

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
APRIL 21, 2016

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

I. Roll Call

PRESENT: R. Sulik  
J. Bacci  
T. DeGeeter  
S. Dumas  
R. Stefanik

ABSENT: D. Brown  
W. O'Malley

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

II. Approval of Minutes

**MOTION** – Mayor Bacci moved and Mayor Stefanik seconded to approve the minutes of the April 7, 2016, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Chief Executive Officer (CEO) Ciaccia advised that Jim Ritter signed up to speak about Resolution No. 119-16.

Mr. Ritter advised that he was the general manager for Schindler Elevator Corporation, which is the District's current elevator maintenance provider.

Mr. Ritter asked the Board to table Resolution No. 119-16 to reevaluate the elevator maintenance bids. Schindler has been a long-term provider for the District and he noted that bid of ThyssenKrupp contains an hourly rate for any work beyond the scope of the contract that is double the rate of Schindler.

Mr. Ritter also stated that Schindler surveys its clients in terms of performance and during the last two years the District's three locations have rated them with two 8s and a 10 on a 1 to 10 scale. He believes the vendor relationship has worked well and he asked the Board to reconsider how the bids were calculated.

IV. Chief Executive Officer's Report

CEO Ciaccia reported that 34 of the 56 District member communities have signed Regional Stormwater Management Program service agreements and more are working their way through various city councils, including the City of Cleveland.

CEO Ciaccia informed the Board that he met with Cuyahoga County Council yesterday to make a presentation regarding the SMP.

Closing his report, CEO Ciaccia advised that staff issued the draft rate study reports to the Board which contained a cover letter from Chief Financial Officer Jennifer Demmerle highlighting the key points. He asked the Board to assess the information in advance of the Special Board Meeting scheduled for April 26 to discuss the findings and recommendations of that report.

V. Action Items

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 104-16	RFPs for Design and Construction Administration/Resident Project Representation Services for the Dugway Regulators and Relief Sewers Project.
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Resolution No. 105-16	RFPs to Solicit Banks and Savings Associations to Serve as Depositories of District Funds.
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**MOTION** – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 104-16 and 105-16. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 106-16	Agreement to Authorize the Chief Executive Officer to Execute a Water Pollution Control Loan Fund Agreement with the Ohio EPA and Ohio Water Development Authority for the Financing of the Construction Cost of the East 140 <sup>th</sup> Consolidation and Relief Sewer Project.
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- Resolution No. 107-16 Agreement with the City of Shaker Heights to Assist and Partially Fund the District's Shaker – Green Lake Dredging Project Located in the City of Shaker Heights.
- Resolution No. 108-16 Agreement with the City of Cleveland and the Cleveland Museum of Natural History's GreenCityBlueLake Institute as Fiscal Agent, to Sponsor District Related Projects to be Implemented During Mayor Frank G. Jackson's Youth Summer Employment Program. Cost: Not-to-Exceed \$25,000.00.
- Resolution No. 109-16 Three-Year Labor Contract Agreement with the Ohio Patrolmen's Benevolent Association.
- Resolution No. 110-16 Agreement with Burten, Bell, Carr Development, Inc. for Ground Maintenance Services for the Urban Agriculture Green Infrastructure Site Project. Agreement Amount: \$15,850.00.

**MOTION** – Mayor Bacci moved and Mayor Stefanik seconded to adopt Resolution Nos. 106-16 through 110-16. After discussion and without objection, the motion carried unanimously.

Referencing Resolution No. 107-16, Ms. Dumas inquired what is done with material dredged from Shaker Lake. Kim Colich, Project Manager, explained that the City of Shaker Heights has an agreement with a compost facility in the City of Bedford that hauls most of it to the facility.

Moving discussion to Resolution No. 109-16, Ms. Dumas requested additional information regarding wages and any other key points. CEO Ciaccia advised that wages will increase by 2%, which is the standard other unions had agreed to. Additionally, this union was previously represented by the Local 860 Laborers' Union; now they are with the Ohio Patrolmen's Benevolent Association.

Authorization to Enter Into Contract

- Resolution No. 111-16 Design-Build Contract with North Bay Construction, Inc. for the Westerly Primary Effluent Pumps Rehabilitation Project. Contract Amount: \$808,679.40.

- Resolution No. 112-16 Three 12-Month Contracts for Grounds Maintenance Services for District Facilities with Pirc Company Landscaping, Southwest Landscaping Management and Fourtunis Group. Contract Amounts: Pirc Company \$14,835.00, Southwest Landscaping Management \$83,675.49 and Fourtunis \$96,809.50.
- Resolution No. 114-16 Four-Year Maintenance Contract with the Elliott Group for Maintenance and Repair Services for the Steam Turbine Process System at the Renewable Energy Facility. Contract Amount: \$996,382.00.
- Resolution No. 116-16 Contract with PCM Sales, Inc. Through the Ohio State Term Schedule, for Desktop Technical Support Services. Cost: Not-to-Exceed \$484,000.00.
- Resolution No. 117-16 Two-Year Contract with Gartner, Inc.; Through the Ohio State term Schedule; for Information Technology Advisory Services. Cost: \$113,722.35.
- Resolution No. 118-16 Contract with Deloitte Consulting, LLP Through the Ohio State Term Schedule, for Information Technology Advisory Services. Cost: Not-to-Exceed \$300,000.00.
- Resolution No. 119-16 Contract with ThyssenKrupp Elevator for Elevator Maintenance Services for All District Facilities. Contract Amount: \$168,021.00.

**MOTION** – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution Nos. 111-16, 112-16, 114-16 and 116-16 through 119-16. After discussion and without objection, the motion carried unanimously.

Referencing Resolution No. 119-16 and Mr. Ritter’s comments earlier during the meeting, Mr. Sulik requested an elaboration from staff. CEO Ciaccia advised that staff received a letter from Schindler which raised five issues, although not the issues raised today. The bidding was not raise in the letter; the question in Schindler’s letter was the way the bids were evaluated.

With respect to the issue raised by Mr. Ritter, Ray Weeden, Director of Operations &

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Maintenance, stated that staff looked into the concerns raised. There were two components to the bid: the hourly rate and the rate for preventative maintenance. The contract is primarily for the monthly, weekly and semi-annual elevator inspections and the entire contract was competitively bid.

The District does not automatically give additional work to the contractor that has the preventive maintenance contract; they go out for separate competitive quotes for the additional work. Although the rate ThyssenKrupp submitted in their bid for additional work may be higher than Schindler's, the District does its due diligence before awarding any additional repair work. ThyssenKrupp's bid was the lowest and best for the preventative maintenance.

Moving conversation to Resolution No. 114-16, Mr. Sulik asked for an explanation of what The Elliot Group's function will be at the Renewable Energy Facility. Mr. Weeden stated that The Elliot Group will perform work on the REF turbine generator. The generator has been running for more than a year and contributes energy back to operating the facility. The contract also includes preventive maintenance and repair work. The skill sets necessary to perform that work are rare in the area and The Elliot Group is the one bidder that meets all of the District's specifications.

Authorization of Contract Modification

Resolution No. 120-16

Final Adjustment of Contract No. 13004316 with DiGioia-Suburban Excavating, LLC for the Euclid Creek Pump Station/Lakeshore Boulevard Relief Sewer Project. Cost: A Decrease in the Amount of \$693,112.77 Bringing the Total Contract Price to \$9,657,521.83.

Resolution No. 121-16

Final Adjustment of Contract No. 14003263 with North Bay Construction, Inc. for the Southerly NPW Pumps Rehabilitation Project. Cost: A Decrease in the Amount \$56,485.15 Bringing the Total Contract Price to \$885,290.85.

**MOTION** – Mayor DeGeeter moved and Mayor Stefanik seconded to adopt Resolution Nos. 120-16 through 121-16. After discussion and without objection, the motion carried unanimously.

Property-Related Transaction

Resolution No. 122-16

Authorization to Enter Into a Right of Entry Agreement with the Shaker Heights Country Club

for the Shaker – Green Lake Dredging Project.  
Consideration: \$1.00.

**MOTION** – Mayor Bacci moved and Mayor Stefanik seconded to adopt Resolution No. 122-16. After discussion and without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 123-16

Direct Purchase Telog Equipment for Maintenance Services from Sole Source Vendor Telog Instruments, Inc. Cost: Not-to-Exceed \$300,000.00.

**MOTION** – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution No. 123-16. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Operations & Maintenance Quarterly Board Update Municipality Breakdown First Half Final 2016 Certification and Certification of Direct Bill Delinquent Sewer Accounts to Cuyahoga and Lorain Counties

Jennifer Demmerle, Chief Financial Officer, advised that the District certifies twice such accounts per year and that the Board has been supplied with said lists.

2. Program Management Status Report and Update – March 2016

James Bunsey, Director of Engineering & Construction, announced that the first quarter 2016 Capital Improvement Program (CIP) cash flow is not looking good even though it is still within the bounds to be considered on schedule. The District's three largest projects are driving low cash flow. Conversely, 30% of Project Clean Lake projects are either active or retired from a dollar perspective. During the first quarter staff activated or completed five projects and reduced the future project load by four.

Mr. Bunsey advised that the District currently has contracts with an overall value of \$585 million in construction. 75% of cash goes towards the CSO Program and the collection systems.

In the first quarter the District awarded three new construction contracts and closed three. Four design contracts were awarded and two were closed. The District portfolio has 89 active contracts or \$853 million total open contracts.

Moving to Key Performance Indicators (KPI), cash flow is significantly below the 85% goal.

Staff expects to have four projects this year in terms of the Sewer System Evaluation Studies and the stormwater master plans. So far one has been completed.

The District is on schedule so far by meeting 5 of the 11 consent decree milestone requirements during 2016. Additionally, the District has completed designs at 34 days late, which is within 60 days of average. Staff has identified value engineering in the amount of \$4.7 million to date.

Mr. Bunsey stated that staff received one bid this year that was almost \$9 million lower than the engineers' estimate, making the average award value 22% below the engineers' average. He thinks the average will go back to near 10% as future large projects are bid. He wants engineers' opinions of probable construction costs to be very accurate to what is awarded and bid.

Construction contracts were awarded 14 days late which was within the 60-day measure. Substantial completion on construction projects was obtained 76 days late which was within the 90-day KPI.

Mr. Bunsey advised that staff submitted the Westerly High-Rate Treatment Demonstration performance to the Environmental Protection Agency (EPA) on April 17, three days early.

The District issued three RFPs so far in 2016: for the East 140th Consolidation Sewer at an \$82.3 million engineers' estimate; an agreement, one construction award and two contract modifications. The construction award is significant at \$26.1 million.

The Stone Superior Levee Project was 35 days late, meeting KPI. This project is the refurbishment and rehabilitation of two pump stations that were assumed by the District.

The CSO-236 Stormwater Outfall Relocation Project met its design KPI of 24 days late; this is the replacement of a stormwater outlet that is significantly damaged by Euclid Creek.

The East 140th Consolidation Project was 42 days late and met KPI.

The Dugway South Relief and Consolidation Sewer Project was bid at \$26 million and the engineers' estimate was almost \$37 million, missing the KPI. However, the KPI in terms of 20 days late was met.

The Southerly First Stage Improvements Project is about two months behind schedule and has a cash flow deficit of \$8.6 million. The project is going well otherwise and will be underneath the contract value, meeting the KPI of 95%.

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Mr. Bunsey stated that the Dugway Storage Tunnel is the main contributor to the District's delinquent cash flow. The project is in its ninth month of delay and the details will be discussed during Executive Session. Delays at DST-1 impact the rest of the project. He expects a change request to compensate the contractor for additional idle time at DST-7. They are currently \$17 million behind in cash flow and between eight to ten months behind schedule.

The Easterly Secondary Systems Improvements Project is intended to get the full treatment capacity at Easterly up to 400 MGD. 50% of the plant in the secondary system is out of service as staff makes tie-ins on the RAS pumps. The project is on schedule and will meet the consent decree milestone by the end of the year.

The Tunnel Dewatering Pump Station is another bad actor in terms of cash flow. Although the contractor claims they will meet the August substantial completion date, Mr. Bunsey stated they will not and is more likely at the end of this year. They are \$5 million behind in cash flow and slip every month slightly.

Mr. Bunsey referenced previous Board Meetings in which the Board had questions regarding the Doan Valley Tunnel. He asked Mike Seluga, Design Project Manager for the Doan Valley Tunnel, to make a presentation.

Mr. Seluga stated that the Doan Valley Storage Tunnel is the next of the large CSO storage tunnels. The CIP is carrying \$130 million for this project. It is almost 20,000 linear feet of tunnel in rock and ranges in diameter from 18 feet to 8.5 feet finished diameter. There are three main tunnel segments.

The storage tunnel itself and two conveyance tunnels function like deep interceptor sewers. The conveyance tunnels are the MLK Conveyance Tunnel and the Woodhill Conveyance Tunnel. There are six shaft sites that interface with the surface.

This storage tunnel is a little different than the past two, in which it is gravity-drained to the Dugway South Relief and Consolidation Sewer. There is no pump station associated with this storage tunnel -- it will drain by gravity, like a bathtub, opening to the system. When complete the project will reduce 375 million gallons of CSO every year from Doan Brook.

Mr. Seluga advised that staff completed 30% of the design in February and is in the detail design phase. Staff anticipates advertising for bids in early 2017 and beginning construction in mid-2017.

The Doan Valley storage tunnel itself is tunneled below three neighborhoods: Forest Hills, Glenville and University Circle.



On the north, the DVT-1 shaft site at Superior and East 115<sup>th</sup> Street is one of the surface interfaces, which is where the machine is planned to be removed. DVT-2 in Ambler Park is planned as the main tunneling site for the 18-foot diameter storage tunnel. Mr. Seluga explained that the main tunneling site is where all three tunnels are planned to be mined. It was difficult to find open space in the area. The MLK Conveyance segment runs below the City park between MLK Drive and Stearns, up from Ambler Park to the corner of Euclid and Chester at Wade Park.

MLK-1 is a smaller shaft, picking up flow from the existing Doan Valley Interceptor. The Woodhill Conveyance Tunnel Segment runs below four neighborhoods: University Circle, Fairfax, Woodland Hills and Kinsman. Ambler Park runs south to the intersection of Buckeye, Shaker and Woodhill on the south side of the RTA tracks.

The Doan Valley Interceptor in Woodhill needs to pick up flow and drop it to the conveyance tunnel running up Baldwin Road.

Mr. Seluga stated that although ample work occurs below ground, the community sees what is above ground at these six locations. MLK running through University Circle will definitely be a sensitive area to the community and how it is restored. 98% of the infrastructure will be below-grade, where it will not be seen. Staff has already begun some outreach to stakeholders to address fitting these things into the community.

## VII. Open Session

Mayor Bacci questioned whether District staff could research the possibility of implementing a program for veterans that may have a disability from serving, or were injured in whatever capacity. Constance Haqq, Director of Administration & External Affairs, advised that the District has an active veterans outreach and can investigate what can be done in terms of employment and working with veteran-owned businesses.

Tiffany Jordan, Contract Compliance Manager, stated that there is a Veteran Business Entity (VBE) designation and she can look into possible initiatives.

Secondly, Mayor Bacci advised that law enforcement agencies have inquired whether the District could allow them to dispose of drugs, as mills are no longer permitting the disposal of narcotics or anything man-made or naturally grown.

CEO Ciaccia explained that the District can dispose of pharmaceuticals and some confiscated illegal drugs. However, there is an issue as to how they would get into the incinerators because they are not designed for that use. How the District receives the materials and what the controls around them might be are issues they can look into with the law enforcement community.

Mayor Bacci stated that if the District can facilitate disposal lawfully it would be useful information to police chief in the region. CEO Ciaccia stated that Robin Halperin, Manager of Regulatory Compliance, will provide him with more information.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

**MOTION** – Mayor Bacci moved to go into Executive Session to consult with legal counsel and District administration regarding two disputes involving the District that are subject to pending or imminent court action, and regarding retention of the outside counsel for one of the disputes. After discussion and without objection, the motion carried unanimously following roll call vote.

The Board met in Executive Session from 1:12 p.m. to 1:42 p.m.

X. Approval of Items from Executive Session

Resolution No. 124-16

Authorization to Retain Legal Counsel.

**MOTION** – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 124-16. After discussion and without objection, the motion carried unanimously.

IX. Adjournment

**MOTION** – Mr. Sulik stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Ms. Dumas seconded the motion to adjourn at 1:43 p.m. Without objection, the motion carried unanimously.



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Walter O'Malley, Secretary  
Board of Trustees  
Northeast Ohio Regional Sewer District



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