

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES
MAY 3, 2007

The meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 P.M. on the above date by Acting President Kelly.

A. Roll Call

PRESENT: D. Brown
D. DePiero
S. Kelly
A. Liberatore
T. Longo
G. Starr

ABSENT: R. Sulik

The Secretary informed the Acting President a quorum was in attendance. Executive Director Odeal stated Mr. Sulik had a previous business commitment and was unable to attend today's meeting.

B. Executive Session

Moved by Mr. Liberatore and seconded by Mayor DePiero that the Board meet in Executive Session to discuss one litigation matter. Without objection CARRIED UNANIMOUSLY. Thereafter the Board met in Executive Session from 12:33 P.M. until 12:43 P.M.

C. Working Session

The Secretary reported that the Board met in Working Session on this date beginning at 12:44 P.M. The Board discussed in detail the items on the Working Session agenda. See the Working Session Summary for the May 3, 2007 Board of Trustees meeting (Attachment "1").

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The Working Session adjourned at 1:08 P.M., and the Business Session began at 1:10 P.M.

D. Approval of Minutes

Item 1 - April 19, 2007

Mayor DePiero stated that the spelling of his name was incorrect.

Moved by Mayor DePiero and seconded by Mr. Liberatore that the Minutes of April 19, 2007, be approved as corrected. Without objection CARRIED UNANIMOUSLY.

E. Major Projects

1. Easterly Improvement Program

Item a - Authorizing and approving Easterly Contract MISC-2.5 Change Order No. 11, Northeast Ohio Regional Sewer District Contract No. 3246. Cost: A decrease in the total contract price in an amount of \$4,200.50.

Executive Director Odeal indicated Bid Items Nos. 18B and 20 and Change Order No. 6 were partially non-performed, thereby entitling the District to a credit. Approval of this change order has been recommended by the District's staff and by MWH Americas, Inc., the consulting engineer.

MOTION - Moved by Mayor Longo and seconded by Mr. Liberatore that the resolution be adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 111-07.

F. Operations

Executive Director Odeal suggested the next six (6) resolutions be considered together. Without objection SO ORDERED.

Item 1 - Authorizing the taking of bids for a two (2) year requirement contract, with a two

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(2) year option and an additional one (1) year option to renew, for sludge cake removal, hauling and disposal for the Southerly and Westerly Wastewater Treatment Plants. Estimated Cost: \$2,610,000.00.

Executive Director Odeal explained adoption of this resolution would authorize the taking of bids for a two (2) year requirement contract, with a two (2) year option and an additional one (1) year option to renew for sludge cake removal, hauling and disposal for the Southerly and Westerly Wastewater Treatment Plants. Upon receipt of bids, a recommendation will be made to the Board for award to the lowest, responsive, responsible bidder.

Item 2 - Awarding a two (2) year requirement contract to Kemira Water Solutions, Inc., 3211 Clinton Parkway Court, Lawrence, Kansas 66047, for the purchase of ferric chloride solution for use at the Easterly, Southerly and Westerly Wastewater Treatment Plants. Cost: \$620,000.00.

Executive Director Odeal stated bids were received and opened on April 17, 2007. Eight invitations to bid were distributed and three (3) bid packages were returned. Upon evaluation by the Operations Department it was determined the bid submitted by Kemira Water Solutions, Inc., was the lowest, responsive, responsible bid to meet specifications. The Legal Department has determined the bid meets all legal requirements, and the District's Equal Employment Opportunity Policy, Guidelines and Procedures.

Item 3 - Awarding a one (1) year requirement contract to Polydyne, Inc., 1 Chemical Plant Road, Riceboro, Georgia 31323, for the purchase of 160,000 pounds of liquid polymer for use at the Southerly Wastewater Treatment Plant. Cost: \$312,320.00.

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Executive Director Odeal noted bids were received and opened on April 17, 2007.

Eleven (11) invitations to bid were distributed and six (6) bid packages were returned. Upon evaluation by the Operations Department it was determined the bid submitted by Polydyne, Inc., was the lowest, responsive, responsible bid to meet specifications. The Legal Department has determined the bid meets all legal requirements and the District's Equal Employment Opportunity Policy, Guidelines and Procedures.

Item 4 - Emergency resolution ratifying and approving the emergency in-progress design, construction administration and resident engineering services in conjunction with the West 45th Street Combined Sewer Overflow project (CSO-074) and authorizing a fifth and final payment for services expended in said emergency to Wade Trim, Inc., 1100 Superior Avenue East, Suite 1410, Cleveland, Ohio 44114. Cost: \$9,830.95.

Executive Director Odeal indicated an emergency existed in that it was necessary to immediately provide for emergency in-progress design, construction administration and resident engineering services in conjunction with the West 45th Street Combined Sewer Overflow project (CSO-074). Wade-Trim, Inc., has performed the necessary services with a portion of the cost being \$9,830.95.

Item 5 - Emergency resolution ratifying and approving the emergency in-progress design, construction administration and resident engineering services in conjunction with the Westerly Low Level Sewer Repair Project and authorizing the eighth partial payment for services expended in said emergency to NTH Consultant, Ltd., 820 W. Superior Avenue, Suite 320, Cleveland, Ohio 44113. Cost: \$68, 986.94.

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Executive Director Odeal indicated an emergency existed in that it was necessary to immediately provide for emergency in-progress design, construction administration and resident engineering services in conjunction with the Westerly Low Level Sewer Repair Project. NTH Consultant, Ltd, has performed the necessary services with a portion of the cost being \$68,986.94.

Item 6 - Emergency resolution ratifying and approving the emergency construction services in conjunction with the Westerly Low Level Sewer Repair Project and authorizing the eleventh partial payment for services expended in said emergency to Triad Engineering & Construction Company, 7575 Northfield Road, Walton Hills, Ohio 44146. Cost: \$287,577.36.

Executive Director Odeal indicated an emergency existed in that it was necessary to immediately provide for emergency construction services in conjunction with the Westerly Low Level Sewer Repair Project. Triad Engineering & Construction Company, has performed the necessary services with a portion of the cost being \$287,577.36.

MOTION - Moved by Mr. Brown and seconded by Mr. Liberatore that the foregoing six (6) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 112-07 through 117-07, respectively.

G. Administration

Executive Director Odeal suggested the next three (3) resolutions be considered together. Without objection SO ORDERED.

Item 1 - Providing for the authorization, issuance and sale of not to exceed \$140,000,000 Northeast Ohio Regional Sewer District Wastewater Improvement Revenue Bonds, Series 2007,

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as authorized by the Master Trust Agreement, for the purpose of acquiring, constructing and improving water resource projects; authorizing the execution of a Second Supplemental Trust Agreement to extend the pledge of Net Revenues and Special Funds to secure such Series 2007 Bonds, to provide covenants appropriate to the protection and disposition of such Revenues and Funds, and to secure the payment of the principal of and interest on such Series 2007 Bonds at their respective maturities on a parity with the Series 2005 Bonds and Additional Bonds that may be issued in the future; authorizing the preparation and distribution of a preliminary and final Official Statement; authorizing the execution of a Bond Purchase Agreement, a Certificate of Award, and a Continuing Disclosure Agreement; and authorizing such other actions as are necessary and appropriate to accomplish the transactions hereby authorized.

Executive Odeal explained that adoption of this resolution would provide for the authorization, issuance and sale of the Wastewater Improvement Revenue Bonds, Series 2007.

Item 2 - Declaring various information technology equipment surplus and authorizing its disposal by donation to RET3 Job Corp, 1814 East 40th Street, Cleveland, Ohio 44103.

Executive Director Odeal stated the RET3 Job Corp would provide the District an opportunity to dispose of various surplus information technology equipment safely and provide for the refurbishment of the equipment for non-profit agencies and schools within the District's service area.

Item 3 - Authorizing comprehensive Working and Business Session minutes, a Public Participation Session, prompt meetings and Open Sessions of the meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District.

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Executive Director Odeal indicated the Board of Trustees of the Northeast Ohio Regional Sewer District desires to enhance the Board of Trustees meetings and records, adoption of this resolution would authorize new and additional rules for the conduct of such meetings and the keeping of minutes.

MOTION - Moved by Mr. Liberatore and seconded by Mr. Brown that the foregoing three (3) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 118-07 through 120-07, respectively.

H. Other Matters as May Properly Come Before the Board of Trustees

Executive Director Odeal stated there were two (2) additional items to be considered by the Board and suggested they be considered together. Without objection SO ORDERED.

Item 1 - Determining to reject all bids received pursuant to Resolution No. 359-06, on March 14, 2007, for the rehabilitation of the Second Stage Aeration Tanks at the Southerly Wastewater Treatment Plant - Contract ATR-2 and authorizing the retaking of bids for the rehabilitation of the Second Stage Aeration Tanks at the Southerly Wastewater Treatment Plant - Contract ATR-2. Estimated Cost: \$8,000,000.00.

Executive Director Odeal noted bids were received and opened on March 14, 2007. Upon evaluation by the staff it was determined it is in the best interests of District to reject all bids and to readvertise this contract. Upon receipt of bids, a recommendation will be made to the Board for award to the lowest, responsive, responsible bidder.

Item 2 - Determining to reject all bids received pursuant to Resolution No. 252-06, on April 12, 2007, for construction of the Valley Belt Gravity Sewer - Contract VBGS.

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Executive Director Odeal indicated bids were received and opened on April 12, 2007.

Upon evaluation by the staff it was determined it is in the best interests of District to reject all bids.

MOTION - Moved by Mr. Brown and seconded by Mayor Starr that the foregoing two (2) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 121-07 and 122-07, respectively.

Stated business having been concluded, Acting President Kelly adjourned the Business Meeting at 1:30 P.M. The next Regular Meeting is scheduled for May 17, 2007, with the Business Session beginning at 12:30 P.M.

Signature on File

Thomas J. Longo, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District

Signature on File

Sheila J. Kelly, Acting President
Board of Trustees
Northeast Ohio Regional Sewer District

ATTACHMENT "1"

**NEORSD Board of Trustees Working Session Summary
May 3, 2007**

Item 1 – Change Orders

The item was introduced by the Executive Director, Erwin Odeal.

Item E1a – Contract MISC 2.5 – Change Order 11

The item was presented by Executive Director Odeal. There were no questions on Item E1a.

Item 2 – Proposed Progress Payment No. 5 to Wade Trim for emergency design services relative to the West 45th Street Emergency Repair Project

The item was presented by Executive Director Odeal. There were no questions on Item 2.

Item 3 – Proposed Progress Payment No. 8 to NTH Consultants, Inc. and Proposed Progress Payment No. 11 to Triad Engineering and Contracting Company for emergency design and construction services relative to the Westerly Low Level Interceptor Emergency Repair Project

The item was presented by Executive Director Odeal. Board Member Sheila Kelly asked when the emergency work would be concluded. The District's Director of Engineering and Construction, Charles Vasulka, responded that, in his opinion, it would be the next month or so.

Item 4 – Report on Series 2007 Wastewater Revenue Improvement Bond Resolution for the Northeast Ohio Regional Sewer District

The item was introduced by Executive Director Odeal and presented by the District's Acting Director of Finance, Jennifer Demmerle. The District's new Executive Director effective November 1, 2007, Julius Ciaccia, then spoke to the Board about the District's bond rating agency presentations. Mr. Ciaccia attended the presentations. He told the Board he has been through an extensive number of bond issues with the City of Cleveland Division of Water and felt the District's presentations were extremely well done. He commended the District's staff for doing a great job in selling everything that's being done at the District.

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Mr. Ciaccia stated from what he heard from the rating agencies, the District will maintain its high rating based on the fact that the Board consistently passed rate increases, and the fact that the Board adopted a Debt Policy and an Interest Rate Swap Policy. Also, he felt the District is ahead of the game on CSOs, is practicing asset management, and that the District's Leadership Sustainability Program was looked upon very favorably.

Mayor Starr asked for confirmation that the bond issue was using a fixed rate instead of riskier alternatives. Jennifer Demmerle confirmed the bond issue will use a fixed rate. Mayor Starr asked for the reason for using the fixed rate. Ms. Demmerle responded that when the analysis of an interest rate swap versus a traditional callable fixed rate bond issuance was done, the savings of the swap were not sufficient to offset its risks. Mayor Starr asked for what percent savings the District would consider using an interest rate swap. Ms. Demmerle responded three to five percent. She continued that each issue is going to be analyzed very closely like this one was, and each issue is going to be brought to the Board along with recommendations. She concluded by stating the ultimate decision would be made by the Board of Trustees.

Item 5 – Authorizing comprehensive Working and Business Session minutes, a Public Participation Session, prompt meetings and Open Sessions of the meetings of the Board of Trustees of the Northeast Ohio Regional Sewer District

The item was introduced by Executive Director Odeal and presented by the District's Deputy Executive Director, F. Michael Bucci. Mayor Starr stated he did not approve of the minutes of the meeting on April 5, 2007, but did approve of the minutes of the meeting on April 19, 2007. He distributed samples of minutes and introduced two staff members from Middleburg Heights City Hall. One was Kim Early who is a full time employee with the title, Office Specialist. He continued that she had a two year degree and a major in business, specifically in court reporting, and was a court reporter prior to her hire at City Hall. The second person was Mary Ann Leola. Mayor Starr stated that she had twenty years as the Clerk of Council of Middleburg Heights and had a Master's Municipal Clerk Certificate. He further stated that there were only 23 of such certification in the State of Ohio, and only 529 in the United States.

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Board Member Darnell Brown asked if the recommendation was for a detailed summary that the staff will do that will be supported by some type of digital audio technology application. Michael Bucci responded affirmatively, that the recommendation is for a detailed summary by District staff. Executive Director Odeal added that we will continue to record the meeting minutes and save the tapes in perpetuity.

Mayor Longo stated he would like Board Meeting information, such as agenda items, posted on the internet. He then commented on item two of this resolution, public participation. He said it really isn't fair to somebody that wants to comment about something that's on the Working Session if they haven't heard the reports of the Directors. He continued that attendees would want to hear what the staff is proposing. The dynamics are not the same at a District Meeting as they are at a Council Meeting. The District's Meetings contain highly technical information. Discussions on financing and policy get very technical. He stated that it is in the public interest that public participation should come after the reports, so the public can get a better understanding of what is being proposed.

In response to Mayor Longo's request to post Board Meeting information on the internet, Executive Director Odeal responded the District does now post the Business Meeting and Working Session Agendas with a notification for additional information to contact the District for individual items.

Item 6 – Report on Investment Advisor Performance through March 31, 2007

The item was introduced by Executive Director Odeal and presented Ms. Demmerle. There were no questions on Item 6.

Add-On Resolution Number 1 – Determining to reject all bids received pursuant to Resolution No. 359-06, on March 14, 2007, for the rehabilitation of the Second Stage Aeration Tanks at the Southerly Wastewater Treatment Plant – Contract ATR-2 and authorizing the retaking of bids for the rehabilitation of the Second Stage Aeration Tanks at the Southerly Wastewater Treatment Plant – Contract ATR-2

The item was introduced by Executive Director Odeal. There were no questions on Add-On Resolution Number 1.

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Add-On Resolution Number 2 – Determining to reject all bids received pursuant to Resolution No. 252-06, on April 12, 2007, for construction of the Valley Belt Gravity Sewer – Contract VGBS

The item was introduced by Executive Director Odeal. Mayor Starr stated the District sent bids to twenty companies and he wondered why only three companies responded. Executive Director Odeal responded that the District specified microtunneling technology which limited the available contractors who could bid. The low bidder did not meet specifications since he was proposing not to do microtunneling.