

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
AUGUST 3, 2017

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

I. Roll Call

PRESENT: D. Brown (arrived 12:32 p.m.)
R. Sulik
T. DeGeeter
J. Bacci
J. Ciaccia
R. Stefanik

ABSENT: S. Dumas

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

II. Approval of Minutes

MOTION – Mayor Bacci moved and Mayor Stefanik seconded to approve the minutes of the July 20, 2017, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Dreyfuss-Wells began her report by announcing that from July 23 to 26 she and District staff attended the National Association of Clean Water Agencies (NACWA) annual meeting and leadership conference in St. Louis. The focus of this year's conference was peer-to-peer partnerships; NACWA is focusing on bringing smaller utilities and cities into the conversation about national infrastructure needs.

CEO Dreyfuss-Wells advised that Susan Bodine has been nominated to be an assistant administrator for Environmental Protection Agency (EPA)'s Office of Enforcement and Compliance Assistance. She is expected to be a stabilizing force as the District looks for potential modifications to the consent decree. Region 5 in Chicago continues without an administrator.

The District is in the midst of employee recognition meetings in which senior staff recognizes individual employees and teams for that quarter. Staff will provide an update on Operational Readiness implementation.

The Board was supplied with the Green Infrastructure Policy which was adopted in 2015.

V. Action Items

Authorization to Advertise

Resolution No. 229-17	Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for snow plowing services with an anticipated expenditure of \$67,000.00.
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MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution No. 229-17. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 230-17	Authorization to issue a design-build RFP, in accordance with Ohio Revised Code Chapter 153, for the GJM Building Interior Renovation project.
Resolution No. 231-17	Authorization to issue a design-build RFP, in accordance with Ohio Revised Code Chapter 153, for the Westerly Fire Safety and Code Upgrades Project.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution Nos. 230-17 through 231-17. After the following conversation and without objection, the motion carried unanimously.

Mr. Brown requested an explanation for Resolution No. 230-17 and noted that it appears related to the expansion of IT and Stormwater.

Devona Marshall, Director of Engineering & Construction, explained that the project will be design-build and because the scope is well defined it will be a one-step design-build process. After staff selects the design-build team they will return to the Board for authorization to award the full contract amount for design and construction.

Ms. Marshall noted that in late 2015 and early 2016 staff was in the process of finishing design for the expansion of GJM Building and EMSC. However, it was decided to put the project on hold until the rate study was completed to have a better understanding of the rates and needs in regards to these facilities.

When the rate study was completed a re-evaluation showed that the IT and Watershed departments had a need for additional space. IT needed additional space due to the expansion of staff and Watersheds was already beyond capacity in terms of space.

The overall scope was reduced following the re-evaluation and the budget is smaller as well.

Authorization to Enter Into Agreement/Contract

Resolution No. 232-17

Authorization to enter into professional services contract with Stantec Consulting Services for the Rocky River Stormwater Master Plan project in an amount not to exceed \$4,454,022.00.

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution No. 232-17. After the following conversation and without objection, the motion carried unanimously.

Frank Greenland, Director of Watershed Programs, explained that the Rocky River Stormwater Master Plan is the third of four master planning efforts. The Rocky River Watershed area in the District’s service area includes 13 communities and several tributaries.

Stantec Consulting Services will conduct a 2-year study that will establish boundary conditions with hydraulic models to understand what is coming to the service area. United States Geological Survey flow gauges have collected data from streams for a couple of years.

Mr. Greenland advised that this job will include field inspection, computer modeling of streams and development of alternatives to solve flooding and erosion. The study will culminate with final recommendations, refinement of the operation and maintenance plan and possibly additional policies. The significant flooding and erosion issues will generate projects for remediation.

Mr. Brown stated that it would be interesting to note any significant differences from prior data that affect the project area.

Mr. Greenland advised that staff has had substantive discussion about the Cuyahoga River North and South studies about the period of record for rainfall which will be utilized to make decisions about the best investment to accommodate changing weather patterns in the future.

Mr. Brown stated that staff should be cognizant of flood plains, the impacted areas and their dynamics because that affects land use now and in the future. Mr. Greenland explained that the master plans will generate projects geared at reclaiming flood plains and solving flooding.

Authorization to Modify/Amend

Resolution No. 220-17

Authorization to modify Contract No. 13002509 with Stantec Consulting Services for the Stream Restoration and Bank Stabilization General

Engineering Services contract by increasing the contract amount by \$350,000.00 bringing the total contract price to \$2,475,000.00.

Resolution No. 233-17

Authorization to amend Contract No. 14002954 with H.J. Umbaugh & Associates to exercise the two one-year options for the period of August 1, 2017 to August 1, 2019 for financial advisory services.

Resolution No. 191a-17

Authorization to amend Resolution No. 191-17, adopted June 15, 2017 in order to correct the name of the intended recipient of the relocation benefits from The House of God – The Holy Church of God to Covenant House of God.

MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution Nos. 220-17, 233-17 and through 191a-17. After the following discussion, the motion carried unanimously.

Mr. Brown referred to Resolution No. 220-17 and questioned whether the change in pricing was due to a new scope. Mr. Greenland explained that the contract was awarded in 2013 when the Regional Stormwater Management Program was being launched; it was subsequently put on hold but relaunched in 2016.

The firm had been tasked with the design of the complex John Nagy Boulevard Project and scoped it to 30% because staff wanted to understand alternatives that would allow for the authorization of the rest of the design. This modification will allow Stantec to continue to the final design of the project and assist during construction.

Mr. Ciaccia questioned whether there were multiple General Engineering Services (GES) contracts in stormwater. Mr. Greenland explained that the District has two consultants under contract for stormwater design and GES services that are near expiration. Stantec's contract will be complete when their design is finished and staff will return to the Board possibly in September with a design-build concept for stormwater design/construction services.

Mr. Ciaccia questioned whether staff intended to go for a singular design contractor and possibly the design-build. Mr. Greenland indicated that a Request for Qualifications for design-only services for stormwater had been issued and that it would not be a single designer. Probably, let's say three firms will be chosen. Staff also wants to explore the possibility of design-build to expedite stormwater project delivery.

Authorization to Replace Hearing Officer

Resolution No. 234-17

Authorization to replace the existing Hearing Officer and designate Doug Lopata and Darnella

Robertson as Hearing Officers to conduct administrative hearings and determinations on the Board's behalf.

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution No. 234-17. The motion carried unanimously.

Property-Related Transaction

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| Resolution No. 235-17 | Authorization to acquire one temporary easement, located in the City of Cleveland, owned by the Cleveland Electric Illuminating Co., aka The Cleveland Illuminating Company (a FirstEnergy Company) for the construction of the Doan Valley Tunnel Project with a consideration of \$11,600.00. |
| Resolution No. 236-17 | Authorization to appropriate one permanent sewer easement, located in the City of Cleveland, owned by Joseph Londrico, Jr. and Anthony Londrico for the construction of the Doan Valley Tunnel Project with a consideration of \$43,200.00. |
| Resolution No. 237-17 | Authorization to transfer a permanent easement, located at the Southerly Wastewater Treatment Plant, to The Cleveland Electric Illuminating Company (CEI) in order to install a new fiber optic line that will be used to remotely control and monitor CEI equipment located on District property with a consideration of \$1.00. |

MOTION – Mayor Stefanik moved and Mr. Ciaccia seconded to adopt Resolution Nos. 235-17 through 237-17. The motion carried unanimously.

Sewer Use Code Matters

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| Resolution No. 238-17 | Authorization to adopt the findings of the Hearing Officer with regard to the sewer account of Mr. Howard Klein, Sewer District Case No. 17-001, that the customer's request be denied. |
| Resolution No. 239-17 | Authorization to adopt the findings of the Hearing Officer with regard to the sewer account of Mr. Joe Vince, Sewer District Case No. 17-005, that the customer's request be denied. |

Resolution No. 240-17

Authorization to adopt the findings of the Hearing Officer with regard to the sewer account of GPI Distributors, Inc., Sewer District Case No. 17-006, that the customer's request be denied.

Resolution No. 241-17

Authorization to adopt the findings of the Hearing Officer with regard to the sewer account of John T. Tally, Sr., Sewer District Case No. 17-008, that the customer's request be denied.

Resolution No. 242-17

Authorization to adopt the findings of the Hearing Officer with regard to the sewer account of Statler Arms Apartments, Sewer District Case No. 17-010, that the customer's request be denied.

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution Nos. 238-17 through 242-17. The motion carried unanimously.

Mr. Ciaccia suggested separating sewer-related issues and stormwater-related issues in the future because stormwater-related issues are Title 5 issues.

VI. Information Items

1. Financial Report and Investment Advisor Performance Report for the Six-Month Period Ending June 30, 2017

Kenneth J. Duplay, Chief Financial Officer, stated that the District is in stable financial shape. He explained that senior staff and department directors made mid-year adjustments and are forecast to meet all Key Performance Indicator (KPI) metrics. Discussions continue with the City of Cleveland regarding revenue issues.

The District has gotten a 0.99% return on its investment portfolio during the first six months of the year. Mr. Duplay also noted that the District is meeting all required metrics in terms of its investment policy.

2. Operations & Maintenance Quarterly Board Update

Frank Foley, Director of Operation & Maintenance, began his report by stating that the District's safety rate in terms of lost and restricted work days is in-line with data from the last few years. Additionally, all wastewater treatment plants are well below their effluent discharge limits. Southerly has a lower limit than Easterly and Westerly because it discharges into the river instead of the lake. All the plants are below their limits for carbonaceous biochemical oxygen demand and phosphorous through the second quarter.

Mr. Foley advised that through the year there have been 13 dry-weather overflow events. Automated wet weather equipment is almost 100% in terms of availability during wet weather as needed. Percent of planned maintenance by facility is in line with historical figures. Westerly planned maintenance was down a bit due to employee turnover and focusing on projects that were not planned originally.

Mr. Foley explained that many Maintenance staff will be eligible for retirement soon and new employees are in the maintenance training program. There are shortages in terms of full-craft plant utility maintenance persons and these personnel changes have the potential to impact morale. Two of the three union contracts will expire at the end of the year and negotiations will begin soon.

James Bunsey, Chief Operating Officer, advised that the District previously entered into a contract with Veolia for the Operational Readiness Assessment to prepare the District for the ever-increasing regulatory environment, the fact that we will be capturing significantly more CSO in the future and that will cause higher flow to the plants with quicker peaks and less time for reaction of the operating staff. Staff is also putting into place significant new facilities to maintain and operate all while staff turns over due to retirements.

The scope of the Veolia contract consisted of two phases. The first phase was to assess overall operations in terms of staffing and efficiency improvements which resulted in the Operational Readiness Assessment report.

Phase I also looked specifically at the Renewable Energy Facility (REF) for optimization opportunities that resulted in the REF Optimization report. These two reports have been completed with the recommendations pointing towards four major elements: strengthening the organizational structure in terms of competencies, implementing best practices more consistently across the District, improve efficiency in procurement and operation, and to optimize the REF around electrical and gas usage and ash handling and disposal.

The Veolia Phase II scope was to include engineering services to implement the accepted recommended improvements from the reports. Staff has decided that is best done managed in-house. To support this, Tom Shively has been assigned as Program Manager for the implementation. In a similar capacity, he was instrumental in helping the processes and tools improvements in Engineering when the Capital Program increased.

The interviews for the Southerly Deputy Director of Operation & Maintenance, the Southerly Superintendent and Enterprise Biosolids and Residuals Superintendent positions are near completion and those key positions will help implement the Operational Readiness Assessment and REF optimization.

Mr. Bunsey advised that District staff has apprised Veolia of the District led management plans for Phase II. Staff will meet with union leadership next week to review the reports and turn them over for specific review.

The Operational Readiness Assessment has 30 different identified tasks within the two reports. Staff will examine the business case of each to understand which will be accepted.

Then staff will quantify, identify, and organize the resources internally to do the work. The reports identified eight full-time equivalents over a five-year period to complete the tasks. The expected duration of the program before it is expected to see significant changes is three to five years. Staff will also need to determine and track performance metrics and engage all departments.

Mr. Ciaccia stated that there were a couple of merchant opportunities and questioned what the timeline is on them. Mr. Bunsey stated that they are still a valid possibility but a lot of in-house optimization with the Biosolids must be done first. Staff will continue to look for enterprise Biosolids opportunities especially transporting Westerly Biosolids to Southerly and combining incineration operations to increase REF efficiency.

Mr. Bunsey explained that there are issues with external merchant Biosolids from other locations in terms of how it is delivered and how it is accounted for coming into the plants and mixing with Southerly Biosolids. Staff will consider it but it cannot be done immediately because the District does not have the Biosolids unloading facilities necessarily for that large of a volume.

Mr. Brown stated that staff will return to the Board at some point with a strategy to be implemented and an understanding of what they intend to accomplish as a result of making those changes. Some of this points to continual optimization of systems. Plants become more automated and figuring out how the transition meets the skills of the workforce.

Mr. Brown further mentioned that growing pains are expected during a transition but there is potential of great success if the District can boost the workforce skill set while integrating technology.

Mr. Bunsey agreed and stated that staff intends to update the Board at least quarterly on Operational Readiness Assessment progress. The size and skill set of the incoming workforce to replace retirements may be one of the biggest issues right now and the training staff has increased the number of trainees in the internal education program.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

There were no items.

X. Approval of Items from Executive Session

There were no items.

XI. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mr. Sulik seconded the motion to adjourn at 1:18 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