

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
MAY 15, 2008

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:33 p.m. by Mr. Brown.

I. Roll Call

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

The Secretary informed the President a quorum was in attendance.

II. Approval of Minutes

MOTION – Ms. Kelly moved and Mr. Liberatore seconded that the Minutes of May 1, 2008, be approved. Without objection, the motion carried unanimously.

III. Public Session (no one registered to speak at the public session)

IV. Executive Director's Report

Executive Director Ciaccia informed the Board that Law Director Marlene Sundheimer presented information to the Ethics Committee pertaining to the District's current MBE/WBE program. The presentation outlined examples of alternative subcontracting programs and the necessity of conducting a disparity study to support program goals. The District will present to the Board alternative approaches for its MBE/WBE program at the June 19th Special Board Work Session.

Executive Director Ciaccia advised the Board that the Governance Committee finalized Bylaws revisions and the District's proposed Contract Change Order Policy.

BOARD OF TRUSTEES

Regular Meeting

May 15, 2008

Page 2 of 10

Executive Director Ciaccia advised the Board that the District received proposals from Cleveland Public Power for electrical services at the Easterly, Westerly and Southerly Wastewater Treatment Facilities. The District also requested a proposal from First Energy. First Energy indicated it cannot submit a proposal for various reasons including the status of the de-regulation and re-regulation of the electric industry within the State of Ohio. The District agreed to further discussions with Cleveland Public Power with the intent to accept their proposal for the Easterly and Westerly Wastewater Treatment Facilities. By accepting Cleveland Public Power's proposal, the District will be locked into a ten (10) year contract and will receive a modest rate reduction for electrical needs at the Easterly and Westerly Wastewater Treatment Facilities.

Executive Director Ciaccia informed the Board that the District will submit to the Governance Committee in July a redlined version of the Court Order as it relates to stormwater management. The District began its second round of meetings with the District's member communities to discuss its Stormwater Management Program. Executive Director Ciaccia advised Board members that he attended the recent meeting of the Cuyahoga County Mayors and City Managers Association and requested support of the District's Stormwater Management by adopting a resolution the District submitted for consideration. The organization will be discussing the District's resolution at its next meeting.

Executive Director Ciaccia introduced Ms. Kyle Dreyfuss-Wells formerly of the Chagrin River Watershed Partners. Ms. Dreyfuss-Wells will be joining the District as Manager of Environmental Programs.

The U.S. EPA submitted email correspondence to Attorney David Burchmore of Squire, Sanders and Dempsey, LLP requesting District representation at a meeting scheduled to discuss the State's new and innovative approach to facilitate the Combined Sewer Overflow ("CSO") program. Executive Director Ciaccia informed the Board that the meeting will be held on May 16, 2008, to discuss CSO and ongoing consent decree negotiations.

Executive Director Ciaccia stated that the District continues to negotiate a contract with Camp, Dresser & McKee for the implementation of an Asset Management Program for Board consideration in June.

Executive Director Ciaccia advised that the District received two (2) proposals for the Program Management RFP: 1) Montgomery Watson Harza; and 2) CH2M Hill. The District's Internal Selection Committee is currently reviewing both proposals and interviews have been scheduled for May 29, 2008. The findings will be presented to the Board prior to contract negotiations.

BOARD OF TRUSTEES

Regular Meeting

May 15, 2008

Page 3 of 10

Executive Director Ciaccia moved discussion to finance report items. He informed Board members that the District's annual budget is currently at the 33% benchmark and operating expenditures are below the benchmark at 29.54%.

Executive Director Ciaccia, Board members Mayor Starr and Ms. Kelly and Government Affairs Specialist Darnella Robertson attended the National Association of Cleanwater Agencies/Water Environment Federations (NACWA/WEF) Clean Water Policy Forum held May 4th – 7th in Washington D.C. They met with the Ohio congressional delegates and with Texas Congresswoman Eddie Bernice Johnson, Chair of the Water Resources and Environment Subcommittee (Subcommittee of the Transportation and Infrastructure Committee). Topics of discussion included federal funding, ongoing District projects and new initiatives. Mayor Starr had the opportunity to meet with Congressman Kucinich.

Executive Director Ciaccia advised the Board that the federal government declared clean water to be a federal issue by passing the Clean Water Act and its applicable regulations. Of specific interest to the District is the Clean Water Act and its relation to Combined Sewer Overflows (CSOs) which could result in an estimated \$2 Billion investment over the next 20-30 years, contingent upon negotiations with the government. Executive Director Ciaccia advised congressional delegates that the District is considering for adoption in 2011 annual rate increases in the range of 15-18% effective 2012 through 2016. The District wanted to let the congressional delegates know that our customers will be looking back to Washington, as well as, at us locally in response to these proposed significant rate increases.

Ms. Kelly stated that she saw the value of having Board members in attendance at this forum to talk to the representatives and their staffs about the importance of the infrastructure and the work the District is doing that impact our community. Ms. Kelly indicated that she supports Board members' attendance at future forums related to this issue to garner support of elected officials.

Mayor Starr agreed with Ms. Kelly. He complimented Executive Director Ciaccia's organization of District representation at this forum. He then complimented Ms. Robertson on her involvement with the itinerary planning and scheduling. Mayor Starr informed the Board that congressional delegates are interested in the District's needs for current projects. He stressed the importance of Board member attendance at the forum, specifically members who have working relationships with congressional delegates and U.S. senators. He informed the Board that the federal government has set aside \$655 million for funding projects like the District's for the whole country; however federal unfunded mandates and clean water are competing for priority with funding for the war on terror, social security and the national deficit. Mayor Starr advised the Board that the District could receive support from both republican and democrats, if they are made aware of the District's project plans and the necessary funding needs.

BOARD OF TRUSTEES

Regular Meeting

May 15, 2008

Page 4 of 10

Mr. Brown thanked Mayor Starr and Ms. Kelly for representing the Board in Washington D.C. at this forum. He agreed that it was important to have a Board presence in Washington. He stressed the importance of the Board acting on behalf of the District to ensure appropriate rate structures are in place and our programs are appropriately funded. He further stated that he is looking forward to working in partnership with elected officials so the interests of and the impact to this community are made known and the obligations to the community are shared.

Executive Director Ciaccia agreed with Mayor Starr's comments about the importance of Board member participation at these events. He stated that although he has acquired some political knowledge during his years of public service, he does not possess the same political stature as Board members. The attendance of Mayor Starr and Ms. Kelly proved to be beneficial.

Executive Director Ciaccia closed the NACWA/WEF forum discussion by stating that the District intends to continue its efforts to inform congressional delegates of projected rate increases effective 2012 through 2016. The District will continue communication with representative's local offices in order to build a partnership effort to advise the public of forthcoming rate increases. Executive Director Ciaccia thanked the Board for its support and agreed that the District should send representatives to next year's forum.

Mayor Longo reminded the Board that there will be a change in administration in January 2009. Due to the uncertainty of the general election outcome, he encouraged the District to maintain flexibility to move in either direction to bring dollars home to take care of unfunded mandates.

Ms. Kelly suggested, in an effort to remind representatives of the discussion held, Board members and designated staff should revisit the Capitol in January 2009.

Executive Director Ciaccia informed the Board that the District's IT Department conducted a routine audit of internet usage and found several employees visited some unacceptable websites resulting in one (1) dismissal and several disciplinary actions for misuse of District property. He commended Deputy Executive Director Michael Bucci on his interview with the media pertaining to this issue. The District plans to tighten its internet usage policy. Mr. Brown stated that the internet usage policy must be implemented, updated and communicated to all employees. He agreed that this was an unfortunate incident and commended the staff for addressing the situation expeditiously.

Mr. Brown commented on the hiring of Ms. Dreyfuss-Wells. He informed Board members that Ms. Dreyfuss-Wells is well respected within the industry and will be an asset to the District. She was involved with Chagrin River Watershed Partners and this

organization was viewed as a model agency to formulate stormwater regulations. Ms. Dreyfuss-Wells will be a beneficial addition as the District moves forward with its Stormwater Management program. He commended Executive Director Ciaccia for hiring Ms. Dreyfuss-Wells. Executive Director Ciaccia agreed and expressed his gratitude of Ms. Dreyfuss-Wells joining the District team.

V. Consent Agenda

Mr. Brown asked if there were any comments, concerns or questions regarding items presented in the Consent Agenda. There were none.

MOTION – Mayor Longo moved and Mr. Sulik seconded to adopt Resolution Nos. 124-08 through 125-08, referenced below:

Sewer Use Code Matters

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| Resolution No. 124-08 | Acceptance of Hearing Examiner Findings regarding Estates I Condo Association. |
| Resolution No. 125-08 | Acceptance of Hearing Examiner Findings regarding Rosecliff Road Homeowner's Association. |

Without objection, the motion carried unanimously.

VI. Action Items

Authorization to Award

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| Resolution No. 126-08 | Walworth Run Outfall Repair Project to Broadway Excavating. Cost not to exceed \$248,500.00. |
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Executive Director Ciaccia advised the Board that Resolution No. 126-08 is for repair of the outfall at the Walworth Run (CSO 080) due to significant deterioration. Broadway Excavating was the lowest of nine (9) bidders and has MBE/WBE participation of 24.14% and .74%.

Resolution No. 127-08 **Walworth Run Outfall Repair Project for Engineering Services During Construction to Brown & Caldwell. Cost not to exceed \$59,037.62.**

Executive Director Ciaccia informed the Board that Resolution No. 127-08 is awarding engineering services during construction to Brown & Caldwell. Brown & Caldwell were the design engineers for this project and will assist the District with construction management.

Resolution No. 128-08 **Easterly Interceptor Lakeside Avenue Improvement Contract at East 53rd Street, Construction Contract to Triad Engineering & Contracting Company. Cost not to exceed \$1,677,350.00.**

Executive Director Ciaccia informed Board members that the District recommends awarding the Easterly Interceptor Lakeside Avenue Improvement Contract at East 53rd Street to Triad Engineering and Contracting, being the lowest of three (3) bids received. At 2.2% MBE and 2.3% WBE participation, Triad Engineering did not meet the District's goals; however, a completed Schedule 2 form was submitted with the bid setting forth the reasons for their inability to meet District MBE/WBE goals. The District agreed to meet with Triad Engineering to discuss further subcontracting opportunities.

MOTION – Mayor Longo moved and Mr. Liberatore seconded to adopt Resolution Nos. 126-08, 127-08 and 128-08. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

There were no questions or discussion regarding Resolution Nos. 129-08 and 130-08.

Resolution No. 129-08 **Acceptance of Ohio Department of Health Award and Contracting with U.S. Geological Survey for Research Efforts.**

Resolution No. 130-08 **Agreement with U.S. Geological Survey for Research Related to Current Metering to Improve Beach Management. Cost not to exceed \$39,500.00.**

MOTION – Mayor Longo moved and Ms. Kelly seconded to adopt Resolution Nos. 129-08 and 130-08. Without objection, the motion carried unanimously.

Authorization for Contract Modification

There were no questions or discussion regarding Resolution No. 131-08.

Resolution No. 131-08 **Spring-Jennings Roads Phase 2 Study with Arcadis. Cost increase of \$84,249.00 bringing the total not-to-exceed contract price to \$184,949.00.**

MOTION – Mr. Liberatore moved and Mr. Sulik seconded to adopt Resolution No. 131-08. Without objection, the motion carried unanimously.

Authorization of Progress Payment

There were no questions or discussion regarding Resolution No. 132-08.

Resolution No. 132-08 **Progress Payment No. 8 for Emergency Design Services by Wade Trim. Cost: \$30,389.83.**

MOTION – Mayor Starr moved and Mr. Liberatore seconded to adopt Resolution No. 132-08. Without objection, the motion carried unanimously.

Public Purpose

Executive Director Ciaccia advised Board members that Resolution Nos. 133-08 through 136-08 are resolutions to replace a prior resolution covering practices involving the expenditure of funds for food, beverages supplies and related amenities for staff meetings, crisis management respondents, and beverages for general consumption, all having de minimis value in compliance with State Auditor Bulletin 2003-04 and Attorney General opinion 82-006 pertaining to expenditure of funds for public purposes.

Resolution No. 133-08 **Authorization to Expend Funds for Provision of Food, Beverages and Related Supplies for Staff Meetings, and Crisis Management Respondents; and Beverages for General Consumption.**

Executive Director Ciaccia stated that Resolution No. 133-08 requests authorization to continue disbursement of District funds to provide food and beverages at District meetings. In addition, this resolution would provide a coffee and tea service for District employees' general consumption. This service would alleviate various coffee clubs and employee purchases of coffee and tea for consumption within departments.

Resolution No. 134-08 **Authorization for the Provision of Refreshments and Supplies for District Training Programs.**

BOARD OF TRUSTEES

Regular Meeting

May 15, 2008

Page 8 of 10

Executive Director Ciaccia informed the Board that employees are occasionally required to attend all-day training programs and Resolution No. 134-08 requests the authorization to provide refreshments at these sessions.

Resolution No. 135-08 **Authorization to Provide Funds for Public Outreach, Marketing, and Promotional Materials.**

Executive Director Ciaccia explained that Resolution 135-08 is requesting authorization to provide funding for promotional and marketing materials for use and distribution at various public events.

Resolution No. 136-08 **Authorization to Provide Funds for Provision of Amenities, Food and Related Items for Employee Recognition Events.**

Executive Director Ciaccia stated that Resolution No. 136-08 requests authorization to provide food, refreshments, supplies and awards of de minimis value at employee recognition events. These events are separate from staff meetings and training programs.

MOTION – Mr. Sulik moved and Mr. Liberatore seconded to adopt Resolution Nos. 133-08, 134-08, 135-08 and 136-08. Without objection, the motion carried unanimously.

Add-On Resolution

There were no questions or discussion regarding Resolution No. 137-08.

Resolution No. 137-08 **Awarding a one (1) year requirement contract to S.A.W. Inc., 1275 Lakeside Avenue East, Cleveland, Ohio 44114, for lawn maintenance services at the Environmental Maintenance and Services Center (EMSC), off-site facilities pump stations. Cost: \$47,632.90**

MOTION – Mayor Longo moved to add and adopt Resolution No. 137-08 seconded by Ms. Kelly. Without objection, the motion carried unanimously.

VII. Information Items

Executive Director Ciaccia informed the Board that Andrew Watterson and Councilman Cummings from the City of Cleveland were invited to attend the presentation of the Spring Road-Jennings Road project. Resolution No. 131-08 approved a contract modification for this project. The District was prepared to present project plans to the

BOARD OF TRUSTEES

Regular Meeting

May 15, 2008

Page 9 of 10

Board during action items. Executive Director Ciaccia invited Board members, Mr. Watterson and all interested parties to attend the presentation held at the conclusion of the Board meeting.

Executive Director Ciaccia informed the Board that there was one (1) information item for presentation. Finance Director Jennifer Demmerle presented the Board with the quarterly financial report, entitled *Northeast Ohio Regional Sewer District Financial Report and Investment Advisor Performance Report for the Three Month Period Ending March 31, 2008*.

Ms. Demmerle advised Board members that the first quarter financial and investment performance reports have been included in each agenda packet. These two items will be presented to the Board together. The more detailed reports are consistent with the information reported by Executive Director Ciaccia at the end of March 2008. Ms. Demmerle advised the Board that she is available for any questions. The Board indicated that there were no questions pertaining to the District's first quarter financial and investment performance reports.

VIII. Open Session (no items on agenda)

IX. Public Session (no requests from the public)

X. Executive Session

Mr. Brown indicated there were four (4) personnel-related items for discussion at Executive Session.

MOTION – Mayor Longo moved and Mr. Liberatore seconded the motion to go into Executive Session. Without objection, the motion carried unanimously.

Board met in Executive Session from 1:10 p.m. until 1:24 p.m.

XI. Approval of Items from Executive Session

Executive Director Ciaccia stated that Mr. Douglas Dykes will be hired as the District's Human Resources Director. Upon the retirement of Ms. Ana Maldonado, Mr. Humberto Sanchez will be promoted to Director of IT. Upon the retirement of Mr. Robert Gow, Mr. Ronald Czernski will be promoted to Superintendent of Maintenance Services. Mr. Lawrence English will be promoted to Deputy Director of Law.

Mr. Brown closed the meeting by suggesting that the District partner with the City of Cleveland and Old Brooklyn regarding the Spring-Jennings Sewer Relief Project.

BOARD OF TRUSTEES

Regular Meeting

May 15, 2008

Page 10 of 10

Infrastructure improvements will only remedy some basement flooding. The District should seek environmental or green applications when dealing with flooded areas impacted by changes in rainfall patterns. He informed the Board that the City of Cleveland recently passed ordinances allowing for downspout disconnects and rain barrels. Mr. Brown encouraged members to attend the Spring-Jennings Sewer Relief Project presentation.

XII. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Longo moved and Mr. Liberatore seconded the motion to adjourn at 1:30 p.m. Without objection, the motion carried unanimously.



Dean E. DePiero, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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