

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
AUGUST 6, 2020

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.

President Brown opened the meeting by addressing the COVID-19 pandemic, and read the following statement:

Due to the COVID emergency, we are again conducting our Board meeting via live stream video conference using the Zoom Video Communications tool and pursuant to House Bill 197.

Members of the public may have access to the meeting using the Zoom login link found on the top of the District website, and those who wish to address the Board were able to make that request through the Zoom system prior to the start of the meeting.

I. Roll Call

PRESENT: Darnell Brown
Ronald Sulik
Samuel Alai
Terence Joyce
Jack Bacci
Timothy DeGeeter
Sharon Dumas

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

II. Approval of Minutes

MOTION – Mayor Alai moved, and Mr. Sulik seconded to approve the Minutes of the July 16, 2020, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Kyle Dreyfuss-Wells, Chief Executive Officer, advised the Board that two members of the public signed up to speak regarding their concerns about upcoming development projects.

Marilyn Houdek of Broadview Heights informed the Board that Drees Homes is in the final phase of approval to build The Ledges, a development of 36 townhouses, in her community. She noted that most of the land is wetlands and is at a slightly higher elevation than her property. She stated That the proposed plans would greatly diminish green space to absorb water.

She is concerned that she will see increased water runoff, resulting in flooding and erosion on her property, as well as increased flow to the creek running along her property. She said she was told years ago that a previous owner of the property where the new townhouses are to be built, used to allow illegal dumping on the premises and there may be hazardous materials in the soil. The current owner brought in dirt to fill the ravine where she believes one of three planned retention ponds is being added. She is concerned that digging at that site may result in hazardous materials leaking into her soil and water.

Ms. Houdek added that several of her neighbors have also voiced concerns about flooding, as there were numerous issues after the Scottsdale development was constructed. They would like to know who will be responsible for remediation, should flooding problems arise.

Frank Greenland, Director of Watershed Programs, advised Ms. Houdek that communities have requirements in their code regarding stormwater management and developments. Under the Regional Stormwater Management Program, the Sewer District requires submittal of development plans to the District for review and to address potential concerns. However, it is important to note that the District does not have approval authority on stormwater management plans but does provide critical analysis and comments to the community for their consideration. The District is aware of this project and Mr. Greenland believes that the plans are currently under review. The District has the tools in place to understand what changes would take place and offer comments to her community.

President Brown asked Mr. Greenland to confirm his understand of the situation that the District is aware of the project, it is under review, and the District will be providing feedback to the community and Ms. Houdek. Mr. Greenland confirmed that is correct and added that the Watershed Team Leader assigned to Broadview Heights will reach out to Ms. Houdek to further discuss the matter. Ms. Houdek expressed her understanding of the next steps.

Mayor Alai added that, as the Mayor of Broadview Heights and a member of the District's Board of Trustees, he is aware of the project and it is not in the final stages. Mayor Alai added that the City will perform all necessary reviews before final approval is granted and Ms. Houdek is welcome to reach out to his office and the city's engineering office to discuss any additional concerns.

Ms. Dreyfuss-Wells invited the other individual who indicated that they would like to address the Board to speak. John Gonzalez, Communications Manager, advised that she was no longer on the call but did provide contact information, and someone would follow up accordingly.

IV. Chief Executive Officer's Report

Ms. Dreyfuss-Wells began her report by providing an update regarding the District's ongoing pandemic response. Ms. Dreyfuss-Wells informed the Board that the Human Resources Department continues to be in contact with and monitoring the employees with confirmed cases of COVID-19. To date, there have been seven employees with confirmed diagnoses, six of whom

have recovered, are symptom free, and in various stages of the return-to-work process. The employee still experiencing symptoms is not currently reporting to a District facility. The District wishes them a complete and speedy recovery.

As part of the District's continued effort to protect staff, beginning Monday, August 10, the District will implement a self-monitoring application, which was developed in-house and will enable all staff to perform a daily symptom check at the start of each work day, with the goal of monitoring symptoms in accordance with the District's COVID-19 Leave Policy.

Ms. Dreyfuss Wells introduced Constance Haqq, Chief Administrative Officer, to provide an overview of the District's customer assistance, specifically the Here to Help campaign.

Ms. Haqq provided an example of a post card that is being mailed to customers with delinquent accounts encouraging them to contact the District to arrange for payment plans and take advantage of cost savings programs.

The District is specifically focusing on Cleveland Housing Partner's ability to assist, through the CARES Act, individuals who have been adversely affected by COVID-19 and are unable to pay their utility bills. This is in addition to customer assistance programs funded by the District. The intent is to prevent bills from continuing to grow. The District plans to call and send letters to customers to offer assistance.

Ms. Dreyfuss-Wells thanked Ms. Haqq for her update. Ms. Dreyfuss-Wells went on to advise the Board that in partnership with University Circle, Inc. (UCI), District staff hosted a virtual scholastic summer camp. Participants explored the urban water cycle, virtually toured a WWTP and local watershed, while learning about STEM careers in the water industry. There were some in-person components to the program. The week ended with participants receiving refurbished bicycles from UCI's Pedal with Police Learn & Earn program. Twenty-four campers from Cleveland Municipal Schools and the UCI service area participated.

The District also participated in the Esperanza Summer Camp and the Open Doors Academy Summer Camp.

Ms. Dreyfuss-Wells informed the Board that on July 31, the District hosted its second Racial Justice Dialogue. Seventy-eight District employees participated in the virtual conversation. There was a video explaining systemic racism. Renita Jefferson discussed white privilege and took questions from the group. The participants divided into small break groups to continue the dialogue. After completing a survey of participants, the District will determine the next steps in its Racial Justice Dialogues. The feedback has been very positive thus far, with staff expressing appreciation for the opportunity to have these discussions.

V. Action Items

Authorization to Advertise

- Resolution No. 213-20 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for a three-year requirement contract for water testing and treatment services at all District facilities with an anticipated expenditure of \$150,000.00.
- Resolution No. 214-20 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for the Ridge Road Repair and Rocky River Tributary Stabilization and Re-Alignment project with an anticipated expenditure of \$600,000.00.
- Resolution No. 215-20 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for the Easterly Outfall Sewer Repairs project with an anticipated expenditure of \$425,000.00.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 213-20 through 215-20. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposal (RFP)

- Resolution No. 216-20 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for Support Services for Business and Control Networks including network diagnosis and configuration assistance for the Process Control and Automation and Information Technology departments.
- Resolution No. 217-20 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for a one-year maintenance services and support agreement for the access control and video surveillance security systems at all District facilities.

MOTION – Mr. Sulik moved, and Mr. Joyce seconded to adopt Resolution Nos. 216-20 through 217-20. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

- Resolution No. 218-20 Authorization to enter into a professional services agreement with Stantec Consulting Services, Inc for a comprehensive cost of service study, rate study, affordability analysis and related services in an amount not-to-exceed \$329,835.00.

- Resolution No. 219-20 Authorization to enter into a loan agreement with the Ohio EPA and the Ohio Water Development Authority to accept WPCLF funding for construction costs related to the Westerly Tunnel Dewatering Pump Station project for a total amount up to \$27,336,010.27.
- Resolution No. 220-20 Authorization to enter into a professional services agreement with Stantec Consulting Services, Inc. for the Easterly/Westerly Electrical Services Improvements project in an amount not-to-exceed \$677,644.24.

MOTION – Mayor Alai moved, and Mr. Sulik seconded to adopt Resolution Nos. 218-20 through 220-20. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that these are interesting times to conduct a rate study and asked, regarding Resolution No. 218-20, for additional information as to the approach, timeline, and history of working with Stantec, to conduct affordability analysis and other aspects of the rate study.

Ken Duplay, Chief Financial Officer, explained that Stantec Consulting had performed the District's last rate study, and introduced Carol Malesky of Stantec Consulting, the project manager for the prior, as well as the current, study.

Mr. Duplay explained that the project is for the 2022 to 2026 rate study, to establish sewer and stormwater rates for that five-year period. Some components are standard to a rate study including cost of service analysis, assignment of costs, development of rates and rate modeling. Based on recommendations from the Board and other constituents, this rate study will focus on the industrial surcharge program and will explore the nature of the charge and evaluate whether there are more equitable ways to distribute the costs associated with BOD, COD, TSS, and possibly other pollutants. The Summer Sprinkling Program will also be closely evaluated to see how it compares to industry standards.

As for the timeline, the project will likely commence near the end of August. However, in terms of the uncertainty in the economy related to COVID-19, the District will come to the Board early next year with a draft report and proposed rates, and anticipates final approval next summer, providing sufficient lead time to answer the questions of the financial implications of COVID-19, and provide a more clear affordability analysis.

President Brown added that as the District goes through the remainder of the year and coming out of the moratorium stage of the collections process and transitions back into the active billing and collection cycles, it is important to continue outreach to the customers who are having difficulty paying their bills to inform them of available resources. As residents face loss of income, the rental crisis and other issues which are making it difficult for them to pay their bills under the current fee schedule, the District will need to address the opportunity to have affordability tools or subsidy rules in place, to ensure that what the District does is fair and equitable for the community. It is important that the District take the customer base along as it is educated about opportunities and share those with them as well.

Ms. Dreyfuss-Wells thanked President Brown for his comments and stated that the District agrees with him and realizes that this is an interesting time to undertake a rate study and is appreciative and cognizant of the issues. Ms. Dreyfuss-Wells added that the framing of bringing customers along with the District is a very helpful way to approach the issues.

Authorization to Enter Into Contract

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| Resolution No. 221-20
Withdrawn | Authorization to enter into a three-year requirement contract with C&K Industrial Services, Inc. for industrial cleaning services at all wastewater treatment plants and within the collection system in an amount not-to-exceed \$563,060.00. |
| Resolution No. 222-20 | Authorization to enter into a construction contract with Great Lakes Construction Company for the Streambank Stabilization along Chippewa Creek at Chippewa Creek Condominiums project in an amount not-to-exceed \$1,282,013.50. |
| Resolution No. 223-20 | Authorization to enter into a construction contract with Nerone & Sons, Inc. for the Morgana and Burke System Improvements project in an amount not-to-exceed \$6,697,602.50. |

MOTION – Mr. Sulik moved, and Mr. Joyce seconded to adopt Resolution Nos. 222-20 through 223-20. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that, regarding Resolution No. 223-20, although the original engineer's estimate was nearly \$9 million, the low bid came in at \$6.7 million with a healthy BOP participation level of 38% and welcomed comments on that.

Devona Marshall, Director of Engineering and Construction, offered that the bidding market is currently very competitive. Nerone, the low bidder on this project, has recently come in as the second lowest bidder on a few projects and this project falls comfortably within the type of construction that they do, so Ms. Marshall believes that positively impacted their bidding.

Authorization to Amend Agreement

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| Resolution No. 224-20 | Authorization to amend Agreement No. 20001722 with Organizational Architecture, Inc. for additional Compensation Structure Review services necessary to support union contract negotiations through October 30, 2020 in an additional amount of \$20,000.00, thereby bringing the total agreement amount not-to-exceed \$58,000.00. |
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Resolution No. 225-20 Authorizing final adjusting change order for Contract No. 19001433 with Platform Cement, Inc. for the Shaker Lakes Dam Rehabilitation Phase 1: Green Lake Dam and Lower Shaker Lake Dam project by decreasing the contract amount by \$197,838.58, thereby bringing the total contract amount to \$2,137,861.42.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 224-20 through 225-20. Without objection, the motion carried unanimously.

Property Related Transaction

Resolution No. 226-20 Authorizing the District to acquire one parcel in fee simple on property known as PPN 473-24-014, located on Maplewood Road, in the City of Parma Heights, owned by ATC Realty Sixteen, Inc., necessary for the construction and maintenance of the Phase 1 Big Creek SWMP Problem Area 5 – Detention Basin Near Pearl Road project and to allow for the entirety of the payment to be disbursed to Northstar Title Services, LLC with total consideration of \$704,000.00 plus closing costs and reimbursement to the District from the City of Parma Heights in the amount of \$200,000.00.

Resolution No. 227-20 Authorizing the District to acquire one permanent stormwater easement and one temporary easement on property known as part of PPN 871-32-029, located at 2861 Kersdale Road, in the City of Pepper Pike, owned by Federico Parodi and Maria Uberti, necessary for the construction and maintenance of the Pepper Luce Creek Stabilization Near Lander Road project with total consideration of \$7,430.00.

MOTION – Mr. Sulik moved, and Mayor Alai seconded to adopt Resolution Nos. 226-20 through 227-20. Without objection, the motion carried unanimously.

Ratification of Modified Scope and Related Expenditures

Resolution No. 228-20 Ratification of the modified scope of the construction contract with Shook Construction Company for the Southerly Second Stage Settling Improvements project and ratification of related expenditures necessary for emergency repairs of the Southerly Natural Gas Line in an amount not-to-exceed \$20,000.00 under the contract's general allowance with no change in the total contract amount.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 228-20. Without objection, the motion carried unanimously.

VI. Information Items

Frank Foley, Director of Operation and Maintenance, provided the second quarterly update for 2020, beginning with safety. Mr. Foley informed the Board that, regarding lost or restricted workdays for the first two quarters, there have been a total of 110 workdays lost and 0 restricted, which is more in line with prior years, as there were a total of 660 lost workdays for 2019. The 110 lost days this year are attributed to one incident wherein an employee slipped and fell.

The DART rate, which is the number of incidents per 100 full-time employees that result in lost or restricted workdays, is at 0.29 for the entire District and 0.65 for all of O&M, which is in line with years prior to 2019.

Regarding effluent quality, the total suspended solids at all WWTPs were below the limits. There were some challenges at Easterly in June, due to wet weather events coupled with reduced capacity because of a major construction project to rehabilitate the aeration tanks.

The CBOD and phosphorus both met acceptable limits at all WWTPs for the quarter.

As for E. coli, which is only monitored from May through October, it has met limits for the months measured thus far.

There have been three dry weather overflows in the second quarter due to debris and downstream blockages. During 2019 there was a total of 13 events for the year.

The automated collection system equipment performance for wet weather is approaching 100%. There were a couple issues in March and June during wet weather events due to operational issues with pumps at the pump stations.

The planned maintenance as a percent of total maintenance done at all facilities is similar to that of 2019.

The O&M operating budget for all ten budget centers is \$64.6 million for 2020, and through June, \$27.7 million has been spent, which is below budget and in line with 2019.

Mr. Foley added that the O&M staff is doing a great job during the pandemic, with tremendous support from Ms. Dreyfuss-Wells and the department chiefs. He also recognized the work of the HR Business Partner team. The nature of O&M is very hands-on, without much opportunity for telework. Between mid-March and early June, maintenance staff was in on-call status, however, the majority of staff have been present in the plants daily. The District has not been able to make schedule adjustments for operators, shift supervisors, or shift managers, keeping the plants running 24 hours per day, 7 days per week.

Mr. Foley noted that there are a lot of people doing great work throughout the organization and in O&M during these very challenging times to collect and treat wastewater, to meet permit limits, maintain assets, and manage budgets effectively.

Mr. Foley introduced Doug Reichlin, Deputy Chief Operating Officer, to address the Board.

Mr. Reichlin offered that across the organization, the District focuses on people, process, and performance, and is steering the organization towards sustainability and a culture of continuous improvement.

Mr. Reichlin advised that there have been 131 tasks identified and prioritized. Of them, 46 have been completed with a savings of \$4.7 million per year, which equates for \$83 million net present value over a 20-year period.

The District continues to identify cost saving opportunities. One example of cost savings is demand side management. The District recently received approval to enter into a contract with its broker, EnelX, to effectively use the District's emergency generators at Southerly and EMSC to offset periods where there is a high demand in the outside electrical supply grid. EnelX is an independent broker that works with the manager of the supply grid and they have completed the installation of air emissions equipment on District generators, allowing it to be qualified to participate in this program. The five-year present value of the contract is \$1.3 million, and it is expected to continue generating savings on an annual basis.

Mr. Reichlin also highlighted the REF facility fluid bed incinerator optimization. One of the areas is in utilizing the "Prius" mode, where one or two incinerators are run at a time and the District utilizes storage to either bank excess sludge or draw down the excess sludge, resulting in significant savings of approximately \$200,000 per year in natural gas and electricity and an additional \$200,000 per year opportunity. The District also achieves \$75,000 in annual savings in re-permitting the air emissions on the incinerators to lower the pH of the scrubbers required in the permit while meeting air standards.

The District's steam turbine was previously functioning at 80% uptime but has increased to 95%, yielding \$100,000 per year in savings.

The District is focusing on many ways to increase efficiency, such as general equipment reliability in sludge pumps and incinerators to improve uptime and save gas and electricity during unanticipated downtimes and reduced loading rates to incinerators; reducing permit temperature set point limits in the incinerator beds to save natural gas; optimizing the polymer feed to reduce the use of polymer; and, optimizing sludge dewatering and cake total solids to run closer to autonomy, with \$50,000 savings to date and a projected \$200,000 additional opportunity.

Overall, there has been a total savings of \$550,000 per year with a goal of reaching an additional \$400,000 per year in savings.

Open Session

There were no items.

VII. Public Session (any subject matter)

There were no items.

VIII. Executive Session

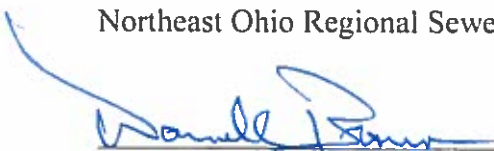
There were no items.

IX. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Mayor Alai seconded the motion to adjourn at 1:28 p.m. Without objection, the motion carried unanimously.



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



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