

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
JULY 6, 2017

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:38 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown  
R. Sulik  
T. DeGeeter  
J. Ciaccia  
S. Dumas

ABSENT: J. Bacci  
R. Stefanik

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

II. Approval of Minutes

**MOTION** – Ms. Dumas moved and Mr. Sulik seconded to approve the minutes of the June 8, 2017, Special Board Meeting. Without objection, the motion carried unanimously.

**MOTION** – Ms. Dumas moved and Mr. Sulik seconded to approve the minutes of the June 15, 2017, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Election and Installation of Officers

**MOTION** – Ms. Dumas moved and Mr. Ciaccia seconded to appoint Mr. Brown as Board President, Mr. Sulik as Vice President and Mayor DeGeeter as Board Secretary. Without objection, the motion carried unanimously.

Eric Luckage, Chief Legal Officer & General Counsel, administered the oaths of office to Mr. Brown, Mr. Sulik and Mayor DeGeeter.

V. Chief Executive Officer's Report

CEO Dreyfuss-Wells began her report by advising that The Ohio Water Environment Association held their annual conference last week and the District's Operations Challenge team won 3rd Place in the Process Control category. Staff from various departments participated in panels and made presentations throughout the conference.

Kevin Zebrowski won the William B. Hatfield Award for outstanding performance and professionalism and Cheryl Soltis-Muth received the laboratory analyst award for outstanding performance and professionalism as well as contributions to the water quality analyst profession.

CEO Dreyfuss-Wells noted that she attended the U.S. Water Alliance One Water Summit in New Orleans along with Mr. Sulik, Mr. Ciaccia and Constance Haqq. The Summit is a unique annual convening for professionals from the drinking water, stormwater and sanitary sewer industries. The Great Lakes and Cleveland were well represented. Mr. Ciaccia and Mr. Sulik participated in a session for utility governing boards and Ms. Haqq led a half-day session on communication and outreach. CEO Dreyfuss-Wells chaired the One Water Council which is an advisory committee to the U.S. Water Alliance Board. Mr. Ciaccia received a U.S. Water prize for lifetime achievement.

CEO Dreyfuss-Wells stated that the fourth iteration of the Good Neighbor Ambassadors started on June 19. The ten ambassadors work in the neighborhoods around Project Clean Lake construction and will be focused in the Glenville, Mount Pleasant and University Circle neighborhoods on general outreach, neighborhood cleanups, playground painting and staffing Unity Day and the Glenville Festival.

Moving to the next topic, the District has been operating an industrial pretreatment program since 1985 to ensure that significant industrial users do not send things into the collection system that would harm its plants or the environment.

The Ohio EPA conducted an audit of the program in June. Their letter said, "The overall evaluation of the industrial pretreatment program is that it is operating very well with excellent oversight of industrial users." The Ohio EPA highlighted an innovation WQIS brought to the program in which it audits the industrial users' self-monitoring, which is a component of the program they generally do on their own. WQIS identified deficiencies with that action and formulated an audit which EPA noted as a superior modification to the program.

Concluding the report, CEO Dreyfuss-Wells noted that the District was included for the third year in a row in *The Plain Dealer's* top 150 workplaces based solely on employee feedback.

VI. Action Items

Authorization to Advertise

Resolution No. 195-17

Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for Boiler Feed Water Treatment and Cooling Tower Service at all wastewater treatment plants and the George J. McMonagle building with an anticipated expenditure of \$250,000.00.

Resolution No. 196-17

Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, to deliver Ferric Chloride Solution to all wastewater treatment plants with an anticipated expenditure of \$500,000.00.

**MOTION** – Mr. Ciaccia moved and Ms. Dumas seconded to adopt Resolution Nos. 195-17 through 196-17. Without objection, the motion carried unanimously.

Authorization to Issue Request for Qualifications (RFQs)

Resolution No. 197-17

Authorization to issue RFQs, in accordance with Ohio Revised Code Chapter 153, for professional services for Stormwater General Engineering Services.

**MOTION** – Mayor DeGeeter moved and Mr. Sulik seconded to adopt Resolution No. 197-17. Without objection, the motion carried unanimously.

Authorization to Enter into Agreement

Resolution No. 198-17

Authorize agreement with the Ohio EPA and the Ohio Water Development Authority to accept WPCLF funding for construction costs related to the Kingsbury Run Preliminary Engineering Early Action project totaling \$4,774,375.00.

Resolution No. 199-17

Authorize agreement with the Ohio EPA and the Ohio Water Development Authority to accept WPCLF funding for construction costs related to the Southerly Second Stage Lift Station Improvements project totaling \$10,551,300.45.

Resolution No. 200-17

Authorize agreement with the City of North Royalton for the billing and collection of sewage service charges to reflect current and future billing and collection procedures.

**MOTION** – Mr. Sulik moved and Ms. Dumas seconded to adopt Resolution Nos. 198-17 through 200-17. After the following discussion and without objection, the motion carried unanimously.

Mr. Brown stated that when the District was conducting its rate study staff discussed the role that low-interest loans would play in the ability to keep rates down as much as possible. He suggested to track the rates the District is getting compared to what staff projected. Ken Duplay, Chief Financial Officer, advised that staff would track those amounts. Additionally, the two loans for the Kingsbury Run Project secured 0% financing because there was a special program related to consent decree CSO projects and staff nominated everything eligible for it. The Southerly Second Stage Lift Project got a 2.33% interest rate and those are both below the rate study percentage of 3.2%.

Mr. Ciaccia questioned whether the 0% loan would not qualify for WRRSP program. Mr. Greenland affirmed but stated that the other would be eligible.

Authorization to Enter into Contract

Resolution No. 201-17

Authorize a one-year contract with Automatic Data Processing, Inc. for payroll processing and technical services in an amount not-to-exceed \$80,000.00.

Resolution No. 202-17

Authorize a construction contract with Independence Excavating, Inc. for the Woodland Central Green Infrastructure project in the amount of \$9,316,300.00.

**MOTION** – Mr. Sulik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 201-17 through 202-17. After the following discussion and without objection, the motion carried unanimously.

Referencing Resolution No. 202-17, Mr. Brown stated that as part of the consent decree the District was committed to \$44 million in capital expenditures for green infrastructure projects. The District was probably one of the first agencies to have language related to it in its consent decree. He questioned how this action aligns with that requirement which also had a certain CSO removal rate. He continued to note that green infrastructure costs a lot more per gallon of removal than anticipated and how the District will track that to make sure its goals are met and that the message about their experience is very clear.

CEO Dreyfuss-Wells advised that staff continues to try to bring clarity to the green infrastructure conversation because it is a tool to be used where appropriate. Large volumes of CSO require a large-volume solution and stormwater and CSO captures are vastly different. Staff is focused on using green infrastructure on site-by-site construction and stormwater projects.

Devona Marshall, Director of Engineering & Construction, advised that the Woodland Central Project is the last of the green infrastructure projects to be implemented under the consent decree and it is one of the most effective. However, it is not as efficient as gray infrastructure. The Woodland Central project will capture 30 million gallons of stormwater and includes two green infrastructure basins with 5,000 feet of storm sewer, but will only control 4.2 million gallons of CSO.

Ms. Marshall explained that the consent decree has a minimum financial commitment of \$42 million and a requirement of 44 million gallons of additional CSO control under Appendix-3. When all nine planned projects are completed staff estimates the projects that will control about 20 million gallons towards that 44 million gallons requirement.

Staff has had discussions with the EPA over the past few years because as projects were implemented the projects were found to not be cost effective. The District is moving forward with the projects including Woodland Central that are more beneficial from a performance and cost standpoint, but an agreement was reached with the EPA in regards to how corrective action will be calculated for the remaining volume to be achieved with gray infrastructure.

Mr. Brown stated that there must be a strategy for the delta between the target and what is achieved. Ms. Marshall advised that the strategy is moving forward with upsizing some of the planned gray infrastructure in a cost-effective manner. Staff estimated the cost of CSO control with gray infrastructure to be \$0.22 per gallon versus green infrastructure projects just under \$4.00 per gallon.

Mr. Brown was concerned that the District will get criticized because of a perceived lack of investment in green infrastructure, but that it is important to talk strategically about having to spend millions of dollars more to achieve the same goal. It is more advantageous to utilize green infrastructure where appropriate to justify the levels of expenditures because some will be critical that the District is not doing more.

CEO Dreyfuss-Wells stated that green infrastructure can include pervious pavement parking lots, bioretention islands in parking lots, protecting wetlands and flood plains, and the District is supporting that through green infrastructure grants, the Community Cost-Share program and sponsorship of projects under the WRRSP. However, 4.5 billion gallons of CSO is a volume issue to be dealt with under the consent decree and requires the right solution.

Mr. Ciaccia inquired as to how the discussion on green infrastructure is being framed on a national level. CEO Dreyfuss-Wells explained that communities that are advancing green infrastructure are advancing the kind of green infrastructure the District already does. New York City,

Washington, D.C. and Philadelphia are capturing very small storms in their distributed green infrastructure which is what the District is already doing and promoting. The conversation nationally is catching up to the reality and that needs to be promoted through financial incentives and regulation.

Mr. Brown inquired whether green infrastructure is more of a tool for stormwater rather than CSO. CEO Dreyfuss-Wells agreed and stated that green infrastructure is not the appropriate tool for overflow control in the District's CSO system but is appropriate for overflow control in communities that overflow during very small rain events.

Mr. Ciaccia stated that Philadelphia has massive amounts of overflows and has overflows even during small storms. They put in green infrastructure to deal with small storm situations but also must build massive tunnels to capture the large storms. CEO Dreyfuss-Wells stated that city is also building gray at the same time they are building green.

Authorization to Assign Contract

Resolution No. 203-17

Assign District contract for wholesale natural gas with Dominion Retail, Inc. to Dominion Energy Solutions, Inc. due to a name change effective May 12, 2017.

**MOTION** – Ms. Dumas moved and Mr. Sulik seconded to adopt Resolution No. 203-17. Without objection, the motion carried unanimously.

Authorization to Modify or Amend

Resolution No. 204-17

Authorization to modify Contract No. 17000363 with The Great Lakes Construction Co. for the Green Lake Dredging project by increasing the contract duration by 210 days and by increasing the contract price by \$1,796,171.00 bringing the total contract price to \$3,324,371.00, and to authorize a general allowance in excess of 10% of the base contract price bid, excluding specific allowances.

Resolution No. 205-17

Authorize the final adjusting modification of Contract No. 16003455 with Marra Services, Inc. for the Euclid Creek Channel Repair project by decreasing the contract amount by \$26,909.54 bringing the total contract price to \$335,187.46.

Resolution No. 206-17

Authorize the modified Member Community Infrastructure Program Policy, Process and Procedures.

Resolution No. 207-17

Authorization to Amend Resolution No. 29-10 adopted at the January 21, 2010 board meeting, to implement a revised Investment Policy of the Northeast Ohio Regional Sewer District.

Resolution No. 208-17

Authorization to amend the existing 24-month agreement with the Cuyahoga County Department of Public Works for Grit Disposal at the Southerly Wastewater Treatment Center by increasing the agreement amount by \$800,000.00 bringing the total agreement amount not-to-exceed \$1,600,000.00.

Resolution No. 209-17

Authorization to amend the Stormwater Fee Credit Policy Manual to incorporate the recommended Education Credit Policy changes.

**MOTION** – Ms. Dumas moved and Mr. Sulik seconded to adopt Resolution Nos. 204-17 through 209-17. After the following discussion and without objection, the motion carried unanimously.

Referencing Resolution No. 204-17, Mr. Brown inquired whether this consummates all the issues regarding Green Lake and Shaker Heights. Frank Greenland, Director of Watershed Programs, affirmed and stated that this is a very complicated project. It is a change in methodology of dredging and would begin immediately after authorization by the Board.

Janet Popielski, Stormwater Design and Construction Program Manager, stated that this project was awarded to Great Lakes Construction Company in January. After mobilization but prior to the dredging operation it was determined that there were regulatory issues associated with disposing of the material at the designated site.

Dredging operations could not move forward and it was determined that it was necessary to dewater the material at Green Lake by switching to a hydraulic dredging process. That change will allow remobilization immediately but it is very important to get it done before winter.

Ms. Popielski advised that there were other benefits to switching to the hydraulic dredge. The original contract amount was \$1.5 million. \$137,900 was the general allowance and Great Lakes has been paid out \$142,760 because of their initial mobilization and staging of the project. The new contract amount of \$3.3 million includes a \$500,000 general allowance which is more than the typical 10% to deal with any additional unforeseen conditions to get done by wintertime.

Referencing Resolution No. 206-17, Mr. Brown asked for an explanation. Mr. Greenland explained that the change to the Member Community Infrastructure Program (MCIP) policy is to add verbiage to allow any public entity other than a member community that owns, operates and maintains sanitary sewer or combined sewers to be eligible to submit nominations for MCIP funding.

Moving to Resolution No. 207-17, Brandon Knittle, Manager of Debt & Treasury, advised that the existing Investment Policy was adopted January 2010. In August 2016, the District issued an RFP for Investment Advisory Services which resulted in the hiring of Government Portfolio Advisors as the investment advisor to the District. Their contract commenced January 2017, which followed with a review of the policy and culminated with the draft policy.

The policy guidelines started with the Ohio Revised Code and the District's trust agreement. Staff implemented Government Finance Officers Association (GFOA) best practices for policy format and content and that builds out the investment policy. Applying the investment strategy leads into tactical investment execution on a day-to-day basis.

Mr. Knittle stated that the primary objectives of the policy have not changed. The safety of principal is paramount along with liquidity concerns and the return on investments. There were no changes in the investable securities except for corporate bonds, which were removed to decrease the risk profile of the overall investment policy.

One key piece added to the policy was the section under Diversification and Maturity Constraints, which allows the District to tie the policy directly to compliance so that on a monthly and quarterly basis staff is presenting the current holdings of the District and making sure those holdings are in compliance with the policy.

Ms. Dumas questioned whether the District is impacted by the Treasurer's office pooled collateral initiative and how staff is responding to that. Mr. Knittle indicated that the District's collateral is specifically pledged, and with that program coming into existence that is no longer an option. Staff has yet to decide what the next steps will be.

Mr. Ciaccia inquired regarding the District's history with corporate bonds. Mr. Knittle advised that there is no history. The risk profile for corporate bonds does not make sense for the type of investments the District engage in. The treasuries and US agencies are typically where they invest and removing them from the policy and the compliance document is the best course of action.

#### Property-Related Transaction

Resolution No. 210-17

Authorize the acquisition of one permanent easement, located in the City of Cleveland, owned by Ohio Aviv Three, LLC necessary for construction of the Doan Valley Tunnel project with a consideration of \$18,100.00.



Resolution No. 211-17

Authorize the acquisition of three culvert easements, three access easements and ten temporary easements; located in the City of Cleveland, owned by Emerald Research Park Ltd., Woodspring Suites Cleveland Airport, LLC, Cuyahoga County Land Reutilization Corporation and Airport Gardens Hotel, Ltd. necessary for construction of the Emerald Parkway Culvert Repair project with a total consideration of \$1.00 each.

Resolution No. 212-17

Authorize a lease agreement with Norfolk Southern Railway Company necessary for maintenance of the Mill Creek Interceptor – Miles Park Branch with a total consideration of \$3,600.00 per year.

**MOTION** – Ms. Dumas moved and Mr. Ciaccia seconded to adopt Resolution Nos. 210-17 through 212-17. Without objection, the motion carried unanimously.

VII. Information Items

1. Stormwater Program Quarterly Update Presentation

Mr. Greenland stated that the District performs inspections and maintenance activities and receives requests from various sources. Every storm event brings a new set of potential problems and the District has post-storm event mobilization to make sure critical assets are taken care of. They are also slowly establishing preventive maintenance routes to pay more attention to assets that are more prone to blockage.

During the first half of 2017 staff has performed inspections all over the service area. Staff is on track in terms of debris maintenance activities from a budgeting perspective. Mr. Brown asked how rainfall total compares to other years. Mr. Greenland indicated that this year has experienced an increase of nine inches in rainfall this year. Preventive maintenance activities are helping in terms of keeping culverts clear that were once prone to blockage.

Twin Lakes in Parma are residential lakes and do not appear to be serving a retention function. A sinkhole is developing near the outlet and getting worse. Downstream problems would arise if the dam is lost and staff has been in consultation with Parma officials and the landowners. Additional maintenance efforts were conducted in Sagamore Hills and Hudson.

Mr. Greenland explained that two master plans are underway and a third for the Rocky River Watershed will be coming to the Board soon.

The objectives of the master plans are to evaluate the operational performance of the system. Staff is considering alternatives to improve or increase the ability to control erosion and flooding across the member communities and provide water quality gains. The master plans will culminate in a series of recommendations in terms of policy, operation & maintenance, and construction for the District and member communities.

The Cuyahoga River South master plan started last year and is 35% complete. Early action projects may be incorporated into the construction plan by the end of summer.

Indian Creek was targeted in Macedonia and is a regional stream. A pilot was conducted to advance the master planning efforts and it was learned that there is approximately 30% of stormwater assets that do not meet an acceptable level of risk. The acceptable level of risk is based on a 100-year storm protection which is extremely high.

Mr. Greenland advised that Cuyahoga River North is the largest master planning area and began in February 2017. The project is for \$8 million and the 31-month duration is the longest of the master plans. The study will not be completed until 2019 but the analysis will help identify more maintenance and construction projects.

The District has several construction projects either in design, procurement, construction or closeout. Cash flow is currently at 85% but staff expects that to decrease towards the end of the year.

A maintenance agreement with the City of Cleveland calls for the "shoaling" of Euclid Creek to be controlled. A flood control structure was built a long time ago and too much shoaling means there is not adequate protection for flood control. Staff is working with the City of Cleveland to advance this project and is in the final phases to remove enough shoaling to satisfy the Army Corps. of Engineers.

Mr. Brown inquired what staff will do about the material that comes out of Euclid Reservation. Mr. Greenland explained that staff will monitor it over time for a baseline. Some material is sediment and they will consider whether there are beneficial reuse opportunities for a contractor that might want to remove this material.

CEO Dreyfuss-Wells stated that it is important to highlight that master planning is to look at the sources of some of those and the systemic solutions.

Mr. Ciaccia noted that Kurtz Brothers has a process going of recovering some of the silt and inquired whether that is applicable to some of these projects. Mr. Greenland advised that Kurtz Brothers is looking primarily for sand and he is not sure what the profile is for Euclid Creek. He continued to advised that every stream does not need sediment control but there are good opportunities with the Cuyahoga River because of the dredging and Euclid Creek because of the need to maintain level.

The Shaker Lake Dam Repair Project was proceeding nicely in terms of schedule but there have been unanticipated historic preservation issues, causing a delay. This is a \$3.6 million project staff felt would have substantial construction this year so that will cause a problem on cash flow.

Mr. Greenland stated that a design-build bank stabilization project will take place on three sites at Beecher's, Pepper and Baldwin. The major construction will begin in 2018. Staff is evaluating alternatives to repair the hillside erosion and do something with the drop structure and make it more environmentally friendly.

The Doan Brook Bank Stabilization has been delayed because two other upstream and downstream projects in construction must be completed first.

Mr. Greenland explained that the District paid for member communities to comply with four of the six minimum controls of their Phase II Ohio EPA stormwater permits: public education public participation, illicit discharge detection and elimination, and pollution prevention from municipal operations. The District provides these services through established service providers and uses one or two of them to satisfy Phase II requirements. The total contract is \$822,000 per year but only \$100,000 has been invoiced to date because much of the work is illicit discharge detection. This will be billed out by the end of the year but it is a summertime activity.

Mr. Greenland advised that the situation with Stormwater fee credits is improving and a lot of new credits were granted in the second quarter across residential and larger parcels. The percentage of customers getting credits is in-line with projections.

Moving to the Community Cost-Share Program, he advised that there is currently \$13 million in the account and 46 projects have been approved for \$4 million. Staff also approved allocation agreements in which communities can commit some of their money in the forward years to a bigger project. The remaining uncommitted funds are about \$5 million.

Smaller communities are building up for bigger projects, so at this stage we have 28 communities participating. A lot of the work is going on now so we hope this continues to pick up and we continue to communicate with member communities about this fund.

Mr. Greenland stated that there are issues to be accommodated. Stormwater is a growing utility. The General Engineering Services (GES) procurement approved during today's Board Meeting was to obtain more external sources for design or design/build projects. A design/build pilot GES will be coming to the Board soon.

Mr. Ciaccia inquired how the District intends to have a design/build contract under a GES arrangement. Mr. Greenland advised that staff was confident it can get consultants, designers and builders as a team for specific design services. The contract will be project-specific with a stable of consultants that are straight design-type jobs for a design bid. Certain projects like stream restorations are better served with design/build arrangements, so staff wishes to conduct a pilot,

BOARD OF TRUSTEES

Regular Meeting

July 6, 2017

Page 12 of 13

get a couple teams and tap projects looking for ways to expedite delivery. The consultant community knows about it and staff will make any necessary adjustments.

Mr. Ciaccia questioned whether they will give proposals with pricing that staff will negotiate with them for individual projects. Mr. Greenland explained that staff will set the total value available and parse it out to the individual design/build teams and tap them for projects.

CEO Dreyfuss-Wells advised that the questions the Board was asking are the same questions under discussion internally. The District is trying to figure out ways to deliver stormwater projects faster and in a less cumbersome manner because they are a smaller dollar value but have a big surface presence.

Mr. Brown stated that there is opportunity when you get to more complex projects that need a solution. He liked the solution but thought it would be more on a case-by-case basis depending on the elements of the project.

Mr. Greenland advised that the transition to stormwater basin maintenance has been slow and there is a lot of dredging needed. The master plans are going to define what is needed.

Mr. Brown stated that in certain low areas unless a way to detain flow can be found it will flood. He questioned at what point does staff call it a floodplain and determine there ought to be a different approach. Mr. Greenland explained that staff set a very high bar on the level of protection with a 100-year storm. There is not enough money in the program to reach that level of protection everywhere which will require a balance between cost and how much protection to provide in which areas. Staff has had discussions in certain areas about the potential of a property buyout as the best option but it may be problematic in some areas.

Mr. Greenland stated that the District is well positioned externally for the design/build pilot. Staff is re-evaluating the operation and maintenance and design and construction resources and likely will increase sooner than intended.

VIII. Open Session

There were no items.

IX. Public Session (any subject matter)

There were no items.

X. Executive Session

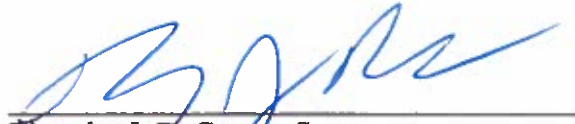
There were no items.

XI. Approval of Items from Executive Session

There were no items.

XII. Adjournment

**MOTION** – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved and Ms. Dumas seconded the motion to adjourn at 1:52 p.m. Without objection, the motion carried unanimously.



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



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