

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
AUGUST 7, 2014

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
R. Sulik
W. O'Malley
J. Bacci
S. Dumas (arrived at 12:48 p.m.)
R. Stefanik

ABSENT: T. DeGeeter

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

II. Approval of Minutes

MOTION – Mr. O'Malley moved and Mr. Sulik seconded to approve the minutes of the July 17, 2014, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no one signed up to speak about a specific agenda topic.

IV. Executive Director's Report

Executive Director Ciaccia began his report by stating that a major event occurred over the weekend in Toledo, Ohio, where the water system was temporarily shut down due to high levels of algae around the intake to the water system. The algae were from runoff historically in the area primarily from the farming community. This problem has been known for a while and it was a matter of time before it reached this level; the problem can be expected to continue.

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Executive Director Ciaccia stated that there is national concern over this “river-burning experience,” the governor and others are involved. He explained that the Cuyahoga River burned several times before action was taken and he does not have great expectations that immediate action will be taken for this problem. However, the issue needs to be kept front and center. While it has not had a major impact on Lake Erie’s central basin, the Cleveland Division of Water (CWD) has always dealt with algae during the month of August.

Executive Director Ciaccia advised that fortunately CWD has four strategically placed intakes far enough into Lake Erie from the influence of local waterways that drain into the lake and feed the treatment plants. The treatment plants have a level of interconnection so that water could be shifted from one plant to the other if one particular plant is having a problem.

Executive Director Ciaccia explained that there are issues the District needs to push for remediation. Staff has been working with the National Association of Clean Water Agencies (NACWA) which issued a press release stating that the problem needs to be addressed by Congress and more collaboration with agricultural communities.

The District must be cognizant of other issues too, such as a dead zone in the lake and rural or urban stormwater runoff. Staff is working with The Association of Ohio Metropolitan Wastewater Agencies to examine possible State solutions.

Executive Director Ciaccia stated that the issue may fade from people’s minds as the media coverage dies down and the algae abates when cold weather returns, but it can be expected to return next year. Toledo is looking for solutions at their water plant and is limited with today's technology.

Moving to the subject of the Stormwater Management Program (SMP) litigation, Executive Director Ciaccia advised that oral arguments at the Ohio Supreme Court are set for September 9. The case is fully briefed and all that is left are the oral arguments and a decision by the Justices. Each side will have 15 minutes which includes questions from the Justices; it is not ample time and is why it is important to have robust briefs.

Technical analysis continues through the advanced facility planning Wade Trim is carrying out in terms of integrated planning options as it relates to the CSO consent order.

Executive Director Ciaccia advised that District outreach attempts to the communities continue; he sent a letter to Independence Mayor Kurtz, who is the president of the Cuyahoga County Mayors & City Managers Association, to start dialogue.

Staff met this past week with two candidates for Cuyahoga County Executive -- Armond Budish and Jack Schron -- to update them on integrated planning and what the District is doing in

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general. They were excellent meetings and he was surprised that both candidates spent two hours each with staff asking good questions.

Staff is researching the possibility of putting together a grants program to possibly spur investment in the local sewer systems, which are a continuing problem in the area.

Executive Director Ciaccia stated that the first meeting of the Green Infrastructure Steering Committee was held recently, which is chaired by Jenita McGowan, the City of Cleveland Sustainability Manager. Topics discussed included the District's Green Infrastructure Program and he hopes to receive feedback on how to find further green infrastructure opportunities.

Concluding his report, Executive Director Ciaccia congratulated the Operations & Maintenance staff for receiving a platinum award for keeping the Easterly Wastewater Treatment Plant free of violations for five continuous years. Westerly and Southerly both received gold awards from NACWA for one year of no violations. He stated that it was a milestone to operate plants of that size without a violation.

Mr. Brown appreciated the update regarding the Toledo water system and thought it was an important issue. It speaks to the level of District facility investment over the years to the plants - - as Toledo will assess their internal infrastructure. The issue between point source and nonpoint source pollution has been debated for years. The fact that point source is heavily regulated, versus nonpoint source, which is agriculture, is a matter of national politics.

When the public decides it is enough of an issue – such as the Cuyahoga River burning -- they will decide to do something about it. The District has a responsibility to take a position not only on what it does, but that what it does is a small part of what is required to affect clean water on a national scale. Other stakeholders have to step up.

Mr. Brown stated that stormwater is one of the principal transportation vehicles for algae and the timing could not have been more perfect in terms of showing the impacts and responsibilities of dealing with this issue in a responsible manner. Years ago nonpoint source was the principal issue but there was no means to deal with it. Perhaps the time has come for proper attention on this issue. Executive Director Ciaccia stated that there is now a rallying point.

Mr. Brown noted that Ms. Dumas was present.

Executive Director Ciaccia stated that this is a situation that has to be addressed and is not voluntary. Mr. Brown stated that it will be addressed voluntarily or as a result of a natural or national emergency.

Executive Director Ciaccia stated that the citizens will pay to resolve the issue, whether through higher food prices, utility fees or taxes. Otherwise it will be paid for through lost commerce.

V. Action Items

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 162-14 RFPs for the Westerly Wastewater Treatment Center Long Term Residuals Plan Project.

Resolution No. 163-14 RFPs for the Woodland Central Green Infrastructure Project.

MOTION – Mr. Sulik moved and Mayor Stefanik seconded to adopt Resolution Nos. 162-14 through 163-14. After discussion and without objection, the motion carried unanimously.

Authorization to Enter into Agreement

Resolution No. 164-14 Agreement with the Ohio Public Works Commission to Accept Loan Funds for the Financing of the Design and Construction of the Fairmount Boulevard SSO Relief Project.

Resolution No. 165-14 Assignment Agreement with the City of Cleveland Heights to Take Over the Responsibility of Financing, Designing, Constructing, Operating and Maintaining the Fairmount Boulevard SSO Relief Sewer Project. Agreement Amount: \$0.00.

MOTION – Mayor Bacci moved and Mr. O’Malley seconded to adopt Resolution No. 164-14 through 165-14. After discussion and without objection, the motion carried unanimously.

Authorization to Enter into Contract

Resolution No. 166-14 Four-Year Contract with PCM Sales, Inc. for Application Hosting Services for the District’s SharePoint Application Platform. Cost: Not-to-Exceed \$507,477.60.

Resolution No. 167-14 Two-Year Requirement Contract with Robinson Pipe Services, Inc. for Industrial Cleaning Services at All Wastewater Treatment Plants and Jennings Junction Chambers. Cost: \$156,016.00.

Resolution No. 168-14 Professional Services Contract with Hazen & Sawyer for the CSO-045 Preliminary Design

Connection Sewer Maintenance Project. Total
Consideration: \$0.00.

MOTION – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution Nos. 170-14 through 170-14. After discussion and without objection, the motion carried unanimously.

Mr. Brown asked for a clarification regarding the location referenced in Resolution No. 172-14. I saw an address that said 5 something East 9th Street. Kellie Rotunno, Director of Engineering & Construction, stated that the location is near the intersection of Elk Avenue and East 109th Street where a microtunneling shaft is being constructed.

Sewer Use Code Matters

Resolution No. 175-14

Adopting the Findings of the Hearing Examiner
with Regard to the Sewer Account of Jessica Berg,
Sewer District Case No. 14-007.

MOTION – Mr. Sulik moved and Mayor Stefanik seconded to adopt Resolution No. 175-14. After discussion and without objection, the motion carried unanimously.

Authorization to Make Payment

Resolution No. 176-14

Authorize Payment to the Village of Bratenahl for
the Repair of Lakeshore Boulevard. Cost: Not-to-
Exceed \$150,000.00.

MOTION – Mayor Bacci moved and Mr. O'Malley seconded to adopt Resolution No. 176-14. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Financial Report and Investment Advisor Performance Report for the Six-Month Period Ending June 30, 2014

Jennifer Demmerle, Director of Finance, stated that the District is currently operating under budget by approximately 5%. Operating revenues as of June 30 were \$110 million, which is about 12% higher than this time last year. The primary increase was due to issues with customers on the Sewer Service Charge Based on Usage of the System (SSCBOUTS) Program. The issues have since been corrected and are billing in a timelier manner.

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Operating expenses as of the end of June were \$49 million, which is a 6% increase over last year. The increase is mostly because of the increase in polymer and gas usage for the Renewable Energy Facility.

Capital cash payments were \$72 million, leaving \$134 million in the bond account. Towards the end of the year about \$50 million is expected to be left in that account; staff will be looking to borrow money at that time. During the next Board Meeting authority will be requested to issue a Request for Proposal for an underwriting team.

Investments are around \$344 million with 65% in the money-market account due to the immediate need for the Capital program. The account is yielding about 0.28%, which is above the benchmark of 0.2%.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

No members of the public registered to speak during Public Session.

IX. Executive Session

Mr. Brown stated that there was a matter for discussion in Executive Session.

MOTION – Mayor Bacci moved to enter into Executive Session to discuss the Timothy Holt litigation matter. Discussions of these matters in executive session are permitted as specific exemptions to the Public Meetings Act pursuant to Ohio Revised Code Section 121.22(G)(3). He specifically designated matters discussed in Executive Session be protected from public disclosure in accordance with Ohio law and the attorney-client privilege. A roll call vote was taken and the motion carried unanimously to adjourn into Executive Session.

The Board met in Executive Session from 1:00 p.m. to 1:08 p.m.

Approval of Item from Executive Session

Resolution No. 177-14

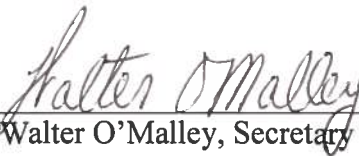
Authorize the Retention of Weston Hurd LLP for
Defense of Timothy Holt vs. Northeast Ohio
Regional Sewer District, et al., Cuyahoga County
Common Pleas Case No. CV 14 830043.

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution No. 177-14. After

discussion and without objection, the motion carried unanimously.

X. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Ms. Dumas seconded the motion to adjourn at 1:10 p.m. Without objection, the motion carried unanimously.



Walter O'Malley, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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