoring Program. Revenue: The District Would Receive \$8,487.00.

MOTION – Mayor Bacci moved and Mr. O’Malley seconded to adopt Resolution No. 82-14. After discussion and without objection, the motion carried unanimously.

Authorization to Modify Agreement

Resolution No. 83-14

Modify Cooperative Agreement Between the Northeast Ohio Regional Sewer District and the City of Cleveland for the Fleet Avenue

Reconstruction/Green Infrastructure Project. Cost:
An Increase in the Amount of \$1,300,000.00
Bringing the Total Agreement Price to
\$2,300,000.00.

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 83-14. After discussion and without objection, the motion carried unanimously.

Mr. Sulik asked for an explanation.

Kellie Rotunno, Director of Engineering & Construction, advised that this is a green infrastructure project along Fleet Avenue in concert with the City of Cleveland. The District initially committed a placeholder amount of \$1 million to the City as they sought funding for the project through the State and matching funds could improve their project's ability to be funded under the State program.

The design of the green infrastructure was completed and the road restoration has been designed by the City of Cleveland and the cost of the green infrastructure components will be closer to \$2.3 million.

The project will reduce combined sewer overflow volume by 1 million gallons annually for a cost between \$2.00 and \$2.30 per gallon, which is still cost-competitive and cost-effective compared to the incremental increase.

Mr. Sulik asked where the corner is located. Ms. Rotunno advised that it is the corner of Fleet Avenue and East 53rd Street.

Authorization to Enter Into Contract

Resolution No. 84-14	Contract with AECOM for Professional Services for the Woodland Hills Green Infrastructure Project. Contract Amount: \$3,496,462.00.
Resolution No. 85-14	Contract with URS Corp. for Professional Services for the General Engineering Services Project. Contract Amount: \$3,000,000.00.
Resolution No. 86-14	Contract with Gartner, Inc., Through the Ohio State Term Schedule, for Information Technology Advisory Services. Cost: \$52,098.00.
Resolution No. 87-14	Contract with Mythics, Inc., Through the Ohio State Term Schedule, for the Annual Maintenance

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and Support of the Oracle Applications and Databases Licensing. Cost: \$336,834.73.

Resolution No. 88-14

Three-Year Requirement Contract with Airgas USA, LLC for Industrial Gases for Use at All Wastewater Treatment Plants, Analytical Services and Water Quality and Industrial Surveillance. Cost: \$137,798.15.

Resolution No. 89-14

Two-Year Requirement Contract with Ohio Bulk Transfer Company for Grit and Screenings Disposal at All Wastewater Treatment Plants. Cost: \$979,952.96.

Resolution No. 90-14

Three-Year Requirement Contract with Sole Source Vendor Ohio Machine Co., dba Ohio Cat, for Stand-By Generator Maintenance for All District Facilities. Cost: \$1,243,590.00.

MOTION – Mayor DeGeeter moved and Mr. O’Malley seconded to adopt Resolution Nos. 84-14 through 90-14. After discussion and without objection, the motion carried unanimously.

Property-Related Transactions

Resolution No. 91-14

Authorize One Fee-Simple Acquisition from Clementine Compton, dba C&C Properties, Necessary for the Construction of the Fleet Avenue Green Infrastructure Project. Consideration: \$3,200.00.

Resolution No. 92-14

Authorize Permanent Easement Acquisition from CIIC Services, Ltd. and Cleveland Industrial Innovation Center, Ltd. Necessary for Construction of the Green Creek Culvert Repair Project. Consideration: \$0.00.

Resolution No. 93-14

Authorize Permanent Easement Acquisition from Warner Hill Development Company Necessary for Construction of the CSO Bundles Project. Consideration: \$10,125.00.

Resolution No. 94-14

Authorize the District to Enter Into an Environmental Covenant with the West Creek

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Conservancy for the Nine Mile Creek Site Wetland Mitigation Project. Consideration: \$20,000.00.

Resolution No. 95-14

Authorize Deposit of Monies with Cuyahoga County Probate Court Per a Court Settlement Reached Between the Sewer District and D&D Paving and Construction. Settlement Amount: \$18,200.00.

MOTION – Mayor Bacci moved and Mr. O’Malley seconded to adopt Resolution Nos. 91-14 through 95-14. After discussion and without objection, the motion carried unanimously.

Authorization to Lease Space

Resolution No. 96-14

Authorize the Lease of Space for Up to One Year for Good Neighbor Ambassadors. Cost: Not-to-Exceed \$12,000.00.

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 96-14. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Industrial Pretreatment Program Legal Notice

Frank Greenland, Director of Watershed Programs, stated that the District’s Water Quality and Industrial Surveillance staff regulates the federal industrial pretreatment regulations locally and is required to annually publish a list of significant non-compliance industries. The list of the entities in some phase of significant non-compliance during the past year was provided to the Board.

2. Program Management Status Report and Update – March 2014

Ms. Rotunno began her report with projects transpiring at the Easterly Wastewater Treatment Plant.

The \$35.9 million aerated grit project is under construction; crews are installing twin 90-inch diameter pipes. There is a big hole in the ground with ample excavation.

The Easterly secondary systems improvements are a \$74.3 million project that recently commenced with demolishing the lake water pump station and prepping the site for the new west final clarifier tanks as well as clearing and grubbing the Yacht Club access road.

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Ms. Rotunno explained that in order to start the project a temporary access road needs to be constructed to the Yacht Club; the construction of the road will create a new entrance onto Lake Shore Boulevard.

Community meetings were held on March 18 and March 20 with the City of Cleveland and the Village of Bratenahl, respectively, to discuss construction activities at the plant and specifically associated with this project. Dialogue has ensued about the trucking route.

The Easterly Plant construction entrance is located on the west side of the plant and access from the plant to Lake Shore Boulevard. The issue between Cleveland and Bratenahl is whether trucks should turn left out of the entrance to I-90 westbound or turn right. Ultimately work orders will be issued on the construction contracts that will allow the contractor to decide where they turn -- no longer restricting them to left turns-only if they need to go west on I-90.

Ms. Rotunno advised that the Euclid Creek Tunnel project is a \$198 million investment in the area with five above-ground shaft locations enumerated as ECT-1 through 5. The tunnel itself is complete but there is a lot of final flooring work for the final lining and concrete. It is a concrete job at this point -- no longer tunneling. Concrete will be poured for the baffle rebar installation for the drop structure on Shaft 2 and lining for the final cast continues along the route for ECT-3.

The Easterly Tunnel Dewatering Pump Station is sharing a site with ECT-1 and is a \$73.2 million investment. Crews are placing the rebar for concrete lining in the raw water tunnel and header. That portion of the project is the suction header in the bottom of the cavern that will extract water from the pump station and lift it into the Easterly interceptor where it will flow by gravity to the Easterly plant for treatment. Structural concrete work is ongoing as well as the drop ceiling being prepared for installation at the pump station.

Moving discussion to the Southerly Wastewater Treatment Plant and the Renewable Energy Facility "REF"), Ms. Rotunno advised that crews have been performing centrifuge inspections at the \$145 million investment. A new transformer was installed and emissions were tested. The preliminary analytical data on number three is favorable.

The REF is not burning sludge currently due to a scheduled shut down for construction activities. Staff hopes to resume burning sludge on Saturday and it could generate steam to turn into electricity as soon as Tuesday of next week.

Ms. Rotunno stated that staff met a Key Performance Indicator ("KPI") by one day at Southerly by completing the design of the non-potable water pump rehabilitation project within 90 days of the average plan.

The Slavic Village demonstration project was a recent project in the amount of \$220,000 located along the Morgana Run Trail. There are three individual project areas to be built. The first

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project will be at East 79th Street, where a bio-retention facility will be put in to take stormwater. Two smaller areas will have rain gardens on vacant lots. Another KPI was met, as the engineer's estimates were within 8.3% of the average of the bids received.

Ms. Rotunno advised that cash flow for the month is lagging behind at \$32.5 million – money is not being spent as quickly as projected at the beginning of the year. Staff is on target to meet KPIs by delivering efficient, timely designs and accurately estimating projects. Construction projects are being completed on budget and staff is meeting or exceeding the Business Opportunity Program goals. Cash flow is somewhat behind the target of 85%.

VII. Public Session (any subject matter)

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

VIII. Open Session

There were no items for discussion.

IX. Executive Session

Mr. Sulik stated that there was a matter for discussion in Executive Session.

MOTION – Mayor Bacci moved to enter into Executive Session to discuss personnel matters. Discussions of these matters in executive session are permitted as specific exemptions to the Public Meetings Act pursuant to Ohio Revised Code Section 121.22(G)(1). He specifically designated matters discussed in Executive Session be protected from public disclosure in accordance with Ohio law and the attorney-client privilege. A roll call vote was taken and the motion carried unanimously to adjourn into Executive Session.

The Board met in Executive Session from 1:05 p.m. to 1:15 p.m.

X. Approval of Items from Executive Session

Authorization to Retain Law Firm


Resolution No. 97-14

Authorizing to Retain the Law Firm of Zashin & Rich Co., LPA, for Legal Services in Connection with an Employment Matter.


MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 97-14. After discussion and without objection, the motion carried unanimously.

XI. Adjournment

MOTION – Mr. Sulik stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mr. O’Malley seconded the motion to adjourn at 1:16 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