

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
MAY 18, 2017

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 p.m. by Ronald Sulik.

I. Roll Call

PRESENT: R. Sulik
T. DeGeeter
J. Bacci
J. Ciaccia
S. Dumas

ABSENT: D. Brown
R. Stefanik

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

II. Approval of Minutes

MOTION – Mayor Bacci moved and Ms. Dumas seconded to approve the minutes of the May 3, 2017, Special Board Meeting. Without objection, the motion carried unanimously.

MOTION – Mayor Bacci moved and Ms. Dumas seconded to approve the minutes of the May 4, 2017, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Dreyfuss-Wells began her report by advising that on May 8 she and Frank Greenland, Director of Watershed Programs, attended a Shaker Heights City Council work session during which Mr. Greenland discussed wastewater and sewer issues and sanitary overflows in Shaker.

The City of Cleveland Heights held a public meeting on May 16 during which they presented their draft consent decree with the Department of Justice and US EPA regarding sanitary sewer overflows. The first phase will be \$12 million to analyze their problem and the second phase will be a second consent decree in terms of what they will do to remedy it.

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The customers in Cleveland Heights pay about \$7.00 per month for local sewers and are looking at a \$19.00 per month increase to deal with this issue effective January 2018. District staff has been closely involved with Cleveland Heights in terms of providing technical assistance and the Heights Hilltop sanitary sewer valuation. The Member Community Infrastructure Program and Community Cost Share Program were emphasized by the leadership of Cleveland Heights as programs to help them through this time.

CEO Dreyfuss-Wells advised that May 15 through 19 is Infrastructure Week and that the U.S. Water Alliance of which the District is a part of held a series of events in Washington, D.C. On Tuesday, she participated in a panel called Resilient Water Management, Strengthening Communities and Growing Economies with mayors from across the country and the National League of Cities.

Locally, Green Infrastructure Sewer University had 27 attendees at the Watershed Stewardship Center yesterday and today a technical tour was conducted at Westerly where some open house attendees from last year had an opportunity for in-depth conversation and a more detailed tour.

Moving to the financial summary, CEO Dreyfuss-Wells indicated that operating revenue has been below projections and stands at 29% versus the 33% goal.

Ken Duplay, Interim Chief Financial Officer (CFO), explained that through April revenue is 4% below expectations. The biggest concern is that trend is further off every month, so staff is working closely with Cleveland Water. They believe the issue is reduced consumption but they are also investigating whether there are reporting issues related to the conversion to monthly billing. Staff's goal is to identify the problem by the end of May and prepare for how to adjust the rest of the year.

Mr. Ciaccia inquired whether CWD saw the same trend with their revenue. Mr. Duplay explained that CWD is also showing a 4% decline in revenue. The projected revenue for the rest of the year is concerning because it will not be made up if consumption continues the way it is trending.

Mr. Ciaccia stated that revenue is not only below projections but also down from where it was last year, which considering there has been a rate increase could be a serious problem. Mr. Duplay stated that consumption is significantly below last year and revenue dollars are way below what staff expected with the rate increase.

CEO Dreyfuss-Wells advised that staff is endeavoring to make sure there are no issues with the transition to monthly billing.

V. Action Items

Authorization of Appointment

Resolution No. 157-17

Authorize the appointment of Kenneth Duplay as Chief Financial Officer, effective May 22, 2017.

MOTION – Mayor Bacci moved and Ms. Dumas seconded to adopt Resolution No. 157-17. After the following discussion and without objection, the motion carried unanimously.

The Board congratulated Mr. Duplay.

Mr. Duplay thanked the Board for giving him the opportunity and thanked CEO Dreyfuss-Wells, senior staff, former CFO Jennifer Demmerle and former Deputy Executive Director Mike Bucci.

Authorization to Re-Bid

Resolution No. 158-17

Authorization to reject all bids and to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for Industrial Cleaning Services at all Wastewater Treatment Plants and the Jennings Road Junction Chamber with an anticipated expenditure of \$370,000.00.

This resolution was **withdrawn**.

Authorization to Contract Modification

Resolution No. 159-17

Authorize the final adjusting modification of Contract No. 15000569 with The Brewer-Garrett Company for the Environmental and Maintenance Services Center Facilities Energy Conservation and Management Project by decreasing the contract amount by \$28,810.00 bringing the total contract price to \$2,547,357.00.

Resolution No. 160-17

Authorize the final adjusting modification of Contract No. 16001992 with North Bay Construction, Inc. for the Westerly Primary Effluent Pumps Rehabilitation Project by decreasing the contract amount by \$101,957.63 bringing the total contract price to \$706,721.77.

Resolution No. 46a-17

Authorize the modification of the existing emergency construction Contract No. 17000099 with Nerone & Sons, Inc. for the Emerald Parkway Culvert Collapse Pumping project by granting a time extension of 270 days and by increasing the contract amount by \$567,000.00 bringing the total contract price to \$1,073,430.00.

MOTION – Ms. Dumas moved and Mr. Ciaccia seconded to adopt Resolution Nos. 159-17, 160-

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17 and 46a-17. After the following discussion and without objection, the motion carried unanimously.

Jim Jones, Construction Manager, stated that the Emerald Parkway Emergency Pumping contract under Resolution No. 46a-17 with Nerone & Sons, Inc. is requesting an increase and an additional 270 days with a completion date scheduled for December 31, 2017. Nerone had such a great operation that staff wanted to keep them available to assist during the design-build.

Contractors are required to maintain water surface elevation of 702 feet which is just above the crown of the collapsed culvert. The previous elevation was three feet from a buried CEI utility vault that serviced a development, creating the necessity for the emergency. The current maintenance elevation can maintain it with this pumping system. This operation and setup gives the District the best advantage to work during design-build when staff repair this infrastructure.

Mr. Jones advised that this project was to repair 380 feet of an 11-foot diameter corrugated metal culvert that drained approximately 600 acres of watershed; the recent rain events resulted in a significant amount of water elevation with that collapse.

The project will encompass a two-phase design-build: the design-build contract awarded for predesign and design phase only followed by a construction contract.

An initial investigation of the collapse found that the portion south of I-480 was showing signs of imminent failure. Discussions with the property owner found that they were aware of the condition and would address it at that time.

On January 23, 2017, Requests for Proposals were advertised for the design-build contract and on April 6, the Board awarded the design to Turn-Key Tunneling, which had specific expertise with culvert repairs.

The execution of the notice to proceed was delayed because easements were still needed to perform the repair work. The design-build duration will take place until May 2018. The design will take two months to get to 60% and an 8-month construction duration. Staff will perform the pumping through construction and have a contingency built in. The initial budget for the repair work was \$3.75 million and it should come in at that number based on the revised scope doing the upstream portion only.

The emergency pumping contract with Nerone had a temporary power drop installed by CEI, which was the most cost-effective option to treat the pumping with a temporary power supply.

Authorization of Grant Credit

Resolution No. 161-17

Authorize a sewer account credit to Ameritech for excess charges resulting from two underground water leaks at 15915 Libby Road in the amount of \$109,731.68.

Resolution No. 162-17

Authorize a sewer account credit to Goodtime III Cruise Line for excess charges resulting from an underground water leak at 810 East 9th Street in the amount of \$26,677.49.

MOTION – Mayor Bacci moved and Mr. Ciaccia seconded to adopt Resolution Nos. 161-17 through 162-17. Without objection, the motion carried unanimously.

Property-Related Transaction

Resolution No. 163-17

Authorize the District to acquire four permanent easements, on property owned by Case Western Reserve University, necessary for the construction of the Doan Valley Tunnel Project with a total consideration of \$120,950.00.

Resolution No. 164-17

Authorize the District to declare its intent to appropriate one permanent easement in the City of Cleveland, owned by Cynthia Evans, necessary for the construction of the Doan Valley Tunnel Project with a consideration of \$2,200.00.

Resolution No. 165-17

Authorize the payment of a relocation benefit to Donald Evans, associated with the District's acquisition of property in the City of Cleveland, necessary for the construction of the Doan Valley Tunnel Project with a consideration of \$1,600.00.

MOTION – Ms. Dumas moved and Mr. Ciaccia seconded to adopt Resolution Nos. 163-17 through 165-17. Without objection, the motion carried unanimously.

CEO Dreyfuss-Wells stated that there were questions raised about the Doan Valley Tunnel in terms of its impact on the neighborhoods through University Circle.

Doug Lopata, Program Manager, explained that the Doan Valley Tunnel is the southern-most tunnel that feeds through the Easterly system. Again, we received bids for \$142 million. 360 million gallons of CSO is captured by this system. Six shafts are based from the mining shaft and Ambler Park is the main hub for the three tunnel legs. The main tunnel leg is the Doan Valley Tunnel, which goes underneath three neighborhoods. There are no intermediate shafts so it is the launch and reception shaft at Superior Avenue.

The most talked about tunnel leg is the MLK originating from Ambler Park and launching to one

of the traffic islands near Euclid Avenue and Chester. The Woodhill tunnel goes south from the Ambler Park site underneath the Baldwin Waterworks Plant and in the right of way until the termination shaft at Buckeye, Shaker and Woodhill.

The project is expected to begin in June and conclude in 2021. District staff will keep stakeholders in the loop once the contractor has established a baseline schedule.

We're aware that lot of projects are going on with a lot of money spent in University Circle. Mr. Lopata stated that District staff has held discussions with the City of Cleveland regarding the impact these projects will have on traffic and has submitted a design level maintenance of traffic plan to the City.

The 4-year temporary easements total about \$211,000.

Resolution No. 166-17	Authorize the District to acquire four permanent easements and two temporary easements, on property owned by the City of Cleveland, necessary for the construction of the Doan Valley Tunnel Project with a consideration of \$211,000.00.
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Resolution No. 167-17	Authorize the District to acquire one temporary easement, on property owned by the City of Cleveland, necessary for the construction of the Kingsbury Run Culvert Repair Project with a consideration of \$900.00.
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MOTION – Mayor Bacci moved and Mr. Ciaccia seconded to adopt Resolution Nos. 166-17 through 167-17. The motion carried with one abstention by Ms. Dumas.

Authorization to Renumber Resolution

Resolution No. 156-17	Authorization to amend the number of Resolution 144-17, adopted May 4, 2017, to Resolution Number 156-17 due to an error of assigning a previously assigned resolution number.
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MOTION – Mr. Ciaccia moved and Ms. Dumas seconded to adopt Resolution No. 156-17. Without objection, the motion carried unanimously.

VI. Information Items

1. Program Management Status Report and Update – April 2017

Devona Marshall, Director of Engineering & Construction, advised that cash flow for April closed at 88% which was down from the previous two months but above the 85% goal. She does not anticipate that figure dropping much more with the Dugway Storage Tunnel moving forward and the First Stage Aeration Project getting underway.

The District awarded the Doan Valley Storage Tunnel during April which is the third tunnel that will be constructed under Project Clean Lake and is tributary to the Easterly plant.

Ms. Marshall advised that staff met the KPIs regarding the average of the three lowest bids were under 3% of the engineer's estimates and awarding construction five days over plan.

During April, the Fairhill MLK project also closed under budget and is one of the nine Green Infrastructure projects under Project Clean Lake. The project will control just under three million gallons of annual CSO volume. Work orders and change orders on the project were higher than normal and were primarily design errors and omissions with most of the remaining falling under owner-requested changes. The project also exceeded its committed Business Opportunity Program figure of 12% by closing out just under 21%.

The Southerly First Stage Improvement Project is a rehabilitation project to improve the first stage settling tanks and the replacement of the pumps and sludge collection systems. Staff had to issue a schedule extension at no additional cost. Substantial completion is scheduled for the end of 2017 with final completion expected by early 2018.

Ms. Marshall advised that the Dugway Storage Tunnel is the second tunnel under construction under Project Clean Lake. Crews started the mining operation in May and will reach the milestone of 100 feet by the end of the month. Tunneling mining is scheduled for early next year.

The Tunnel Dewatering Pump Station Project is in the commissioning phase. An expert in vibration issues with pumps is on site to assist with any issues. Ms. Marshall explained that the District will not meet the scheduled completion date in June and although there will be a time extension she does not anticipate additional costs.

The East 140th Consolidation and Relief Sewer is also part of the Easterly system and will be tributary to the Dugway Storage Tunnel. The project includes three large Green Infrastructure basins that have been completed and by the end of June the goal is to have all topsoil and plantings in place. The contractor is leaving nice roadways behind as the open-cut work is completed.

Ms. Marshall noted that staff is working with the contractor on the issue of disposing materials in unapproved locations.

The Superior Stones Canal Improvement Projects Project covers 3 of the 25 control measures of Project Clean Lake. The project includes the District taking ownership of two Cleveland pump stations last year. This project will have a major impact on traffic around Superior Avenue and staff has a maintenance of traffic approval with the City of Cleveland. A press release will be re-released shortly and the maintenance of traffic will start next week and last through December.

Greg Blatnik, Construction Supervisor, stated that the EMSC Energy Conservation and Management Project was to increase efficiency at EMSC through HVAC lighting and automation upgrades. The design builder guaranteed that the District would make its money back in ten years or less.

Dan Pacek, Project Manager, stated that five old HVAC systems with large electric heating coils were replaced and new air-handling units with heating hot water coils were installed. The project also included the installation of a new boiler plant to deliver hot water to those new units which are high-efficiency and greatly increase energy savings in the building.

A large condensing unit and coil in the main air-handling unit was replaced which increased the efficiency of that condensing unit and staff modified the HVAC system to make it control better and increase energy efficiency.

Mr. Pacek stated that staff replaced approximately 80 interior light fixtures with high-efficiency lighting and on the exterior replaced the high-mass lighting with LED lighting and wall packs. Maintenance costs will decrease because of the life expectancy the new light fixtures and lower power consumption.

The automation control system was built in stages into one single-source open protocol system which improves maintenance issues and troubleshooting.

Mr. Blatnik stated that natural gas usage decreased last year with savings of over \$6,000 and electrical savings were over \$186,000. That total energy savings was greater than the performance guaranty.

Ms. Dumas inquired whether there was a guarantee from the contractor if the savings were not met. Mr. Pacek explained that there was a savings guarantee or the contractor pay the difference.

Mr. Ciaccia questioned who is performing the calculations to determine the results and whether they were mutually-agreed upon. Mr. Pacek advised that the contractor made the calculations but the District does all meter readings for proper electric readings.

COO Bunsey advised that he was very skeptical because the contractor's original calculation considered energy savings on a dollar basis but also deferred costs to the equipment, making the goals very easy to reach. District staff removed that stipulation from the contract and only presented the actual dollar savings. The only part that would be difficult is their energy adjustment based on the daily temperature over the year. Staff is fairly confident it did beat the 10-year result.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

There were no items.

X. Approval of Items from Executive Session

There were no items.

XI. Adjournment

MOTION – Mr. Sulik stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mr. Ciaccia seconded the motion to adjourn at 1:22 p.m. Without objection, the motion carried unanimously.



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



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