

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
MAY 6, 2021

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District (NEORS) was called to order at 12:30 p.m. by Darnell Brown.

President Brown opened the meeting by addressing the COVID-19 pandemic, and read the following statement:

Due to the COVID emergency, we are again conducting our board meeting via live stream video conference using the Zoom Video Communications tool and pursuant to continuing authority of House Bill 404.

Members of the public may observe and hear the meeting using the Zoom login link found on the top of the District website, and those who wished to address the Board were able to make that request through the Zoom system prior to the start of the meeting.

I. Roll Call

PRESENT: Darnell Brown  
Ronald Sulik  
Samuel Alai  
Jack Bacci  
Timothy DeGeeter  
Sharon Dumas  
Terence Joyce

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

II. Approval of Minutes

**MOTION** – Mayor Bacci moved, and Mr. Sulik seconded to approve the Minutes of the April 7, 2021 Special Board Meeting as well as the Minutes of the April 15, 2021, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

Kyle Dreyfuss-Wells, Chief Executive Officer, provided an update regarding the Sewer District's ongoing COVID-19 pandemic response. Ms. Dreyfuss-Wells informed the Board that as of May 6, 2021, NEORS staff has one active COVID-19 case, who is convalescing. The Sewer District wishes them a full and speedy recovery. There are no symptomatic employees awaiting test results. There has been a total of ninety employees with confirmed diagnoses since the beginning of the pandemic, with eighty-nine having recovered

and returned to work. There is currently one NEORS D employee who is not experiencing COVID-like symptoms remaining at home because a member of their household has tested positive for COVID-19.

NEORS D partnered with Rite Aid Pharmacy to offer onsite COVID-19 vaccinations to employees and their families. The first doses were administered to 47 employees and employee family members on April 23 at EMSC, and the second dose will be administered on May 14. Ms. Dreyfuss-Wells emphasized that this is not the only mechanism by which employees can be vaccinated and NEORS D continues to provide paid time off for time spent to get the vaccine as well as to recover from any side-effects from the vaccine.

Ms. Dreyfuss-Wells thanked the Board for their participation in the May 3 special meeting to review the 2022 to 2026 rate study. Staff appreciates the Board's questions and continued goal to further reduce the proposed rate increase. Through additional work and analysis, staff has prepared a scenario for the Board's consideration, which includes a 4.2% annual rate increase for 2022 through 2026. This proposal includes a reduction in the operating budget for 2026 to maintain debt service coverage, a budget that is already lean and reflects the work done collectively from 2017 to 2021 to control costs and take advantage of debt refinancing opportunities. To manage this reduction, staff will continue their efforts to reduce budgets, find efficiencies, and minimize debt increases and increase use of reserves.

Ms. Dreyfuss-Wells invited Ken Duplay, Chief Financial Officer, to further discuss the proposal.

Mr. Duplay explained that with the Board's feedback in mind, staff worked with Stantec to develop a 4.2% scenario. The bulk of the work was in the 2026 budget, where the target for total debt service coverage was not being met. Through further analysis, \$3 million was removed from the would-be \$159 million budget. For context, the \$3 million in 2026 is equivalent to the Easterly Wastewater Treatment Plant (WWTP) electricity cost or the Southerly WWTP projected materials and supply expense.

The budget was balanced for 2026 and years beyond that to ensure that the following years all remain below a 5% increase while maintaining 4.2% through the current rate period and meeting all the financial metrics in all periods.

Mr. Duplay provided a graph demonstrating that years 2026 through 2029 are projected to be right at the total debt service coverage target, at 1.5 times in all of those years. This 4.2% scenario represents a total of \$60 savings for the typical customer over the five-year period versus the original 4.7% scenario.

The proposed total anticipated Operation and Maintenance (O&M) operating budget is \$200 million lower in total over the five years than the prior rate study's budget. Additionally, in recent years, NEORS D has maintained a relatively flat budget. Since 2017, the sewer operating budgets have been \$143 million, \$150 million, \$150 million, \$148 million, and \$143 million, respectively. The savings accrued over the past five years in operations are reflected in the numbers projected forward. NEORS D will continue to refine its budgets to ensure that all financial metrics are met, and staff is confident that it can do so within the 4.2% rate increase scenario.

President Brown expressed his appreciation to his fellow Board Members, Ms. Dreyfuss-Wells, Mr. Duplay, and staff for their continued engagement and efforts to address questions and concerns in the rate setting model. President Brown added that the Board is appreciative of the level of effort it took to get through the last five-year period and achieve the 4.2% rate increase scenario. President Brown expressed his concern

regarding the initial five-years of prediction of the model realizing that in the previous model, the first five years were able to carry NEORSD through the second five-year period. In the prior rate study, the projections were as high as a 9.6% rate increase. The rates going down in years 6 through 10 is encouraging. However, NEORSD must ensure that O&M, the capital budget, and all other programs that will be rolled out are in alignment with the impact of rates on customers. President Brown added that NEORSD is in a good place as it relates to cash balances and debt service coverage and he is confident in the projections based on the methodology and supported by data and last year's CAFR.

Mr. Joyce offered his appreciation and acknowledged the amount of work required to decrease the rate increase from 9% to 4%.

Ms. Dreyfuss-Wells indicated that NEORSD will move forward in terms of process. The next step will be to finalize the updates to the scenario for the Board's consideration. The way that the rates will move forward will be to update Titles I and V of NEORSD's Code of Regulations. The updated drafts will be presented to the Board at the May 20 meeting with a Resolution Request for the Board's consideration. Once approved by the Board, there is a required 30-day review period to allow member communities to offer comment.

President Brown, on behalf of the Board, expressed appreciation for the update and eagerness to continue engagement in the process and receive commentary from the member communities.

V. Action Items

Authorization to Advertise

Resolution No. 126-21                      Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119.10, for lift equipment preventive maintenance and repair services at all District Facilities with an anticipated expenditure of \$110,000.00.

Resolution No. 127-21                      Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119.10, for a three-year requirement contract for Renewable Energy Facility (REF) water purification system lease and maintenance services with an anticipated expenditure of \$268,000.00.

**MOTION** – Mayor Bacci moved, and Mr. Joyce seconded to adopt Resolution Nos. 126-21 through 127-21. Without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 128-21                      Authorization to purchase spare parts, as-needed, from sole source vendor Schwing Bioset, Inc., necessary to repair and maintain Schwing Bioset material handling equipment at the Southerly and Westerly Wastewater Treatment Plants in an amount not-to-exceed \$250,000.00.

Resolution No. 129-21 Authorization to purchase replacement parts, as-needed, from sole source vendor Rexel, Inc., necessary for plant automation process repairs at the EMSC facility and all wastewater treatment plants in an amount not-to-exceed \$300,000.00.

Resolution No. 130-21 Authorization to purchase three Quantum Scalar i3 LTO8 backup tape libraries and backup media from Cambridge Computing Services, Inc. in an amount not-to-exceed \$125,069.69.

**MOTION** – Mr. Sulik moved, and Mayor Alai seconded to adopt Resolution Nos. 128-21 through 130-21. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 131-21 Authorization to enter into an agreement with eLogger, Inc. to purchase and implement the eLogger software package under the Electronic Shift Log project in an amount not-to-exceed \$99,375.00.

Resolution No. 132-21 Authorization to enter into a loan agreement with the Ohio EPA and the Ohio Water Development Authority to accept WPCLF funding for design costs related to the Southerly Chemically Enhanced High-Rate Treatment Upgrades project for a total amount up to \$3,173,653.00.

Resolution No. 133-21 Authorization to enter into a project reimbursement agreement with Chagrin River Watershed Partners, Inc. to provide local matching funds for the rehabilitation and improvement of approximately 1,050 feet of Nine Mile Creek under the Nine Mile Creek Restoration project in the Village of Bratenahl in an amount not-to-exceed \$445,000.00.

Resolution No. 134-21 Authorization to enter into professional services agreements with West Creek Conservancy, Western Reserve Land Conservancy, and O.R. Colan Associates, LLC for task-order based Conservation Planning and Property Acquisition Services in a total amount not-to-exceed \$750,000.00 for all agreements combined.

Resolution No. 135-21 Authorization to enter into a project agreement with the Ohio Department of Transportation (ODOT) to accept funding from ODOT for the repair of the West Creek stilling basin, approach channel, and erosion along I-480 under the West Creek Stabilization in Brooklyn Heights project in a total amount up to \$2,000,000.00.

Resolution No. 136-21 Authorization to enter into a three-year agreement with the Cuyahoga County Board of Health (CCBH) to provide laboratory services to CCBH in support of their Household Sewage, Solid Waste, Stormwater, Drinking Water, and Beach Monitoring Programs, for the period April 1, 2021 through

March 31, 2024, for a total amount up to \$400,000.00 as compensation to the District.

Resolution No. 137-21

Authorization to enter into an agreement with sole source vendor Cherwell Software, LLC for software licenses, hosting services, and maintenance and support services for the Information Technology Service Management System and IT Asset Management System, for the period June 21, 2021 through June 21, 2022, in an amount not-to-exceed \$26,241.52 for year one and an optional two-year extension in an amount not-to-exceed \$72,763.04 for years two and three combined, to be exercised by the CEO at her discretion, for a total agreement amount not-to-exceed \$99,004.56.

**MOTION** – Mr. Joyce moved, and Mayor Alai seconded to adopt Resolution Nos. 131-21 through 137-21. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that, regarding Resolution No. 135-21, the total project cost is likely much greater than \$2 million and requested additional explanation of what the agreement entails.

Frank Greenland, Director of Watershed Programs, explained that the project is in the detailed design phase, which is nearing completion and will be sent out for bids.

There are large-scale erosion issues along this section of West Creek that threaten structures and infrastructure. Mr. Greenland provided photographs of the area demonstrating a concrete flume that the Ohio Department of Transportation (ODOT) constructed in conjunction with protection of I-480 and failing sections of the flume. In total, the project has an estimated cost of \$16.5 million. This section of West Creek along I-480 is owned by ODOT and they have agreed to contribute up to \$2 million for NEORS D to manage this component. NEORS D is planning a more natural design approach to moving and raising the creek to provide erosion protection of I-480 in this area.

This project is listed on the Cuyahoga Area of Concern's Management Action List, which means that there is potential for NEORS D to receive some Great Lakes Restoration Initiative (GLRI) funding from the federal government. NEORS D has had discussions regarding GLRI funding; however, a decision on the issue has not been announced.

This is a significant project in terms of restoration of West Creek with benefits extending to the Cuyahoga River as well.

There will be further discussion with the Board once the decision is received regarding potential GLRI funding.

Authorization to Amend Agreement

Resolution No. 138-21

Authorization to amend Agreement No. 20007708 with Emergent, an Adobe Systems, Inc. reseller, to add an allowance for the purchase of additional software licenses, as necessary, under the existing three-year Adobe Enterprise Term License Agreement in an additional amount of \$20,510.00, thereby bringing the total agreement amount not-to-exceed \$170,475.00.

Resolution No. 139-21 Authorization to amend professional services Agreement No. 17005465 with McMillen Jacobs Associates for the West 3<sup>rd</sup> Quigley/Westerly Miscellaneous CSO Control project to add funding for redesign efforts necessary to mitigate construction risks and modification of a portion of the design, for an additional amount of \$77,947.00, thereby bringing the total agreement amount not-to-exceed \$2,292,460.00.

**MOTION** – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 138-21 through 139-21. Without objection, the motion carried unanimously.

Authorization to Amend Resolution

Resolution No. 140-21 Authorization to amend Resolution No. 362-20, adopted December 17, 2020, authorizing an agreement with the International Union of Operating Engineers, Local 18-S, AFL-CIO, to provide a \$700.00, one-time lump sum bonus within sixty days of contract execution and a 3.5% wage increase in Year 3, effective December 26, 2022, as required by the side letter agreement with Local 18-S.

Resolution No. 141-21 Authorization to amend Resolution No. 259-20, adopted September 17, 2020, authorizing the District to acquire one parcel in fee simple located at 4252 Cricket Lane, in the City of Warrensville Heights, known as PPN 761-16-009, owned by Jerome L. Cummings, necessary for the construction and maintenance of the Mill Creek Bank Stabilization Project, to amend the lease term from six months to ten months from the date of closing.

Resolution No. 142-21 Authorization to amend Resolution No. 258-20, adopted September 17, 2020, authorizing the District to acquire one parcel in fee simple located at 4236 Cricket Lane, in the City of Warrensville Heights, known as PPN 761-16-013, owned by Henri W. and Sherry Tartt, necessary for the construction and maintenance of the Mill Creek Bank Stabilization Project, to increase the purchase price from \$80,000.00 to \$90,000.00 and to amend the lease term from six months to eight months from the date of closing.

**MOTION** – Mr. Sulik moved, and Mayor Bacci seconded to adopt Resolution Nos. 140-21 through 142-21. After the following discussion, without objection, the motion carried unanimously.

President Brown requested additional information regarding Resolution No. 140-21.

Elizabeth Brooks, Director of Human Resources, explained that NEORS D completed contract negotiations with Local 18-S in October 2020 and the tentative agreements included in the December Resolution included a 0% increase in year one, a \$700 one-time lump sum bonus payable in January 2022, a 2.5% increase in year two and again in year three. It also included a side letter stating that if NEORS D agreed to something different with Local 2798, then Local 18-S would be given the same overall wage and bonus package.

In March 2021, the Board voted to accept the fact-finding report related to the contract negotiations with Local 2798. That report included a 1% bonus paid in year one, a 0% general wage increase in year one, a 2.5% general wage increase in year two and a 3.5% increase in year three.

NEORS and Local 2798 mutually agreed that the 1% bonus in year one would be paid as a \$700 lump sum payment following full contract execution.

Resolution No. 140-21 modifies Resolution No. 362-20 to enact the side letter agreement. It will change the timing of the \$700 payout from January 2022 to when the contract is executed, and it will increase the general wage increase in year three from 2.5% to 3.5%.

Property Related Transaction

Resolution No. 143-21 Authorization to acquire two parcels in fee simple including the entire properties known as PPNs 117-21-002 and 117-21-020, located at 17722 Euclid Avenue, in the City of Cleveland, owned by the City of Cleveland, and to enter into a two-year license agreement for the temporary use of the entire properties known as PPNs 117-21-021 and 117-21-022, located at 17710 Euclid Avenue, in the City of Cleveland, owned by the City of Cleveland, necessary for the construction and maintenance of the London Road Relief Sewer project with total consideration of \$33,000.00.

Resolution No. 144-21 Authorization to acquire two permanent stormwater easements and one temporary easement at the property known as PPN 483-20-010 and a permanent stormwater easement at the property known as PPN 483-20-030, located on Royalton Road, in the City of North Royalton, owned by the City of North Royalton, necessary for the construction and maintenance of the Rocky River Stream Stabilization and Sewer Protection in North Royalton project with total consideration of \$1.00.

Resolution No. 145-21 Authorization to enter into a right of entry agreement with Chagrin River Watershed Partners, Inc. (CRWP) and Southside Acreage, Ltd. (Southside) for access to the property known as PPN 631-13-001, located on Lakeshore Boulevard, in the Village of Bratenahl, owned by Southside, necessary for the construction and maintenance of CRWP's Nine Mile Creek Restoration project with total consideration of \$1.00.

Resolution No. 146-21 Authorization to acquire one parcel in fee simple located at 8173 Twin Oaks Drive, in the City of Broadview Heights, known as PPN 581-08-065, owned by Branko Bosiljcic, necessary for the construction and maintenance of the Chippewa Creek Flood Reduction Project Near Echo Lane, to enter into an Assignment and Assumption Agreement with the Western Reserve Land Conservancy, to enter into a lease agreement with Branko Bosiljcic, and to allow for the entirety of the payment plus closing costs to be disbursed to Ohio Real Title Agency, LLC. with total consideration of \$290,000.00 plus closing costs.

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- Resolution No. 147-21 Authorization to acquire two permanent sewer easements at the properties known as PPNs 108-16-020 and 108-16-021, located on Dupont Avenue, in the City of Cleveland, owned by Crawford United Corporation, formerly known as the Hickok Electrical Instrument Company, necessary for the construction and maintenance of the Shoreline Storage Tunnel project with total consideration of \$8,500.00.
- Resolution No. 148-21 Authorization to enter into a facility encroachment agreement with CSX Transportation, Inc. for use of the property known as PPN 105-02-003, located on East 55<sup>th</sup> Street, in the City of Cleveland, owned by CSX Transportation, Inc., necessary for the construction and maintenance of the Shoreline Storage Tunnel Project with total consideration of \$160,000.00.
- Resolution No. 149-21 Authorization to acquire one permanent stormwater easement and two temporary easements at the property known as PPN 581-01-051, located at 8120 Twin Oaks Drive, in the City of Broadview Heights, owned by Robert B. and Loretta A. Lanning, necessary for the construction and maintenance of the Chippewa Creek Flood Reduction Project near Echo Lane with total consideration of \$8,750.00.

**MOTION** –Mr. Sulik moved, and Mayor Alai seconded to adopt Resolution No. 143-21. Without objection, by roll call vote, the motion carried with all present members voting yes and recusal from discussion and abstention from voting by President Brown and Ms. Dumas.

**MOTION** – Mayor Alai moved, and Ms. Dumas seconded to adopt Resolution Nos. 144-21 through 149-21. After the following discussion, without objection, the motion carried unanimously.

President Brown indicated that, pursuant to Resolution No. 146-21, it appears that NEORS D purchased another residential property, and asked for a status update regarding property acquisition for the purpose of flood control protection.

Mr. Greenland provided slides demonstrating the property interests in the area and noted which were acquisitions and which were easements. Mr. Greenland explained that there will be significant work to be done to construct a broad project. There is a stormwater detention basin that requires rehabilitation to better protect the regional stormwater network and a culvert that needs to be replaced in the area. There are plans to reconnect floodplain along an open channel stretch and to daylight a culvert at the very downstream end.

The acquisitions and easements will allow for the projects to be completed. The project is currently in the design stage.

VI. Information Items

President Brown advised the Board that the Financial Report on Investment Advisory Performance was included in the materials provided to them and any questions or concerns should be directed to Mr. Duplay.



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Frank Foley, Director of Operation and Maintenance, provided the Quarterly Update for the Operation and Maintenance Department for the first quarter of 2021.

Mr. Foley provided a graph demonstrating lost or restricted workdays from 2017 to present. There were significantly more lost or restricted workdays in 2019 than 2020. So far in 2021, there have been no accidents or incidents that resulted in lost or restricted workdays.

The DART rate is the number of incidents per 100 employees that result in lost or restricted workdays. Water and sewer systems in Ohio, and nationally, typically have a DART rate of 2.8 to 3.0. NEORS D has set an internal goal of 2.0 and because there have been no lost time accidents in the first quarter, the current DART rate is 0.

Mr. Foley provided graphs demonstrating effluent quality at the plants. Suspended solids, carbonaceous biochemical oxygen demand, and phosphorus were all below permit limits at all WWTPs in the first quarter. The Southerly WWTP has a different allowable limit for these parameters than the Easterly and Westerly WWTPs as it discharges to the Cuyahoga River rather than Lake Erie, and all plants were below permit limits.

Regarding collection system and maintenance, there were two dry weather overflow events during the first quarter: one in January and one in March. The total number of dry weather overflows in 2020 was 11. This year is tracking similarly. One of the events was caused by a downstream blockage and the other was caused by a failed air release valve on a force main at the Mary Street Pump Station.

As for wet weather, the automated collection system equipment was available 100% of the time during wet weather.

Regarding planned maintenance, the percentage is typically 70% to 80% of planned maintenance versus unplanned. There are similar results so far this year with slightly better results at Easterly and Westerly for the first quarter of 2020 versus 2021.

There are ten budget centers within O&M that make up the department with a total operating budget of \$61.9 million for 2021. Through March, total expenses are \$14.1 million, which is in line with the first quarter spending for 2020 and within budget.

Open Session

There were no items.

VII. Public Session (any subject matter)

There were no items.

VIII. Executive Session

Mayor Bacci, pursuant to Ohio Revised Code Section 121.22(G)3, moved, and Mayor Alai seconded to enter into executive session to consult with the District's legal counsel concerning disputes involving the Northeast Ohio Regional Sewer District that are subject to pending and imminent court action. By roll call vote, the Board voted unanimously to enter into executive session at 1:21 p.m.

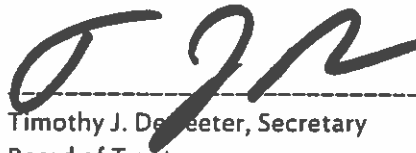
IX. Approval of Items from Executive Session

There were no items.

X. Adjournment

The Board returned to open session at 2:02 p.m.

**MOTION** – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Ms. Dumas seconded the motion to adjourn at 2:03 p.m. Without objection, the motion carried unanimously.



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Timothy J. DeFeeter, Secretary  
Board of Trustees  
Northeast Ohio Regional Sewer District



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