

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
JUNE 5, 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
R. Stefanik

ABSENT: S. Dumas

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

II. Approval of Minutes

MOTION – Mayor Bacci moved and Mr. Sulik seconded to approve the minutes of the May 15, 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 with the subject of the Regional Stormwater Management Program (SMP) litigation in the Ohio Supreme Court. The opposition had 30 days to submit their brief and recently asked for and received a 20-day extension; their briefs are now due July 1. The District will have 15 days to reply to their briefs, after which all briefs will have been submitted and the Court will schedule the hearing.

BOARD OF TRUSTEES

Regular Meeting

June 5, 2014

Page 2 of 9

Referencing the recent major storm in the area, Executive Director Ciaccia advised that damage assessments and clean-up work continue in some communities. Staff is helping communities where it can.

Executive Director Ciaccia stated that he recently attended a luncheon at the City Club of Cleveland requested by Jim Shafer, a retired businessman who advocates for the Philadelphia-style green infrastructure approach. The meeting went well and was attended by a reporter from *The Plain Dealer*. Many of the attendees were genuinely concerned about combined sewer overflows (CSOs) and got the understanding that it was about scaling the program back, rather than trading green for gray infrastructure.

Mr. Brown is scheduled to speak during a similar meeting in August. The leaders of the meeting appeared to want additional information regarding the District's governance.

Executive Director Ciaccia advised that yesterday he, along with Kellie Rotunno, Director of Engineering & Construction, and Kyle Dreyfuss-Wells, Manager of Watershed Programs, made a presentation to the Cleveland City Council Utilities Committee regarding the 12 green infrastructure projects currently being carried out under Appendix 3.

Concluding his report, Executive Director Ciaccia explained that today's agenda contains an add-on resolution to help support that effort. The Environmental Protection Agency (EPA) will hold the 2014 Community Summit on Green Infrastructure in Cleveland this year, which will bring a number of attendees to Cleveland.

V. Action Items

Authorization to Advertise

Resolution No. 112-14

Requirement Contract to Supply Material Handling Equipment for the District's Easterly and Southerly Wastewater Treatment Plants and the Sewer System Maintenance and Operation Department. Anticipated Expenditure: \$185,000.00.

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 112-14. After discussion and without objection, the motion carried unanimously.

Authorization to Re-Bid

Resolution No. 113-14

Rebid the Southerly NPW Pumps Rehabilitation Project. Engineer's Opinion of Probable

Construction Cost: \$950,000.00.

MOTION – Mr. O’Malley moved and Mayor Stefanik seconded to adopt Resolution No. 113-14. After discussion and without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 114-14 RFPs for Design and Construction Administration/Resident Project Representation Services for the Southerly Maximum Achievable Control Technology (MACT) Compliance and Operations Improvements Project.

MOTION – Mr. Sulik moved and Mr. O’Malley seconded to adopt Resolution No. 114-14. After discussion and without objection, the motion carried unanimously.

Mr. Brown stated that this resolution seems to seek an opportunity to mitigate the impacts of going to a higher standard of regulatory compliance. He inquired if there was an update in terms of the cost relative to the work that will be done. Executive Director Ciaccia stated that it is a favorable departure from the previous course of action and asked Ms. Rotunno to elaborate.

Ms. Rotunno advised that previously staff made a presentation to the Board regarding the maximum achievable control technology from mercury emissions anticipated for regulatory compliance at the Renewable Energy Facility (REF). Those regulatory requirements are still in place; however, a new technology has been demonstrated to scrub mercury from emissions and the REF units can favorably accommodate this new technology.

Mercury control modules are filters that can be retrofitted into the REF’s three scrubber units. The pilot test data showed a 57% to 70% mercury reduction using a single layer of modules. The modules are very small, lightweight and disposable. They are easy to handle and install. The life span of the unit is typically 24 to 36 months but is dependent on how frequently they are used. Staff intends to cycle them to achieve uniform flow and maximize the life expectancy.

Ms. Rotunno explained that this technology would be placed in the upper level above the existing scrubber units. There is a lot of room between the options of modules to assure mercury compliance given the reduction rates that have been demonstrated in the pilot. We don’t have to build a new building, we don’t have to build new units, and we don’t have to worry about carbon.

Staff has very high confidence this technology can be retrofitted into the existing space. Previously, engineering and construction estimates to comply with the mercury regulations were \$47 million; the new technology is currently estimated to not exceed \$5 million. The module’s

BOARD OF TRUSTEES

Regular Meeting

June 5, 2014

Page 4 of 9

replacement costs are \$225,000 per layer and are expected to occur every two to three years.

Authorization to Implement Grants Program

Resolution No. 115-14 Implement 2014 Green Infrastructure Grants Program. Cost: Not-to-Exceed \$250,000.00.

Resolution No. 116-14 Implement Doan Brook Green Infrastructure Grants Program. Cost: Not-to-Exceed \$650,000.00.

MOTION – Mr. O’Malley moved and Mayor DeGeeter seconded to adopt Resolution Nos. 115-14 and 116-14. After discussion and without objection, the motion carried unanimously.

Mr. Brown questioned if Resolution No. 116-14 was related to the organization or the watershed itself. Frank Greenland, Director of Watershed Programs, advised that the primary focus is removing 600,000 gallons of stormwater from the watershed.

Executive Director Ciaccia explained that the program is related to the Opportunity Corridor project. The \$650,000 received from the Ohio Department of Transportation will be for green infrastructure-type grants in lieu of building a major storm sewer.

Authorization to Enter into Contracts

Resolution No. 117-14 Construction Contract with Triad Engineering & Contracting Co. for the Green Creek Minor Culvert Repair Project. Contract Amount: \$154,000.00.

Resolution No. 118-14 One-Year Contracts to Procure Insurance Coverage. Total Cost: Not-to-Exceed \$747,934.00.

MOTION – Mr. Sulik moved and Mayor Stefanik seconded to adopt Resolution Nos. 117-14 and 118-14. After discussion and without objection, the motion carried unanimously.

Mr. Brown questioned if the insurance coverage is handled by the District’s broker. Executive Director Ciaccia affirmed, and introduced Kelly Zebrowski, The Fedeli Group, to give a brief presentation.

Mr. Zebrowski stated that this year we decided with the District’s risk management department to take an extensive look in the insurance marketplace for viable insurance alternatives. Discussions were held with over 20 insurance carriers and meetings were held with 10 carriers.

BOARD OF TRUSTEES

Regular Meeting

June 5, 2014

Page 5 of 9

Various quotes and options were discussed. Some retentions and deductibles were increased and some of the carriers were moved.

Property coverage protects District assets such as buildings, real property, property inside buildings and business personal property. The values increased from \$940 million to \$1.2 billion, primarily due to the REF, which was separately insured under the builder's risk policy during construction. That deductible increased from \$1 million to \$2 million. The loss limit on the policy also increased from \$500 million to \$750 million because of the REF.

Mr. Zebrowski stated that the casualty program is one of general liability, law enforcement, public officials and employment practice coverages. The coverages are associated with bodily injury or property damage that may emanate from operations errors and emissions. The retention increased from \$100,000 to \$250,000 for each occurrence.

Cyber liability coverage has arisen recently because of the social media. The coverage encompasses the retention of private personal information and the breach of that information. The coverage limit was raised from a \$10,000/\$25,000 to \$1 million for that protection. In conjunction, the retention increased from \$1,000 to \$25,000 because the limit increased dramatically.

Mr. Zebrowski explained that the District will have excess liability on top of primary general liability, for coverages such as automobile liability, a crime policy for dishonest acts of employees and excess coverage over the Workers' Compensation benefits.

The property insurance is proposed to move from Travelers to AIG. The premium decreased from \$396,000 to \$334,000 even incorporating those changes.

Cyber liability coverage is also proposed to move from Travelers to AIG. The premium will increase to \$13,000.

The excess coverage premium decreased from \$863,000 to \$722,000.

Mr. Brown stated that the District has done a lot of business with Travelers. Executive Director Ciaccia stated that the District has had issues with a prior Travelers' crime policy and that the matter is in litigation. While we moved away from Travelers on some coverages, such as property, staff debated whether to do so for others. With regard to casualty insurance, while another firm was strongly considered, ultimately staff felt that would have caused more administrative costs if there were claims, and ultimately decided to stay with Travelers for that coverage.

Authorization of Contract Modifications

Resolution No. 119-14

Extend the Existing One-Year Requirement Contract with Polydyne, Inc. for the Purchase of Liquid Polymer for Use at the Southerly Wastewater Treatment Plant. Cost: An Extension of the Contract for Six Additional Months with No Change in the Contract Price.

MOTION – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution No. 119-14. After discussion and without objection, the motion carried unanimously.

Authorization to Enter into Agreement

Resolution No. 120-14

Agreement with the U.S. Geological Survey to Provide Installation and Operation of Three Acoustic Doppler Velocity Meters at the Mouth of Euclid Creek. Cost: \$30,000.00.

Resolution No. 121-14

Agreement with Greater Cleveland Regional Transit Authority for the Green Ambassador Fairhill/MLK Project. Agreement Amount: \$25,000.00.

Resolution No. 122-14

Agreement with Cuyahoga County to Allow the County to Manage Third Party Environmental Site Assessment Services on Behalf of and With No Cost to the District Through the Northcoast Brownfield Coalition Community Assessment Initiative for the Union/Buckeye Green Infrastructure Project.

Resolution No. 123-14

Settlement Agreement with Allied Corporation, Inc. Cost: \$56,312.95.

MOTION – Mr. O'Malley moved and Mr. Sulik seconded to adopt Resolution Nos. 120-14 through 123-14. After discussion and without objection, the motion carried unanimously.

Mr. Brown inquired regarding the RTA's role will be with the project at Fairhill/MLK. Ms. Rotunno advised that the project is in close proximity to an existing RTA bus stop. The RTA will contribute funding towards sprucing up the bus stop since a new plaza will be created along with landscaping in that area.

Authorization to Enter Into Agreement and Property-Related Transaction

Resolution No. 124-14 Cooperative Agreement with the City of Cleveland and Flats East Development LLC for the Reimbursement of Construction Costs Related to the Abandonment and Relocation of CSO-092. In Addition to the Agreement, Authorization is Requested for the District to Acquire a Permanent Easement from Flats East Development LLC. Agreement Cost: Not-to-Exceed \$518,420.00. Easement Consideration: \$1.00.

MOTION – Mayor Bacci moved and Mayor Stefanik seconded to adopt Resolution No. 124-14. After discussion and without objection, the motion carried unanimously.

Mr. Brown questioned if this is related to a project several years ago with the Port Authority in which they rebuilt the east bank of the Flats. Marlene Sundheimer, Director of Law, explained that it is a post-construction cooperative agreement that is related but separate from the Phase 1 Cooperative Agreement. Phase 2 involved the relocation of CSO-092 and the work was performed before an agreement was executed. This resolution is to reimburse the City of Cleveland for the cost of the relocation. An easement was then needed from the developer for the District's asset.

Authorization of Property-Related Transactions

Resolution No. 125-14 Authorize the District to Enter Into Two Rights of Entry Necessary for Construction of the CSO 049 and 050 Relocation Project. Total Consideration: \$2.00.

Resolution No. 126-14 Authorize the District to Enter Into a Lease with the Board of Park Commissioners of the Cleveland Metropolitan Park District Necessary for the Installation of a Weather Station at Edgewater Park in the City of Cleveland. Total Consideration: \$1.00.

Resolution No. 127-14 Authorize Fee-Simple Acquisition from Sidakco-E79 LLC Necessary for Construction of the Urban Agriculture Green Infrastructure Project. Consideration: \$184,610.00.

MOTION – Mr. Sulik moved and Mr. O'Malley seconded to adopt Resolution Nos. 125-14

through 127-14. After discussion and without objection, the motion carried unanimously.

Authorization to Enter into Agreement

Resolution No. 128-14

Agreement with the U.S. EPA Office of Water and Cleveland State University Great Lakes Environmental Finance Center to Co-Sponsor the 2014 Community Summit on Green Infrastructure. Cost: Not-to-Exceed \$50,000.00.

MOTION – Mayor Bacci moved and Mr. O’Malley seconded to adopt Resolution No. 128-14. After discussion and without objection, the motion carried unanimously.

VI. Information Items

There were no Information Items.

VII. Public Session (any subject matter)

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

VIII. Open Session

Mr. Brown appointed Mr. Sulik to chair a nominating committee with Mayor Bacci and Mayor DeGeeter for election of officers for the upcoming term.

Mr. Brown also appointed Mayor Stefanik to the Finance Committee to fill the spot vacated by Mr. Sulik moving to the Audit Committee. He also noted that he and Ms. Dumas are the other members of Finance Committee.

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 settlement agreements with the cities of Olmsted Falls and Cleveland Heights in the stormwater litigation and in connection with personnel matters. 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) and (3). 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 1:05 p.m. to 1:33 p.m.

X. Approval of Items from Executive Session

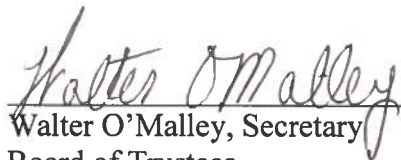
Resolution No. 129-14

Settlement of Personnel Matter.

MOTION – Mayor Bacci moved and Mr. O’Malley seconded to adopt Resolution No. 129-14. After discussion and without objection, the motion carried unanimously.

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 1:35 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