

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
MAY 7, 2015

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:37 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown
W. O'Malley
J. Bacci
S. Dumas
T. DeGeeter
R. Stefanik

ABSENT: R. Sulik

The Secretary informed the 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 16, 2015, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Chief Operating Officer (COO) Kellie Rotunno advised that no one signed up to speak about a specific agenda topic.

IV. Chief Executive Officer's Report

COO Rotunno stated that she would provide the Chief Executive Officer's report.

COO Rotunno advised that Constance Haqq, Director of Administration & External Affairs, and her team are working hard for the upcoming Infrastructure Week and associated media activity. A list of activities for the week was distributed.

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A "Follow the Flow" event will encompass hosting a number of media representatives from the upstream portion of the collection system and sewers, into the dewatering pump station, to the plant where water is treated and ultimately to the outfall at Edgewater Beach where overflow events can occur.

COO Rotunno advised that Carl Monday of Channel 19 recently met with her and toured the Easterly Plant. He subsequently interviewed CEO Ciaccia and a piece is scheduled to air as part of the station's Water Week coverage.

An Ohio Stormwater Conference will be held this week which will feature a number of Watershed Programs department speakers, including Kim Colich, Paul Kovalcik, Matt Scharver, Dave Ritter, Lita Laven, Rachel Webb and Donna Friedman. The District is a leader in the stormwater industry in Ohio, although an Ohio Supreme Court decision remains outstanding regarding the District's authority of the program.

COO Rotunno stated that a press release was issued regarding the Beach Monitoring Program. The program is up and running and testing of the waters at beaches will commence shortly. Staff's laboratory equipment can detect the microsystems from harmful algal blooms in the water.

Moving to the next topic, COO Rotunno stated that she and CEO Ciaccia have had discussions with Region 5 of the U.S. EPA regarding a potential joint press release about Project Clean Lake and the progress made from a cost and affordability standpoint. The cost of the program has been reduced and projects have been advanced that are addressing water quality issues in the region.

COO Rotunno transitioned to the community infrastructure funding program. She explained that staff is investigating the opportunity to apply savings from the CSO program to assist communities addressing water quality issues in their local systems.

Staff continues to meet with local mayors to gauge their interest in such a program; so far it has been received favorably and the next meeting is scheduled for late May. In the meantime, internal meetings have taken place to discuss the details of the program.

Staff also continues to work with the City of Cleveland regarding the Green Infrastructure Grants Program -- advancing ten projects for \$1.5 million. The Planning Commission has approved the projects and the next hurdle is the Development, Sustainability and Planning Committee on May 12 for further consideration.

COO Rotunno advised that the District held a Small Business event hosted by the Office of Contract Compliance in honor of Small Business Week. She was invited to speak to the group, which was attended by more than 120 people. Last year the District spent more than \$45 million

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with registered Business Opportunity Program firms. She recognized Tiffany Jordan, Contract Compliance Manager, and her staff for doing a fabulous job networking and bringing in the people who are part of the success of the program.

The event was attended by The Greater Cleveland Partnership and the Urban League of Greater Cleveland. The Urban League of Greater Cleveland presented the District with a proclamation in recognition of National Small Business Week.

Mr. Brown stated that the Board and staff understand and appreciate the value of the Small Business Program. It is an integral part of the organization and how it curates the sense of community, partnership and opportunities.

The Board encouraged staff to continue its outreach and engagement as they attempt to attract more to do business. Vendors with a good product and that meet procurement requirements should be aware of the opportunities with the District and that they will be helped to develop and grow.

V. Action Items

Authorization to Advertise

Resolution No. 103-15

Advertise for Bids for the ECT-4 and ECT-5 Site Restoration Project. Engineer's Opinion of Probable Construction Cost: \$832,000.00.

Resolution No. 104-15

Advertise for Bids for a Two-Year Requirement Contract For Crane Inspection, Maintenance and Repairs at All Wastewater Treatment Plants and Pump Stations. Anticipated Expenditure: \$108,000.00.

MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution Nos. 103-15 through 104-15. After discussion and without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 105-15

Direct Purchase, from Sole Source Vendor Polychem Systems, Primary Treatment Tank Parts for the Easterly and Southerly Wastewater Treatment Plants. Cost: Not-to-Exceed \$198,900.00.

MOTION – Mayor DeGeeter moved and Mr. O’Malley seconded to adopt Resolution No. 105-15. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

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| Resolution No. 106-15 | Agreement for the District to Provide Water Quality Analyses During 2015 for the Ohio Department of Health Beach Monitoring Program. The District will Receive \$8.00 Per Sample Analyzed with a Total Dollar Amount Not-to-Exceed \$1,000.00. |
| Resolution No. 107-15 | Agreements with the City of Cleveland and the GreenCityBlueLake Institute of the Cleveland Museum of Natural History for the City of Cleveland’s Youth Opportunity Unlimited Summer Jobs Program. Cost: Not-to-Exceed \$25,000.00. |

MOTION – Mayor Bacci moved and Ms. Dumas seconded to adopt Resolution Nos. 106-15 through 107-15. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Contract

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| Resolution No. 108-15 | Two-Year Requirement Contract with Quasar Energy Group, LLC for Skimmings Removal at All Wastewater Treatment Plants. Cost: \$54,671.26. |
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MOTION – Mr. O’Malley moved and Mayor Stefanik seconded to adopt Resolution No. 108-15. After discussion and without objection, the motion carried unanimously.

Authorization of Contract Modification

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| Resolution No. 109-15 | Modify Construction Contract No. 13004391 with Nerone and Sons, Inc. for the CSO-SSM&O Bundles Package #2 Project. Cost: A Decrease in the Amount of \$346,656.21 Bringing the Total Contract Price to \$779,443.79. |
| Resolution No. 110-15 | Modify Professional Services Contract No. 11000655 with Brown & Caldwell for the Easterly |

Facility Plan Improvements-Aerated Grit Project.
Cost: An Increase in the Amount of \$575,000.00
Bringing the Total Contract Price to
\$5,675,393.00.

Resolution No. 111-15

Modify the Existing One-Year Requirement
Contract with Robins Nest Landscape to Provide
Lawn Maintenance Services at District Acquisition
Properties. Cost: A Time Extension of One-Year
with No Change in the Contract Price.

MOTION – Ms. Dumas moved and Mayor DeGeeter seconded to adopt Resolution Nos. 109-15 through 111-15. After discussion and without objection, the motion carried unanimously.

Sewer Use Code Matters

Resolution No. 112-15

Adopting the Findings of the Hearing Examiner
with Regard to the Sewer Account of Mary and
Charles Johnson, Sewer District Case No. 15-001.

MOTION – Mayor Stefanik moved and Mr. O'Malley seconded to adopt Resolution No. 112-15. After discussion and without objection, the motion carried unanimously.

Property-Related Transactions

Resolution No. 113-15

Authorization to Acquire Two Permanent
Easements from the David Kaiser Family Trust
Necessary for Construction of the Dugway Storage
Tunnel Project. Consideration: \$8,000.00.

Resolution No. 114-15

Authorization of One Relocation Payment
Associated with the District's Permanent
Acquisition of Property in the City of Cleveland
Necessary for Construction of the Dugway West
Interceptor Relief Sewer Project. Consideration:
\$907.00.

MOTION – Mayor Bacci moved and Ms. Dumas seconded to adopt Resolution Nos. 113-15 and 114-15. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Financial Report and Investment Advisor Performance Report for the Three-Month Period Ending March 31, 2015

CFO Demmerle stated that the District is meeting most financial benchmarks, with the exception of debt to net fixed assets. Staff's target is less than 60% and currently it is 70% because a bond issue occurred in December. While there is debt on the books staff does not have the assets yet that supports it; that ratio should decrease when the assets are recorded.

The District is operating within budget -- operating expenses for the first quarter are \$24 million, which is flat versus the same period last year.

Operating revenues are only 3% higher last year. CFO Demmerle was not very concerned about that because there were large canceled bills during the first quarter that were not rebilled until April. That figure should increase through the year.

The District's total cash and investments is \$574 million. The average maturity on investments is 1.4 years with a yield of 0.39% -- lower than staff would like but still exceeds the benchmark.

Total assets are over \$3 billion with \$1.5 billion in debt to support those assets within the capital program.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

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

IX. Executive Session

There were no items.


X. Approval of Items from Executive Session

There were no items.


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IX. Adjournment

MOTION – Mr. Brown 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 12:59 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