

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
MAY 15, 2014

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

I. Roll Call

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

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

II. Approval of Minutes

**MOTION** – Mr. O'Malley moved and Mr. Sulik seconded to approve the minutes of the May 1, 2014, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no one signed up to speak about a specific agenda topic.

IV. Executive Director's Report

Executive Director Ciaccia began his report by stating that the brief regarding the Regional Stormwater Management Program (SMP) had been submitted to the Ohio Supreme Court. Supporting briefs were also filed by the City of Cleveland and 18 suburban communities -- two more than when the case was originally filed. Seven Hills and Brook Park joined in supporting the District. Additionally, briefs in support of the District's authority to carry out the SMP under Section 6119 of the Ohio Revised Code included the Coalition of Ohio Regional Districts, the National Association of Clean Water Agencies, the Association of Ohio Metropolitan

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Wastewater Agencies, the City of Cleveland, the Cleveland Metropolitan Park District, and most significantly, the State of Ohio through the Ohio Attorney General's office filed a brief in support of the District's authority under Section 6119 of the Ohio Revised Code. The opponents have 30 days to file their brief with a potential 20-day extension. The District hopes for a scheduled hearing date soon afterwards.

Meanwhile, the District is restrained from carrying out the SMP. \$20 million of previously collected fees are dormant in an escrow account at Huntington Bank earning little interest. Significant storms impacted the service area the past two days and caused a lot of damage; those funds could have been put to good use.

The District is assisting affected communities to the extent it can. Executive Director Ciaccia asked Ron Czerski, Deputy Director of Operations & Maintenance, to provide a briefing.

Mr. Czerski stated that the District's treatment plants and collections system held up well during the storm of May 12 and there have been only been minor issues.

The east branch of the Rocky River is very close to the service area and is inundated with water. The most significant rainfall occurred on two areas of the west side and portions of the southern area. The Cuyahoga River also came close to major flooding in a relatively short period of time. Mr. Czerski explained that "major flooding" refers to significant inundation and sometimes life-threatening issues. After rain events District staff goes to troubled areas and examines the collection system and communities. Five such areas are in the Rocky River Watershed and five are in the West Cuyahoga River Watershed.

Mr. Czerski showed photographs of flooding and debris caused by the storms in Strongsville, Olmsted Falls and Cleveland. He stated that master planning has been on hold for over half a year due to SMP litigation and problems persist. The advantage of master planning is it identifies causes, prioritizes work and outlines which actions can be taken to resolve it.

Steps to resolve significant road flooding are on hold. Staff estimates there is \$300,000 to \$500,000 of debris removal work. The District has the money to do the work but cannot due to SMP litigation.

Mr. Czerski cited the Puritas Basin in Cleveland, which is plugged and the water level is about 7 feet high. There are Water Resource Restoration Sponsor Program (WRRSP) wetland and stream restoration projects in the area, which is about 500 feet from the Cuyahoga River. He asked Frank Greenland, Director of Watershed Programs, to elaborate on that project.

Mr. Greenland advised that buildings and impervious surfaces were removed. Staff created a more natural confluence with West Creek and the Cuyahoga River and it is supposed to be a wetland. During flooding events it fills with water and recedes. The project was recently

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completed and staff will assess what happened as a result of the flooding event. There have been a few flooding events previously and the facility held together well.

Mr. Czerski stated that debris needs to be removed from the Forest Overlook Basin on Hemlock Creek in Seven Hills. The drain underneath was plugged and the trees are trying to come over the top of the spillway.

Alexander Road is in the main branch of the Cuyahoga River. Debris is smacking into the bridge and the vibration can be felt from the impact on utility poles.

Debris is building up on Sagamore Creek in Valley View. This is another issue staff would study through SMP master planning. Water came over the top of the bridge; typically debris collects around culverts and bridges. A tributary of the Cuyahoga River in Brecksville is experiencing significant flooding. There are 400 cubic yards of debris on Big Creek in Parma Heights causing significant damage.

Staff reached out communities regarding support they could provide. Parma Heights asked for help and the District has done so through the emergency services agreement because it is not current permissible under the SMP.

Executive Director Ciaccia stated that the District is hamstrung from acting. Staff is taking actions through mutual aid agreements which are compliant with the court order because they are on a contractual basis and reimbursed. He has spoken with lawyers regarding asking the Court how it makes sense to have \$20 million tied up when communities and the public needs help in an emergency situation. Staff will explore options in terms of asking the Court for relief during emergency situations because it makes no sense.

Mr. Brown stated that the Board agreed with those sentiments and it makes him wonder how the Harvard-Jennings area is doing; it is an area that seems to always flood during rainfall events. The ground is saturated and water has no place to go as streams get full and rise. He inquired if staff is in contact with the communities. Mr. Greenland affirmed and explained that they will continue to send field crews to the appropriate locations, which are primarily south of Interstate 480. Staff will be in touch with community officials in terms of what relief they can provide.

Staff was mobilized to deal with a big event through the SMP. There is more damage and the longer the program stays in abeyance, the more costly the solutions will be. The recent storm resulted in an additional \$300,000 to \$500,000 for maintenance. After the maintenance there is erosion control and repair. These are millions of additional dollars the region faces on the community level.

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Mr. Brown stated that these underpasses can be blocked due to debris. There is either surface flooding or flooding because of the blockage and could be life-threatening. He was also concerned that resources are sitting on the sidelines.

Mr. Brown also suggested that they should make the public aware that the District has the ability to provide emergency relief. Potentially some of the costs could be reimbursed by communities that have already paid into the system should the District prevail in the legal action.

The District can do things internally on a policy level so communities' who have money in the bank would not have long-term issues that should be short-term. Executive Director Ciaccia stated that of the \$20 million in the bank, 25% is community cost shares, and \$5 million is intended to go back to the communities.

Mr. Greenland stated that staff will maintain communications. Communities asked for help and informed staff where the big problems were for response.

Mr. Brown inquired if rainfall data is collected remotely. Mr. Czerski stated that the data is collected remotely and is available to interested entities; a number of communities have signed up for access to the reports.

Mayor Stefanik thanked the District for the quick response. His community reached out to Cuyahoga County and they were helpful as well. The pictures are the tip of the iceberg; the storm was devastating. Although the water receded by the morning, the damage to infrastructure in dozens of communities will take millions of dollars to repair.

Mayor Stefanik indicated his community would have to suspend its paving program to get the roads back in a safe condition, and the \$20 million being unutilized is criminal. Residents were calling the fire department to rescue people from their cars and homes that were almost completely under water.

Moving to the next topic of the report, Executive Director Ciaccia stated that an Audit Committee meeting was held last week with two external auditors and chaired by Mr. Sulik. The meeting went well and focused on financial audits relative to financial transactions and Capital program project controls. The audits were clean as far as the auditors were concerned.

Mr. Sulik advised that it was his first meeting and the external auditors are quite sharp. They discussed a few items and audits in terms of how to move forward. There was discussion regarding verification of legitimacy in change orders in the capital program. A report is expected to be given to the Board during the second meeting of June.

Moving to finances, Executive Director Ciaccia stated that through April revenues are running slightly ahead of budget at 34.2%. Operating expenses are below, at 28.9%, which may continue

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because staff budgeted for ample sludge hauling and the Renewable Energy Facility becoming operational decreases that need. Revenues are up by 7% on a cash basis, which is behind the 11% last year.

The collection rate for the first four months of 2014 is 92% -- or a "rolling number" of 94.3%. The Department of Public Utilities (DPU) is still below their target of 98%; that figure should be higher given the backlog of collections.

Executive Director Ciaccia continued to express his concerns over the aging of some active accounts receivables. The accounts receivable dollar values over 90 days delinquent are still too high at 55%. Although DPU came down from 63% in January 2013, their figures have hit a plateau over the last several months.

That rate affects cash ability and staff will continue to express concerns regarding collections performance. The harsh winter weather understandably restrained effectively doing turnoffs. Executive Director Ciaccia stated that he called DPU's chief financial officer to let him know he understood but also wanted continued progress.

V. Action Items

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 107-14	RFPs for the Support Services for Automation for All District Facilities. Cost: Not-to-Exceed \$550,000.00.
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**MOTION** – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 107-14. After discussion and without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 108-14	Purchase Two Ford Explorer Sports Utility Vehicles, Through the State Term Schedule, from Statewide Ford for Use by the Maintenance Services and Sewer System Maintenance and Operation Departments. Cost: \$57,714.00.
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**MOTION** – Mr. O'Malley moved and Ms. Dumas seconded to adopt Resolution No. 108-14. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 109-14	Contract for Professional Services with DLZ for the MC47A and CSO 236 SWO Relocations Project. Contract Amount: \$1,448,945.00.
Resolution No. 110-14	Contract for Electrical Power Generation for the District's Outlying Facilities, George J. McMonagle Building and Southerly Wastewater Treatment Plant to Constellation Energy, Inc. Contract Amount: \$19,113,341.07.
Resolution No. 111-14	Contract for Electrical Power Generation for the District's Outlying Facilities, George J. McMonagle Building and Southerly Wastewater Treatment Plant to Constellation Energy, Inc. Contract Amount: \$19,113,341.07.

**MOTION** – Mayor Bacci moved and Mayor Stefanik seconded to adopt Resolution Nos. 109-14 through 111-14. After discussion and without objection, the motion carried unanimously.

Mr. Brown asked for an elaboration regarding the green infrastructure anticipated co-benefits analysis. Executive Director Ciaccia stated that there is significant green infrastructure investment as part of the consent order and the District is required to analyze the co-benefits that come from it.

Green infrastructure is still being analyzed across the country and the Environmental Protection Agency (EPA) is working with the District to analyze the co-benefits and bring structure. There are a lot of talk about co-benefits but it has only been in theory and planning. However, the District is building green infrastructure now and there will be a real opportunity to assess co-benefits.

Executive Director Ciaccia asked Lita Laven, Project Manager, to give a brief presentation on the co-benefit analysis.

Ms. Laven advised that the consent decree included two options for green infrastructure under Appendix 3. The District is required to implement a minimum of \$42 million of green infrastructure projects to control an additional 44 million gallons of CSO within eight years.

The locations of the green infrastructure projects were constrained by remaining overflow volumes after the long-term control projects were implemented. Therefore, the green infrastructure locations are primarily in the city of Cleveland. The preliminary cost of

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construction is more than \$42 million.

Moving to schedule requirements, Ms. Laven advised that the District entered into the consent decree in July 2011. Later that year a green infrastructure plan was submitted and it was approved by EPA in March 2012. The next requirement was the submission of a post-construction monitoring plan, which was done during the summer of 2013.

The next requirement is to submit the anticipated co-benefits analysis report by April 2015. Ms. Laven noted that no approval is attached to the report, nor must staff follow any standard or methodology to conduct the analysis. Staff will determine a methodology to assess the co-benefits and evaluate and quantify them for each green infrastructure project. A co-benefit is defined as an ancillary benefit of a program, policy or intervention.

There are 10 co-benefits planned for evaluation with the study: ecological benefits, such as habitat improvements; lifecycle costs, which include the capital cost to construct the project, the costs of operation and maintenance and the costs of repair and replacement; socioeconomic benefits, such as improved safe green space access to the community; recreational benefits; climate-change-related effects, such as carbon-emission reduction; job development or enhanced skill sets; air-quality benefits, aesthetics, energy savings; and property values attributed to additional green space.

The co-benefits will be evaluated, quantified and monetized where it is sensible. The goal is to report the co-benefits in a meaningful and understandable manner.

Ms. Laven advised that the District is developing an external advisory committee to serve as a forum for green infrastructure work and to support regional dialogue for green infrastructure. This committee will serve as the stakeholders for the analysis. They will review and comment on the co-benefits assigned to each mandatory green infrastructure project, and evaluate the co-benefits.

Ms. Laven summarized the presentation by stating that additional positive outcomes of the study impact future green infrastructure initiatives. Staff expects better future green infrastructure project designs to achieve the anticipated co-benefits and believe there will be additional information on the types of enhancements to green infrastructure projects that will increase co-benefits. Staff will develop a protocol and have a tracking mechanism to measure actual co-benefits after projects are constructed.

The external advisory committee will have increased public awareness of the great green infrastructure work the District is doing.

VI. Information Items

1. Program Management Status Report and Update – April 2014

Jim Bunsey, Deputy Director of Engineering & Construction, advised that the department maintains six metrics as its baseline in 2014.

The largest project currently underway at the Easterly Wastewater Treatment Plant is a secondary systems improvements project for about \$75 million. There are significant issues with this project from a community standpoint -- particularly trucks leaving and entering the plant.

Excavation work has begun along the west side and the sludge force main from Easterly to Southerly was relocated. The original plant sheeting is being removed. The whole area will be excavated between those two areas.

Mr. Bunsey advised that utilities are also being relocated on the east side and armor stone is being moved from the break water. Towards the east side, crews are cutting into the hill bank where a retaining wall will be established to safeguard the road above.

Following successful discussions with the City of Bratenahl and its planning committee, modifications to the temporary yacht club entrance to the road have moved forward.

Mr. Bunsey moved discussion to the Euclid Creek Tunnel (ECT), where there are currently some subsurface activities specifically at Shaft No. 1 where the tail tunnel is being lined. That is where the tunnel boring machine was launched and will ultimately be the connection to the Dugway Storage Tunnel, which will be bid later this year.

Concrete is being brought to the surface for Shaft No. 2 and lined, and putting the baffles in for the structure.

Similarly, at ECT 3 near the surface, excavation is complete and it is all formed. Crews are putting in the rebar and concrete.

The excavation at the Lake Shore Boulevard ECT 4 connection is complete and that project is moving forward for the Lake Shore relief sewer project.

The ECT 5 concrete is up to grade.

Mr. Bunsey advised that the Easterly Tunnel Dewatering Pump Station will lift combined sewer overflows (CSOs) from the ECT to the Easterly Plant. This will be the connection point between Euclid Creek Tunnel and the pump station pumps.



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The incinerators at Southerly were in production mode as of April 25. The old incinerators have not been utilized recently and are offline. Additionally, staff has processed an average of 340 wet tons per day -- which is what the plant produces on average -- and has been able to incinerate as much as 505 wet tons in a day.

Mr. Bunsey stated that the facility produced electricity for 15 seconds yesterday. The production was planned to be quick so staff could perform control checks on all the associated electrical components.

One of the three units was subject to a Relative Accuracy Test Audit (RATA). A RATA is a regulatory requirement to ensure the emissions monitoring system that works full-time is accurate.

Staff is optimizing the scrubber to keep emissions within limits and assess proactively whether the scrubbers can be utilized to reduce mercury content in emissions. There was discussion recently on the MACT limits with which the District will have to comply in 2016.

Mr. Bunsey advised that the DST is the next large project and is currently in detailed design. It will be out for bid midyear and staff has identified \$2.7 million of estimated Value Engineering (VE) savings.

The VE savings came from consolidating some surface structures, reducing the footprint of some structures, shortening the tunnel and releasing the need for microtunneling by changing the design. There are also savings from a construction sequencing shortening.

Year to date, there has been about \$3.5 million in VE savings for the program.

Mr. Bunsey stated that the Spring-Jennings project was completed in May.

Moving to Key Performance Indicators (KPIs), he indicated the job was completed on time, below 95% of the contract value and had 27% Business Opportunity Program participation -- above the goal of 20%.

Cash flow is about 70% of planned at this time, primarily because of the extremely cold winter and wet spring.

Mr. Bunsey also explained that staff withheld a large payment from the contractor for the Easterly Tunnel Dewatering Pump Station on stored equipment they have delivered but had not provided the complete contract documentation yet. That billing is expected next month. The rate of increase in spending jumped over the month and is expected to increase again next month.

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KPIs overall are good. Staff is delivering timely designs and on-schedule within one day, is good estimating the engineer's opinion of construction costs and bids are coming in 8% lower than the estimates.

Last year staff's construction metric was for completion within 180 days; this year projects have closed on average 68 days later than planned -- below the 180-day metric and a marked decrease from over 200 days last year.

Mr. Bunsey advised that both projects have closed on budget within the KPI. Business Opportunity Program cash flow is 87% of planned and much better than overall cash flow. The cash flow for the overall Capital program is down.

VII. Public Session (any subject matter)

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

VIII. Open Session

There were no items for discussion.

IX. Executive Session

Mr. Brown stated that there was a matter for discussion in Executive Session.

**MOTION** – Mayor Bacci moved to enter into Executive Session to discuss a personnel matter. Discussions of these matters in executive session are permitted as specific exemptions to the Public Meetings Act pursuant to Ohio Revised Code Section 121.22(G)(1). He specifically designated matters discussed in Executive Session be protected from public disclosure in accordance with Ohio law and the attorney-client privilege. A roll call vote was taken and the motion carried unanimously to adjourn into Executive Session.

The Board met in Executive Session from 1:22 p.m. to 1:44 p.m.

X. Approval of Items from Executive Session

There were no items for approval.

XI. Adjournment

**MOTION** – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved and Mayor Bacci seconded the motion to adjourn at 1:45 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