

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
JULY 15, 2010

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  
J. Bacci  
S. Kelly  
W. O'Malley  
R. Sulik

*Mayor DePiero and Mayor Starr were absent.*

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

II. Approval of Minutes

**MOTION** – Mr. O'Malley moved and Mayor Bacci seconded that the minutes of the July 1, 2010 Board meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no members from the public registered to speak at Public Session.

IV. Executive Director's Report

Executive Director Ciaccia moved to the first report item regarding the Combined Sewer Overflow Long-Term Control Plan (hereinafter "CSO LTCP"). A conference call was held this past Tuesday with the state and federal governments. At this point, the District is nearing completion of the negotiations and drafting of the consent decree language.

Executive Director Ciaccia stated that, with the Board's approval, a rollout schedule would begin on August 19<sup>th</sup> with a briefing in executive session on the elements of the Long-Term control plan as agreed to by the negotiating team. Staff will present a draft resolution request for the September 2<sup>nd</sup> Board agenda and include in that request all elements discussed in the executive session. Following the August 19<sup>th</sup> executive session

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and with the Board's input and approval, the resolution request for the September 2<sup>nd</sup> Board agenda would be immediately released to the public. This will allow for public knowledge and exposure to the elements of the negotiated terms for the period August 20<sup>th</sup> through September 2<sup>nd</sup>. During that period of time, the District will also possibly meet with editorial boards and other media outlets to explain what is contained in the proposed consent decree.

Executive Director Ciaccia stated the District will give a public session presentation on the CSO LTCP consent decree at the September 2<sup>nd</sup> Board meeting, similar to the one to be given during the August 19<sup>th</sup> executive session. The resolution will be recommended by staff for Board approval giving the District authority to enter into the consent decree. The September 16<sup>th</sup> Board meeting allows for continued discussion, if required.

Executive Director Ciaccia concluded that the consent decree is subject to finalization through the court around September 30<sup>th</sup>, followed by a required 30-day public comment period. Executive Director Ciaccia inquired as to the Board's comment on the schedule.

Mr. Brown indicated agreement in terms of schedule and in terms of accomplishments during this span of time. Mr. Brown expressed continued concern in providing adequate context for both the Board and public.

Mr. Brown continued that the settlement commits the District to approximately \$3 billion in project work over an extended time period. He further stated that the District embraces the goal to mitigate the impacts of combined sewer overflow, but impacts the District's rate payers significantly because of the funding commitments required during that extended time period.

Mr. Brown commented that the District has been involved in this process for a number of years and, in terms of the public's expectation, where the District ultimately ends up is a story worth telling. Mr. Brown further stated that we now have an approach that is somewhat different than what was anticipated when this process began. There is sustainable infrastructure practice project work that will be ongoing, as opposed to bricks and mortar alone. Mr. Brown commented that the ramifications that come with the resolution of the CSO LTCP must not be forgotten.

Executive Director Ciaccia agreed that the District needs to be diligent in framing the issue and in gaining the proper perspectives.

Mr. Sulik commented that the Board's decision will not impact most members on the current Board due to the passage of time, but will impact the community over the next 30 years. So it is imperative to be sure the District is acting in a manner that is environmentally and financially sound.

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Executive Director Ciaccia commented that Cleveland State University is currently conducting an economic impact study for the District in order to forecast the number and types of jobs to be created through the District's capital improvement program (hereinafter "CIP").

Ms. Kelly inquired as to the process the District would utilize to adequately notify and inform the public and provide for their participation.

Executive Director Ciaccia replied that the District is finalizing steps and currently setting up a timeline for such notification. Releasing the draft resolution request on August 20<sup>th</sup> would provide sufficient time to inform the local media and hold press briefings to begin reaching out to the public.

Executive Director Ciaccia informed the Board that Constance Haqq, Director of Administration and External Affairs, and her staff have assembled various types of informational items to be distributed at all events that relate to this issue. The public will also be advised of the District's public Board meeting on September 2<sup>nd</sup> and of the court's public comment period.

Executive Director Ciaccia turned discussion over to Ms. Haqq. Ms. Haqq informed the Board the District is launching a full campaign with the media, including the Plain Dealer, Akron Beacon Journal, Elyria Chronicle, Lorain Morning Journal, and their editorial boards. A press release is planned and the District will utilize radio and television outlets. Letters will be sent to elected officials of all our member communities and a presentation is planned at the Suburban Council of Governments and the Mayor and Managers Meetings.

Ms. Haqq continued that the District will be available for public comment and presentations. The District's "*Where Does It Go*" campaign is expanding this summer to include "*Ask Me Why My Sewer Bill is Going Up*" to keep the public apprised of increases in billings. The District is participating at the July 31<sup>st</sup> event at Luke Easter Park to talk with the public on infrastructure needs, the need for CSO mitigation, and to hear their comments.

Ms. Haqq concluded that the District's website will contain information, including a briefing on the consent decree when available and an opportunity for the public to comment.

Mr. Sulik pointed out that over the seven year period over which the CSO LTCP negotiations have spanned, construction costs have escalated, and continue to do so. He opined that if the District would have been permitted by the federal government to begin

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performance of the necessary construction projects five years ago, the District would not have incurred many of these escalated costs.

Executive Director Ciaccia confirmed that this was a key point and expressed that this was a driving factor in bringing the negotiations to a completion. Executive Director Ciaccia further stated that there are differing approaches to negotiating a CSO LTCP with the federal government. For instance, Akron's approach was to go to court, but ultimately ended up negotiating with the federal government. In determining the best approach, the escalating construction costs are an important factor. The context of the program to be presented in executive session on August 19<sup>th</sup> will demonstrate the significance of the seven year time frame as it relates to the escalation of construction costs. This information will also be made public.

Mr. Brown raised the issue of leveraging the investment of dollars in order to adopt some type of sustainable procurement approach so that the social and environmental benefits reach the local economy.

Executive Director Ciaccia turned discussion over to Ms. Rotunno. Ms. Rotunno advised that one of the things the District is looking at in the post-construction phase of all the CSO projects is post-construction monitoring. Such monitoring and recording will be required by the consent decree, but there will also be a need to look at less traditional metrics.

Measuring water quality and quality of life improvements will be an integral part of the District's post-construction monitoring plan for the CSO improvements.

Executive Director Ciaccia moved to the next report item regarding the Stormwater Management Program (hereinafter "SMP"). The District continues to respond to various motions related to the litigation surrounding the SMP. Judge Pokorny denied Summit County's Motion to Dismiss from the Cuyahoga County case. The District has subsequently filed a Motion to Dismiss in the Summit County case. Such Motion has not yet been granted.

Executive Director Ciaccia advised that Paul Murphy, law director for both Lyndhurst and Olmsted Falls, who was a former District employee, was deposed by the District to determine whether he was in a conflicting role. The District's legal counsel is pursuing this matter.

Executive Director Ciaccia advised that a Motion to Intervene was filed by the Cleveland School Board. Executive Director Ciaccia noted that the City of Cleveland is in the group of communities that has consented to the District's authority in the matter.

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Executive Director Ciaccia moved to the next report item regarding the Cleveland Water Department Billing System. The District has contracted with International Business Machines (hereinafter "IBM") to assist with financial reporting issues. Humberto Sanchez, Director of Information Technology, is the lead on the project.

The main issue, which was reported in the newspaper, was the City's efforts to improve their customer services. A "billing blitz team" has been assembled to issue suppressed billings, which is a key point to the District.

Executive Director Ciaccia stated that he previously reported that there were approximately 57,000 of these bills, although the newspaper reported 60,762, which may be a more accurate number. According to the Commissioner of Water, as reported in the newspaper, the number has been cut in half, leaving around 31,000. That number has not been verified by the District, but certainly appears to be moving in a positive direction.

Executive Director Ciaccia reported that the District has supplied approximately eleven District employees to work as a part of the "billing blitz team." Executive Director Ciaccia further reported that the District's cash from remittances is down \$6.3 million from the same time last year. Factoring in the latest rate increase, Executive Director Ciaccia projected that the deficit is around \$10 million from where the District should be at this point. The billing blitz should assist in closing this gap over time. Executive Director Ciaccia emphasized that the deficit is not money lost, but money deferred until such time as it is collected.

Executive Director Ciaccia stated that the District's accounts receivables are largely impacted by the existence of the suppressed billing. Last year, the District's accounts receivables at the same time were approximately \$67 million, while at this time, they are approximately \$90.8 million. Executive Director Ciaccia was informed by the Cleveland Division of Water that they had suspended account terminations for delinquencies for a period of time, but have begun re-instituting this practice. This should be a positive step toward collecting funds that are owed to the District.

Executive Director Ciaccia reported that the District has not yet been able to perform its audit due to a lack of information that was to be provided by the Cleveland Division of Utilities Fiscal Control. While the District has recently obtained the six-month SAS70 audit from the Cleveland Division of Water, the "actuals" for December 2009 have not been provided.

Jennifer Demmerle, Director of Finance, reported that the District has received an extension until July 31<sup>st</sup>, but that another extension will be necessary.

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Executive Director Ciaccia stated that the District's customer service representatives now have access to the new Cleveland Division of Water billing system. The District's customer service representatives will be able to handle directly customer inquiries related to the summer sprinkling program and other issues that the District previously was unable to handle.

Mr. Sulik inquired as to whether the District had been able to obtain a list of the suppressed billings from the Cleveland Division of Water. Ms. Demmerle responded that she had obtained the list for October, November, and December of last year, but has not yet received any additional information. Mr. Sulik asked Ms. Demmerle when she anticipated receiving this information. Ms. Demmerle stated that she would follow up with the Cleveland Division of Water and respond to the Board as soon as possible.

Executive Director Ciaccia reported that the disparity study is wrapping up and that representatives from the National Economic Research Associates, Inc. (NERA) are scheduled to present the study findings and recommendations at the August 19<sup>th</sup> Board meeting. Executive Director Ciaccia advised that the District would include MBE and WBE components into the District's overall subcontracting program should the disparity study support such inclusion.

Executive Director Ciaccia stated that, from a financing standpoint, the District is slightly behind on operating revenues. At the 50 percent point of the year, the District is doing well on operations and maintenance costs.

Executive Director Ciaccia concluded with the announcement that the WEF 2010 Laboratory Analyst Excellence Award was awarded to Mark Citriglia, Manger of Analytical Services. The District and staff extended congratulations to Mr. Citriglia on this accomplishment.

V. Action Items

Authorization to Modify Final Stormwater Fee Credit Policy Manual

Resolution No. 194-10

Authorization to Modify Final Stormwater  
Fee Credit Policy Manual.

**MOTION** – After discussion, Mr. Sulik moved and Ms. Kelly seconded to adopt Resolution No. 194-10. Without objection, the motion carried unanimously.

Mr. Brown inquired as to the changes.

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Executive Director Ciaccia turned discussion over to Ms. Kyle Dreyfuss-Wells, Manager of Watershed Programs. She advised that the modifications to the final Stormwater Fee Credit Policy Manual are minor, but important. Late comments were received from the Ohio Department of Natural Resources (hereinafter "ODNR") following the Board's approval of the manual. Two changes are suggested after the District's review of ODNR's comments.

Ms. Dreyfuss-Wells stated the first modification is to clarify the procedural method with the critical storm to define a certain pre-development condition. The second will add pervious pavement as one of the qualifying stormwater control measures.

Authorization to Implement 2010 Watershed Grants Program

Resolution No. 195-10

Operating Support Grant. Cost: Not to exceed \$240,000.00.

**MOTION** – Mr. O'Malley moved and Mayor Bacci seconded to adopt Resolution No. 195-10. Without objection, the motion carried unanimously.

Authorization of Easement

Resolution No. 196-10

Acquire from Gregg Wadsworth One Temporary Easement necessary for construction of the Euclid Creek Tunnel Project. Consideration: \$105,000.00.

**MOTION** – Ms. Kelly moved and Mr. O'Malley seconded to adopt Resolution No. 196-10. Without objection, the motion carried unanimously.

Authorization to Advertise

Resolution No. 197-10

One-Year Requirement Contract for the Repair and Replacement of Inoperable Windows at the Southerly and Westerly Wastewater Treatment Plants. Anticipated Expenditure: \$60,600.00.

Resolution No. 198-10

One-Year Requirement Contract for Stand-By Generator Maintenance for All District Facilities. Anticipated Expenditure: \$275,000.00.

Resolution No. 199-10

Euclid Creek Storage Tunnel. Engineer's  
Opinion of Probable Construction Cost:  
\$213,600,000.00.

**MOTION** – After discussion, Mr. Sulik moved and Mr. O'Malley seconded to adopt Resolution Nos. 197-10 through 199-10. Without objection, the motion carried unanimously.

Mr. Brown requested discussion on the Euclid Creek Storage Tunnel project authorization to bid and the probable construction cost of \$213,600,000.

Executive Director Ciaccia turned discussion over to Ms. Kellie Rotunno, Director of Engineering and Construction. Ms. Rotunno stated this request to advertise the Euclid Creek Storage Tunnel (hereinafter "ECT") project is the "kick-off" of the District's Long-Term Control Plan. Ms. Rotunno directed attention to a slide graphic, depicting the location of the proposed ECT alignment.

Ms. Rotunno stated that the project will begin at the Nine Mile property location instead of the Easterly plant or White City Beach. The tunneling operation and the tunnel boring machine will launch and move northward toward the Easterly plant, go under the lake and return to the northeast corner at ECT number 5. The ECT will be 18,000 feet in length and 24 feet in finished diameter. The construction method is a single-pass segmented lining, which will be the first of its kind in the region. The tunnel construction is estimated to be completed in 2014.

Ms. Rotunno stated that the ECT bid documents are voluminous and the District is bidding under new general conditions. The general conditions have recently been updated to include provisions for a Dispute Resolution Board, bringing a new way to resolve disputes or to escalate disputes that are not resolved in the field, leading to solutions and not litigation.

The District is also requiring the escrowing of bid documents. The lowest three bidders will provide their backup documentation in terms of what went into their bid. Such backup documentation will essentially be placed into a "lockbox" and remain there until such time as the project is completed. If at any time a dispute arises, the parties can agree to open the documents and review their bid basis.

Ms. Rotunno stated that, given the construction technology deployed and the risk management strategies in the bidding documents, the District looks forward to a successful tunneling project.



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Ms. Rotunno concluded that the ECT project will be followed by the Tunnel Dewatering Pump Station (hereinafter "TDPS") also to be constructed at the Nine Mile site. The TDPS project is needed to dewater the storage tunnel. The ECT's approximate storage capacity is 60-million gallons and ultimately will eliminate about 1-billion gallons of Combined Sewer Overflow in a typical year. With the project's environmental benefits as to the proximity to the lake and beach, this provides a "great project" to begin the District's Long-Term Control Plan.

Executive Director Ciaccia stated the Nine Mile property discussed by Ms. Rotunno was a topic of several Board discussions in the past relating to the purchase price of the site and its appraisal, which now appears to have been a "good purchase." The site provides the District the ability to construct, without further easement acquisitions, not only the junction chambers or shafts, but also the TDPS.

Mr. Sulik questioned as to the closing date for bidding on the ECT project.

Ms. Rotunno replied that the District will open bids at the end of September or first part of October in order to give bidders sufficient time to put their bid packages together.

Mr. Brown questioned as to the impact on the Lakeshore Boulevard area and related capacity surcharging flooding problems. Mr. Brown further inquired if the ECT project or a separate project will address these issues.

Ms. Rotunno turned discussion over to Mr. David Servidio, the ECT project manager from Hatch Mott MacDonald.

Mr. Servidio explained there is one particular part of the ECT project that includes construction of a near-surface relief sewer to be constructed along Lakeshore Boulevard to relieve the Lakeshore Interceptor.

Mr. Brown requested an explanation as to the method used to establish the ECT project SBE subcontracting goal of 14%.

Ms. Rotunno directed attention to a slide depicting tables of various work-types on the ECT project. Ms. Rotunno stated the designer evaluated subcontracting possibilities for this project at the 60% and 90% design stage. The District looked at typical work-types SBEs have subcontracted for in previous construction contracts and for which more than one SBE is registered and able to perform, as a percentage of the total contract value. When the various percentages of the total contract are added it is 14% of the contract value.

Authorization to Purchase

Resolution No. 200-10 Purchase, under the State of Ohio Contract No. OA1067, Three Hewlett-Packard Proliant DL380 G6 Servers from the Hewlett-Packard Company Public Sales. Cost: \$44,250.00.

Resolution No. 201-10 Purchase, under the State of Ohio Contract STS No. 5333740-4, One-Year Novell Software Maintenance Contract Renewal from Software House International. Cost: Not to Exceed \$44,773.94.

**MOTION** – Ms. Kelly moved and Mayor Bacci seconded to adopt Resolution Nos. 200-10 and 201-10. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 202-10 Agreement for Sponsorship of the 2010 Water Resource Restoration Sponsor Program.

Resolution No. 203-10 Authorizing the District to Enter into an Agreement of Ownership Responsibility for the County Improvement 123 Sewer Downstream of the Big Creek Parkway Relief Sewer in the City of Brooklyn.

**MOTION** – Mr. O'Malley moved and Mr. Sulik seconded to adopt Resolution Nos. 202-10 and 203-10. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 204-10 Contract with Karvo Paving Company for Asphalt Replacement for the East Driveway located at the Westerly Wastewater Treatment Center. Cost: \$79,704.00.



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Executive Director Ciaccia continued that he has struggled with the concept of the project at issue since discussions began about the replacement of the incinerators at Southerly under Contract 28, currently underway and due to be completed in 2013.

Executive Director Ciaccia stated he looked to the life of the project improvements and discovered that in three to four years, such improvements need to be replaced. He, along with the engineering staff, reviewed the \$6.1 million cost, and determined that approximately \$700,000-worth of the improvements will be obsolete in three years. The rest of the equipment associated with the incineration facilities is not the same incinerator replacement-type of project that the District has been performing, which is mainly replacement of brick in multiple hearths of the old incinerators.

Executive Director Ciaccia stated that gave him "some comfort" that the District was not going to dispose of too much capital investment in this project and proceeded to put the item on the agenda; however, following its placement on the agenda and after further review of the resolution request contained in the Board packets, Executive Director Ciaccia became aware that the resolution request contained no details on the above considerations, only content that the project is to install bricks for reliable operation. With those details omitted, the request appeared somewhat misleading and Executive Director Ciaccia was concerned that the Board would be uninformed as to the right context of this project.

Executive Director Ciaccia again stated his desire to remove the item from the agenda and to re-examine and re-assess the project as currently packaged, taking into account the risks associated with the \$700,000 investment to be disposed of in three years.

The bid at issue is good for 60 days and will expire before the next meeting. After performing the assessment, if the District desires to continue with this bid, the District will ask the contractor for an extension of the 60 day period.

Executive Director Ciaccia concluded that if, after staff assessment, it is determined not to be a properly packaged, viable project, staff would bring back a request to reject the bids and re-advertise after a re-package of the project.

Mr. Sulik referred to Resolution No. 208-10, the Southerly Primary Treatment Improvements design, inquiring of Ms. Rotunno if the District had an estimate of what the project would cost construction-wise.

Ms. Rotunno replied no, but the District has a "back of the envelope kind of check" on percentage of construction and professional service fee and view that to be in line with what the District would expect the cost. This project also contains a pilot component for the wet weather high rate treatment for the Southerly and Easterly facilities.

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Executive Director Ciaccia stated the District is carrying \$22 million in the budget for the construction project.

Authorization of Contract Modification

Resolution No. 210-10

Modify Contract No. 3133 with HC Nutting for Construction Inspection and Testing Services. Cost: A Period Extension of 275 Days, and an Increase in the Amount of \$246,801.00 Bringing the Total Contract Price to \$1,856,801.00.

Resolution No. 211-10

Modify Contract No. 09002797 with Blue Heron Consulting for Scope Reduction of Oracle eProcurement Implementation. Cost: A Decrease in the Amount of \$440,282.72 Bringing the Total Contract Price to \$798,762.12.

Resolution No. 212-10

Modify Contract No. 09001685 with Alcalde & Fay for Federal Advocacy Services. Cost: A Time Extension of Five Months and an Increase in the Amount of \$30,000 Bringing the Total Contract Price to \$90,000.

Resolution No. 213-10

Modify Contract No. 09001686 with Tucker, Ellis & West LLP for State Advocacy Services. Cost: A Time Extension of Five Months and an Increase in the Amount of \$23,750 Bringing the Total Contract Price to \$80,750.00.

**MOTION** – After discussion, Mr. Sulik moved and Mr. O'Malley seconded to adopt Resolution Nos. 210-10 through 213-10. Without objection, the motion carried unanimously.

Mr. Brown opened discussion on Resolution Nos. 212-10 and 213-10. Executive Director Ciaccia stated the District entered into contracts for advocacy services. They are due to expire and our advocates are continuing on with various programs. On the federal

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side, we are looking for funding. On the state side, we are looking to make some changes to Ohio Revised Code Chapter 6119.

Executive Director Ciaccia indicated the District would like to carry these contracts to the end of the year and begin a first of the year cycle along with the first of the year budget cycle. Also on the agenda is an RFP for new services at the beginning of next year.

Executive Director Ciaccia indicated that representatives from the state and federal advocacy groups were present at the meeting to address any questions from the Board. Executive Director Ciaccia introduced Eric Weldele from Tucker Ellis & West (hereinafter "TEW"), who handled the District's state initiatives.

Mr. Weldele addressed the members of the Board and thanked them, on behalf of TEW, for the opportunity to represent the District on the state level in Ohio.

Mr. Weldele presented a State Advocacy Update, and referred to a slide depicting Ohio as a divided state government with a Democratic governor, a Democratic House of Representatives and a Republican Senate, which makes passing bills in Ohio very difficult and very politically contentious when approaching this election cycle.

Ohio operates off a two-year legislative assembly, and is currently in the last half of the 128<sup>th</sup> general assembly. In year one of the 128<sup>th</sup> general assembly, only 16 bills passed, 7 of which were budget bills. Mr. Weldele stated that in the past year, TEW began an educational effort in order to increase the visibility of the District in Columbus, Ohio. Such effort included holding meetings with the leadership in both the House and Senate, as well as the Governor's office. TEW also met with members of the environmental committees in both the House and Senate.

Through such meetings, TEW determined that members of the Northeast Ohio delegation have concerns with the District's stormwater program and proposed fees. Mr. Weldele stated that the ability to create dialogue with the various individuals has created a willingness for them to work with the District. TEW also provided key staff in the governor's office with proactive updates on potential future issues related to District operations, resulting in an increased visibility with the leaders of Ohio.

Mr. Weldele stated that, during the past year, a senator from Northeast Ohio attempted to amend Senate Bill 110 to make it extremely difficult for Chapter 6119 organizations to increase certain fees. One requirement would have been that, prior to increasing certain fees, a vote from the electorate would be required. TEW acted quickly to educate leaders of the House and Senate of potential impacts such an amendment would have on the operations of Chapter 6119 organizations, and were able to avoid having the proposed amendment become part of Senate Bill 110.

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Mr. Weldele reported that TEW was also able to convince members of the Senate, House and Governor's office to approve the addition of an additional deferred compensation package for Chapter 6119 organizations.

As far as the next steps, TEW will continue to engage in educational efforts with legislators and other key leadership, and will target the "Lame Duck Session" to advance conservation easements and other legislative successes.

Executive Director Ciaccia moved to the next presenter and introduced Shantrel Brown of Alcalde & Fay (hereinafter "A&F"). Ms. Brown provided an update on the District's federal advocacy program and distributed a PowerPoint presentation for reference. During the first session of the 111<sup>th</sup> congress, Ms. Brown worked with the District in its FY2011 Federal Advocacy Plan. A&F submitted the District's 2010 WRDA request forms, support letters, and thank-you letters for the Environmental Restoration Flood Damage Reduction Project, which was a \$8 million authorization request.

A&F worked closely with the District's congressional delegation, which includes Marcia Fudge, Dennis Kucinich, Steven LaTourette, and Betty Sutton, along with Senators Brown and Voinovich. Ms. Brown believes that the District is in a position to have its project included in the WRDA Bill. If the District's project is approved, the next step will be to seek the funding for the project.

A&F has also submitted the District's Appropriations Project, which was the Southerly Wastewater Treatment Plant Renewable Energy Facility Project. This was a \$1 million request.

Ms. Brown reported that the District was awarded a \$300,000 federal earmark for the Easterly Wastewater Treatment Plant. Congresswoman Stephanie Tubbs Jones submitted this project. Since EPA did not contact the District regarding this award, nor had the District received any funding, A&F reached out to EPA and worked to resolve the matter by providing relevant earmark funding sources and providing the appropriate contact at EPA Region V.

Ms. Brown further reported that A&F secured support letters for the District's CSO LTCP from members of its congressional delegation that were submitted to EPA. Additionally, A&F scheduled and attended several meetings on Capitol Hill with the District's congressional delegation and Chairwoman Eddie Bernice Johnson, House Water Resources and Environment Subcommittee. Ms. Brown closed by stating that A&F will continue to raise the District's political profile in Washington, D.C., and apprise the District on any issues affecting the District's federal advocacy plan.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 214-10

RFPs for Retention of Local, State and  
Federal Advocacy Services. Cost: Not to  
Exceed \$300,000.00.

**MOTION** – Ms. Kelly moved and Mayor Bacci seconded to adopt Resolution No. 214-10. Without objection, the motion carried unanimously.

VI. Information Item

1. Program Management Status Report and Update – June.

Ms. Rotunno advised that on June 28<sup>th</sup>, the District held a pre-advertisement workshop and contractor connection event related to the ECT project. The event was well attended with representatives of 74 small business enterprises and all the large national tunneling contractors. The District hopes to see a great teaming effort in the bids for the ECT project that the Board authorized to advertise today.

Ms. Rotunno advised that work continues on the process improvement work group and she will introduce the activities associated with the process improvements. Ms. Rotunno explained there are five stages or process improvements, including defining needs, initiating, analyzing, creating solutions and implementation. Ms. Rotunno explained that the bars on the PowerPoint chart depicted the core process teams that are currently working.

Ms. Rotunno stated that, for example, there are teams for CIP planning, for defining and authorizing CIP projects, procuring and managing the design life of the CIP projects, bidding and awarding the construction contract, managing the construction contract and closing out the project.

Ms. Rotunno explained that the work groups are in various stages of completion. Several work groups are advancing into the implementation stage, where improvements in those areas are starting to be seen. Several projects are lagging in the solutions development stage. The “procure and manage the design” piece is still in the solutions development phase as well as the project closeout.

Ms. Rotunno pointed to ongoing activities, including developing the District’s new General Conditions, the training and use of said new General Conditions, developing standard specifications and improving professional service contract administration.



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Ms. Rotunno moved discussion to the Key Performance Indicators (hereinafter "KPIs"). Looking at the KPI performance through the end of May 2010 and the District's first KPI delivery of the District's CIP, in terms of the 90% metric, the District continues to decline the number of projects that are awarded on a month-to-month basis. She referred to a slide depicting completion of 70% of the goal in April and 56% in May. Ms. Rotunno pointed out the District is eight projects behind in contract award as of the end of May, which is fully expected to be made up by the end of the year.

Ms. Rotunno explained that from a cash awards perspective, the District is lagging. Last month, 29% of the KPI had been met, and this month, 20% had been met, showing a bit of a lag. Graphically, the District is \$43.7 million behind the target for this period. It is anticipated, with the award of the ECT project, with a cost of \$214 million, the target will be made up by year end.

Ms. Rotunno continued and pointed out the first KPI at 90%, stating the primary issue is that the District's design projects awards are lagging. There appear to be multiple causes, primarily the contract negotiations between the consultants and the District's internal legal review before execution. This stretches out the contract negotiating timeline from the time a consultant is selected until they are under contract.

Ms. Rotunno explained the District is looking to the process improvement work groups for a solution to close that 90% and achieve the 90% delivery goal on the CIP. Ms. Rotunno, referring to an earlier slide, stated the design process work group is in the solutions development phase from which many of the tools that are going to be needed to help close that gap and facilitate more expeditious contracting with our professional services will come. As this work group advances and the solutions are implemented this will improve the efficiency of our contracting processes. This is fully expected to be implemented by year end.

Ms. Rotunno advised that James Bunsey, the new Deputy Director of Engineering and Construction, will head up a task force to look into the KPI metric and to set a corrective action course.

Ms. Rotunno continued looking at the second KPI with regard to the accuracy of the engineers estimate. This is turning upward. Last month the District was at 70% of the KPI and this month the District is at 100%. The average variance is minus 2.2% below the average of the bids.

Ms. Rotunno referred to the last KPI, delivering 85% of projects within 105% of budget. This speaks to the management of the District's construction program. Although the District did not close out any projects, this month and last month were at 100%. Ms. Rotunno opened the discussion to questions from the Board members.

VII. Open Session

No items for discussion.

VIII. Public Session (any subject matter)

No members from the public registered to speak at Public Session.

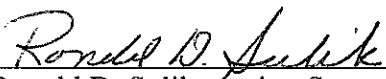
IX. Executive Session

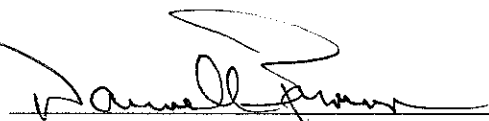
Executive Director Ciaccia stated the Big Creek Interceptor 3D litigation had been a tentative agenda item. Since no agreement has yet been reached on the mediation, the item will be removed from today's agenda.

Mr. Brown then stated that there were no matters for discussion in Executive Session.

X. 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 1:43 p.m. Without objection, the motion carried unanimously.

  
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Ronald D. Sulik, Acting Secretary  
Board of Trustees  
Northeast Ohio Regional Sewer District

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