

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
JUNE 15, 2023

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

I. Roll Call

Present: Darnell Brown
Ronald Sulik
Jack Bacci
Sharon Dumas
Marjorie Chambers

Absent: Timothy DeGeeter
Samuel Alai

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Ms. Chambers seconded to approve the Minutes of the June 1, 2023 Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

Kyle Dreyfuss-Wells, Chief Executive Officer, advised the Board that under the leadership of Constance Haqq, Chief Administrative Officer, NEORS has made significant strides in achieving its goal of ensuring that customers are aware of and able to enroll in the cost saving programs. Ms. Dreyfuss-Wells invited Ms. Haqq to provide an update on the evolution of the programs and the management changes to be initiated in 2024.

Ms. Haqq advised that the Customer Service staff at NEORS will begin managing most of the cost saving programs beginning in 2024, which were previously outsourced to nonprofit organizations. The intent is to improve and increase program enrollment by reducing additional barriers to the programs for which customers are eligible and to increase awareness of the programs in the

community, in a more efficient and timely manner. The application process will be streamlined to be less onerous, improving accessibility. Additionally, staff will work with customers to establish realistic payment plans.

The Summer Sprinkling Program has always been managed inhouse. The programs that will be moving inhouse include the Affordability Program and Crisis Assistance Program. The Plumbing and Sewer Repair Program will continue to be managed by CHN Housing Partners through the duration of the contract, which is currently in year two of five. The Homestead Program is a City of Cleveland, Division of Water program and NEORS D will continue to direct eligible customers to that program.

There is a fairly aggressive timetable to get to January 1, 2024, which is on track with a number of departments engaged and meeting weekly to review progress and make adaptations.

President Brown responded positively and noted that this is an opportunity to create jobs within NEORS D and asked how many positions it will require. Ms. Haqq explained that a Customer Service Outreach Coordinator has been hired and one additional full-time employee is anticipated to be added in 2024.

V. Action Items

Authorization to Advertise

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| Resolution No. 155-23 | Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for the Westerly Wastewater Treatment Plant Administration Building Boiler Flue Replacement project with an anticipated expenditure of \$150,000.00. |
| Resolution No. 156-23 | Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for the Hemlock Creek Bank Stabilization in Seven Hills Phase 1 project with an anticipated expenditure of \$3,579,000.00. |
| Resolution No. 157-23 | Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for the Southerly Second Stage Aeration Improvements project with an anticipated expenditure of \$41,000,000.00. |

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 155-23 through 157-22. After the following discussion, without objection, the motion carried unanimously.

President Brown asked, regarding Resolution No. 156-23, whether Phase 1 of the project brings an increased level of protection, or whether it is dependent on the entire project being completed.

Frank Greenland, Director of Watershed Programs, provided a graphic of the project area demonstrating properties that were acquired and explained that the structures were demolished with significant roadway and residential flooding along Hemlock Creek. Hemlock Creek has flooding and erosion problems along its entire length. The Creek has high velocity flows, and those properties were acquired to allow it to be restored to a more natural alignment. The project will also create more floodplain as well as replace and upsize two culverts. Phase 1 of the project should achieve approximately a 100-year level of protection.

President Brown noted that Resolution No. 157-23 involves a \$41 million investment to replace existing facilities and increase efficiencies and requested additional information regarding the project.

Devona Marshall, Director of Engineering and Construction, explained that this project represents a significant investment in NEORSD's infrastructure, with an overhaul of the second stage aeration process at the Southerly WWTC. As for the overall expenditure, 75% will be equipment and materials and the remaining 25% will be labor costs. The project will involve complete rehabilitation of the 10 existing aeration tanks, membrane diffusers, aeration piping, channel blowers, and air compressors. This project will increase the overall asset life of the infrastructure, improve operating efficiency, reduce energy consumption, and ensure that NEORSD is able to treat 480 MGD as required under the Consent Decree.

Authorization to Issue Request for Proposal (RFP)

Resolution No. 158-23 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, to implement the 2024 Green Infrastructure Grants for the Combined Sewer Area.

Resolution No. 159-23 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for software and professional services for the Hosted Unified Endpoint Management Implementation project.

MOTION – Mr. Sulik moved, and Ms. Chambers seconded to adopt Resolution Nos. 158-23 through 159-23. Without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 160-23 Authorization to purchase PC desktops, laptops, monitors, and accessories from Dell Marketing L.P. under the State of Ohio Cooperative Purchasing Program, in an amount not-to-exceed \$349,485.60.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 160-23. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 161-23 Authorization to enter into agreements with AIG Group, Travelers Group, Lloyd’s of London, Berkley National Insurance, and Arch Insurance Group, Inc. for their respective portions of the District’s operational insurance program for the period July 1, 2023 through June 30, 2024, as presented, in a total amount for all agreements combined not-to-exceed \$1,494,182.00, including allowance.

Resolution No. 162-23 Authorization to enter into a professional services agreement with One Energy Analytics for assistance with implementing the District’s onsite solar project in an amount not-to-exceed \$40,195.00.

Resolution No. 163-23 Authorization to enter into a professional services agreement with Energy Edge Consulting, LLC for assistance with procuring an offsite solar power purchase agreement in an amount not-to-exceed \$81,500.00.

Resolution No. 164-23 Authorization to enter into a professional services agreement with HDR, Inc. for pre-design services under the Lower Shaker Lake Dam Reconstruction project in an amount not-to-exceed \$1,723,531.00.

MOTION – Ms. Chambers moved, and Ms. Dumas seconded to adopt Resolution Nos. 161-23 through 164-23. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that there are occasionally challenges with procuring insurance and asked if there are any concerns and whether the insurance also covers the Board’s liabilities.

Ken Duplay, Chief Financial Officer, explained that NEORSD is not currently experiencing any major issues with claims or carriers and invited Shola Ojo, Manager of Finance and Compliance, to provide an overview of the renewal, as he is the internal lead in terms of operational insurance. Coverage for officials and Board members is included in the policy. Mr. Duplay also noted that Julie Reed from Willis Towers, NEORSD's insurance broker, was in attendance to answer any additional questions.

Mr. Ojo explained that the renewal period is from July 1 to June 30 each year. The process begins with a first quarter meeting to establish a strategy, collect data, and complete applications, then the broker goes to market with that information to determine premiums for the coming year.

Second quarter activities include submission to the market and reviewing renewal quotes with chief officers, as well as requesting approval from the Board.

Payment is submitted to the broker for distribution in the third quarter, which this year will cost approximately \$1.5 million. An audit is performed to ensure that the applications match the coverage, and this may result in slightly different premiums.

The fourth quarter involves various activities, primarily loss control site visits to NEORSD facilities from AIG representatives.

Mr. Ojo explained that there are discussions and assessments throughout the year to identify the needed insurance and provided a slide demonstrating the different types of coverage provided under the policies.

Mr. Ojo provided a graphic demonstrating the expiring coverage compared to the recommended new coverage and explained that most of the costs were in line with the prior year, with a marked increase in cyber of 22%, however, this is down from 44% the prior year.

President Brown noted that Resolution No. 164-23 is related to predesign services for the Lower Shaker Lake Dam, which is at risk and provides flood control for the downstream community and requested additional information including anticipated next steps.

Mr. Greenland explained that this is the second of two dam projects along Doan Brook, which resulted from the Stormwater Master Plan. NEORSD's recommendation at Upper Lake was the removal of the dam structure and the creation of natural stream segments, which has been in the pre-design phase for one year, with the contract for detailed design currently being negotiated. At that site, there were no tangible stormwater benefits in terms of flood reduction.

Lower Lake is downstream and fed by Horseshoe Lake. Lower Lake has a larger drainage area and its location in the watershed is good for control. NEORSD's recommendation for this area is to remove and replace the dam to meet current ODNR standards, as it does not pass a maximum

probable flood. This project involves engineers and landscape architects to perform predesign activities to achieve a complete replacement of the dam structure. The pre-design phase should take approximately one year to complete.

Authorization to Amend Agreement

Resolution No. 165-23 Authorization to amend professional services Agreement No. 21004312 with Diligent Corporation for maintenance and support of the HighBond risk and audit management software, to increase the agreement amount by \$21,730.21 for additional maintenance costs in the amount of \$25,000.00 for the HighBond Robotic Enterprise add-on module, with the remaining \$3,269.79 to be paid under existing general allowance funds, thereby bringing the total agreement amount not-to-exceed \$192,730.21.

MOTION – Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 165-23. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 166-23 Authorization to enter into a two-year requirement contract with Great Lakes Petroleum for fuel delivery and monitoring services at all District facilities in an amount not-to-exceed \$777,911.24.

Resolution No. 167-23 Authorization to enter into a construction contract with Herbst Electric, LLC for the Collections PLC Replacement project in an amount not-to-exceed \$13,281,500.00.

MOTION – Ms. Dumas moved, and Ms. Chambers seconded to adopt Resolution Nos. 166-23 through 167-23. After the following discussion, without objection, the motion carried unanimously.

President Brown asked, regarding Resolution No. 166-23, who has the current contract and for what time period. Frank Foley, Director of Operation and Maintenance, explained that Great Lakes Petroleum also has the current contract for a two-year period.

President Brown requested additional information regarding the project associated with Resolution No. 167-23. Ms. Marshall explained that this is the fourth of five PLC replacement projects and is focused on the collections system which involves 150 remote sites, including pump stations, odor control sites, auto regulators, gate control structures, generators, as well as flow and level monitors. Of those 150 sites, roughly 110 will receive new or replacement PLC units. The remaining are self-contained portable units.

This project will be very similar to the projects that were performed at the WWTPs. The Westerly Plant PLC Replacement Project is complete; both the Easterly and Southerly PLC Replacement Projects are ongoing; and the final PLC replacement project will be at the Renewable Energy Facility at the Southerly WWTC with the design contract under negotiation.

Property Related Transaction

Resolution No. 168-23 Authorization to acquire one parcel in fee simple known as PPN 771-09-007, located at 4738 Derbyshire Road, in the Village of North Randall, necessary for the construction and maintenance of the Masterplan Program Area TCPA09 project with total consideration of \$1.00.

MOTION – Mr. Sulik moved, and Mayor Bacci seconded to adopt Resolution No. 168-23. Without objection, the motion carried unanimously.

Authorization to Adopt Budget

Resolution No. 169-23 Adopting the operating and capital budgets for fiscal year 2024, as presented.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 169-23. Without objection, the motion carried unanimously.

VI. Information Items

President Brown noted that the Chief Legal Officer Report of Settlement and Release Agreements for the period January 2023 through June 2023 was included in the meeting materials and Board members should direct any questions to Eric Luckage, Chief Legal Officer.

Tiffany Jordan, Manager of Contract Compliance, provided an update regarding the Business Opportunity Program (BOP). Ms. Jordan explained that the focus of the program is economic impact, by providing procurement opportunities to minority-owned, women-owned, and small businesses, thereby contributing to the economic health and vitality of the region.

In 2008, NEORSO conducted a disparity study, and in 2010, adopted the recommendations of the disparity study, which led to the development of the BOP. The results allow the District to place BOP goals on procurement projects. An economic impact study was also conducted, which provided the 12-county footprint where firms may be eligible for certification.

In May 2023, the Board authorized the purchase of the B2GNow software system, which is a web-based application that allows BOP firms to complete certification and recertification applications. The software supports tracking and audit payments made to certified subcontractors and its compliance system allows the department to invite firms to upcoming outreach events.

There are currently 321 certified firms in the program, 64 of which are minority-owned, 175 are women-owned, and 82 are small businesses. Of these, 131 are certified in construction, 26 in goods, 54 in engineering, and 110 are certified in the area of professional services and services.

For the years of 2018 through 2022, there was a total of \$763 million in construction spend, which resulted in 69 projects and 43, which had strong subcontracting opportunities with BOP goals on those projects. The total business opportunity impact from the years 2018 through 2022 was \$253 million. The result of the \$253 million business opportunity impact was \$88 million for minority-owned firms, \$76 million for women-owned firms, and \$89 million for smaller firms.

The BOP impact for 2022 was \$50.3 million, of which \$19 million for minority-owned firms, \$16 million for women-owned firms, and \$15 million for small and local firms. There were 18 projects with BOP goals and of those, 3 did not meet the BOP goals, 5 exceeded the BOP goals, and 10 met the goals.

Ms. Jordan provided the Westerly Storage Tunnel Project as an example of a project with BOP goals that closed in 2022. This was an approximately 4-year project with BOP goal set by NEORSD of 10% MBE/WBE. The primary contractor committed to using 6 firms at 16.79%. the BOP impact for the MBE/WBE firms was \$20.5 million. There was an additional goal of 5% SBE. The primary contractor used 4 certified SBE firms at 9.8%, for an SBE impact of \$12.6 million. The total BOP impact for the project was \$34.1 million, exceeding the BOP goals. BOP specialty trades for this project included paving, electrical, fencing, painting, ready mix concrete, trucking, and hauling.

NEORSD is always working to improve the Business Opportunity Program. In 2020, the BOP Committee was created wherein good-faith effort requirements were revised, which better facilitates due diligence by the bidding contractors. Revisions were made to the subcontractor substitution request, which better facilitates due diligence by the contractor to meet their BOP goals, commitments, and/or establish BOP goals. There were revisions to the BOP project level goal-setting CVC codes, which provides the ability to identify certified BOP firms to perform work on given projects and set goals accordingly.

Regarding professional service proposal evaluations, the BOP Committee assessed establishing higher BOP goals; the use of multiple BOP firms and BOP firms that had limited to no prior work with NEORSD; and BOP firm usage performed that had not traditionally been assigned to subcontractors. This was in order to see whether a different firm would be used or used in a different way.

Additionally, Ms. Jordan's team has increased the number of onsite visits to ensure that NEORSD is working with legitimate firms.

The BOP staff will continue to work with others and have certification clinics in the Greater Cleveland and Akron areas, as well as working with the Chamber of Commerce and other government agencies and holding large pre-bid meetings for firms. NEORSD will also attend multi-agency fairs and increase its reporting and publications.

President Brown added that the BOP has had a maturation process over the last several years and it is encouraging to see larger businesses help smaller businesses develop and take advantage of opportunities that they may not get to otherwise. NEORSD has a process of reviewing projects and identifying opportunities for BOP vendors. While this has been an effective program, the Board continues to encourage NEORSD to do more, given the size of the Capital Improvement Plan (CIP), the age of NEORSD facilities, and infrastructure. President Brown added that the Board is always interested in helping the local economy and helping folks develop a presence in the region.

Ms. Dreyfuss-Wells thanked President Brown for his comments and added that Ms. Jordan prepared a multi-page handout listing current BOP vendors, which was contained in the Board members' meeting materials.

Ms. Marshall provided that monthly CIP update for May 2023, beginning with cashflow. Through the month of May, total spending equaled \$71.5 million, of which \$16.9 million was paid to BOP firms.

As for Key Performance Indicators (KPIs), the design phase of the Southerly Second Stage Aeration Improvements project was completed within 60 days of planned, meeting that KPI.

The construction contract for the Southerly Secondary Effluent Capacity Improvements project was awarded within 60 days of planned meeting that KPI, however, the KPI for the engineer's estimate being within 10% of the average of the three lowest bids was not met, as the engineer's estimate was \$2.4 million, and the contract was awarded to the low bidder at \$1.5 million.

The Southerly Boiler Feedwater Pumps Replacement project achieved substantial completion, but not within 90 days of planned, missing that KPI. The project timeline was severely impacted by supply chain issues, as the pumps that were installed under the project were not received for more than a year, despite the usual 16-week lead time.

Ms. Marshall introduced A.J. Smith, Collection Systems Construction Manager, and Eric Zarobila, Construction Supervisor, to provide an update regarding the Shoreline Consolidation Sewer project.

Mr. Smith introduced the project team and provided graphics demonstrating the project area and the various methods of construction being utilized, including the micro-tunneled pipe spanning just under one mile from East 40th Street to East 55th Street, where it will tie into the Shoreline Storage Tunnel Shaft 3 site. The project will also involve regulator modifications, open cut sewer, structure work, and trenchless connections.

The project will reduce annual CSO discharges in the area from 205 million gallons per year to just 5 million gallons per year, which provides significant environmental benefit.

Early in the project, NEORSO worked with the contractor to reduce the number of micro-tunnel runs and shaft sites, increase the slope of the sewer, and increased the size of shaft SCS-2 to improve maintenance access, for a negotiated credit of \$2.1 million in value engineering.

As for schedule, the project is in the middle of construction. The high profile micro-tunneling is nearly complete, and Phase II is beginning with work left to complete structures, tie-ins, and restoration work.

Mr. Zarobila advised that some of the individual construction sites are reaching completion. The micro-tunnelling is split into two runs, SCS-2 to SCS-4 is 100% complete and the second run between SCS-4 and SST-3 is nearly complete.

On East 12th Street there is a regulator modification site, E-18, which only has site restoration remaining. There are various other regulator modifications to be done.

There is a worksite at SST-3 which is a shared site with the Shoreline Storage Tunnel project and has contract constraints that construction for this project may only be performed between June 15 and December 29. The team was able to gain entry 10 days early, allowing construction to begin on the headwall. There is much to be done in that area, however, it is expected to be done by late August, months ahead of the time contract deadline.

Mr. Zarobila provided photographs of the E-18 site and explained that there are two large items there, the junction chamber and diversion structure, both of which are completed. The primary remaining focus is on site restoration, including paving, sidewalks, street scape and planting areas.

There are five other regulator sites and the other shaft to be completed. The critical path for the projects runs through the near surface structures at SCS-2, on East 40th Street. Support of excavation for the diversion structure, gate structure, and gate control vault is ongoing. The gate structure and diversion structure will be constructed first, then they will be connected by 80 feet of 72-inch sewer. Once that is complete, shaft lining and the gate control vault will be done simultaneously. Once finished the whole site will be brought online and the project will be complete.

VII. Open Session

President Brown noted that Board Officers are selected in July of each year. Accordingly, President Brown requested that Mr. Sulik chair the Nominating Committee and that Ms. Chambers and Mayor Bacci join him as Committee members.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

Mayor Bacci, pursuant to Ohio Revised Code Section 121.22 (G)(3), moved, and Ms. Dumas seconded, to enter an executive session to consult with the District's legal counsel concerning disputes involving the District that are subject to or are pending and imminent court action. By roll call vote, the Board voted unanimously to enter into executive session at 1:30 p.m.

The Board returned to open session at 2:33 p.m.

X. Approval of Items from Executive Session

Resolution No. 170-23	Authorization to amend Stormwater Project Agreement No. 3782 with the Cities of Cleveland Heights and Shaker Heights for the Shaker Lakes Dams Rehabilitation Project to replace such portion of the project relating to Upper Shaker Lake with the Doan Brook Restoration Near Horseshoe Lake Park project, and to remove from the project scope the repair of the Horseshoe Lake Dam, and to memorialize the agreement of the parties to move forward with design services necessary to decommission the Dam and restore Doan Brook to a more naturalized state.
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MOTION – Ms. Dumas moved, and Ms. Chambers seconded to adopt Resolution No. 170-23. Without objection, the motion carried unanimously.

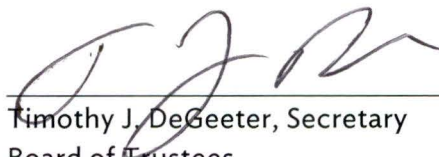
Resolution No. 171-23

Authorizing the District to deposit additional funds in the amount of \$443,850.00 with the Cuyahoga County Probate Court as consideration for a court settlement reached under the District's appropriation action for one permanent sewer easement and two temporary easements on the property known as PPN 105-02-004, located at 1101 E. 55th Street, in the City of Cleveland, owned by Chagrin Ventures, Ltd., necessary for the construction and maintenance of the Shoreline Storage Tunnel project, for a total settlement amount of \$640,000.00.

MOTION – Ms. Dumas moved, and Ms. Chambers seconded to adopt Resolution No. 171-23. Without objection, the motion carried unanimously.

XI. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Ms. Dumas seconded the motion to adjourn at 2:36 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