

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
AUGUST 17, 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
R. Sulik
T. DeGeeter
J. Bacci
J. Ciaccia
S. Dumas

ABSENT: R. Stefanik

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

II. Approval of Minutes

MOTION – Mayor Bacci moved and Mr. Sulik seconded to approve the minutes of the August 3, 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 on August 7, Karl Gebhardt, the Deputy Director of Water Resources for the Ohio EPA and staff from the Ohio Lake Erie Commission met with District staff to discuss the Ohio Domestic Action Plan, which is Ohio's plan to meet 40% reduction in phosphorous loading to Lake Erie by 2025. The conversation centered around making sure they fully understood the relative phosphorous load of combined sewer overflow (CSO), the significant impact that Project Clean Lake will have on it and to focus on agricultural run-off and urban stormwater. The Ohio Domestic Action Plan is due to the U.S. EPA in draft form in October and the District will stay part of that conversation.

On August 7, District staff Frank Greenland and Matt Scharver participated in a meeting organized by Mayor DeGeeter with the City of Parma, Cuyahoga County Sanitary Engineer, and the Cuyahoga County Public Works Department to discuss with residents the recent sewer and street flooding. The District now has more information for the Southwest Interceptor Sanitary Sewer

Evaluation Study. District staff also met with City of Parma Heights Mayor Byrne to discuss holding a similar event in his community as well as the kick-off of the Colombo Park Stream Restoration Project and the Big Creek Stormwater Master Plan.

CEO Dreyfuss-Wells stated that the Dugway West Interceptor Relief Sewer Project, which began construction in December 2013, was recently closed out on time and met all of its Key Performance Indicators. District staff knew this would be a difficult project due to its location in the dense residential neighborhood of Glenville. She thanked the collective efforts of construction manager, Bob Auber, District staff, Good Neighbor Ambassadors and the residents of Glenville. The Glenville neighborhood was left with improved underground infrastructure, some repaved streets, park improvements and a commitment to taking care of Project Clean Lake.

Concluding the report, CEO Dreyfuss-Wells indicated that the financial report now includes year-end projections, which are reforecast based on the 2017 revenue and the stormwater expenses.

V. Action Items

Authorization to Advertise

Resolution No. 243-17	Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for a 24-month requirement contract for Sodium Hypochlorite Solution at all wastewater treatment plants with an anticipated expenditure of \$1,000,000.00.
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MOTION – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution No. 243-17. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 244-17	Authorization to issue RFPs, in accordance with Ohio Revised Code Chapter 6119, for software and professional services for the Customer Billing and Revenue Data Warehousing Platform Solution Design and Implementation Project.
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Resolution No. 245-17	Authorization to issue RFPs, in accordance with Ohio Revised Code Chapter 6119, for software and professional services for the Human Resource Information System Replacement Project.
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MOTION – Mr. Sulik moved and Mr. Ciaccia seconded to adopt Resolution Nos. 244-17 through 245-17. After the following conversation and without objection, the motion carried unanimously.

Referencing Resolution No. 244-17, Mr. Brown questioned what the software will do in terms of modeling, analysis and levels of predictability in terms of revenues or other financial impacts. Chandra Yadati, Director of Information Technology, advised that wastewater and stormwater billing resides in multiple systems internally and from external billing agents. Staff receives data in multiple formats. Finance staff time could be better utilized performing analytical work instead of manipulating and loading datafiles.

Staff is looking to acquire professional services to help design and build a data warehouse solution to streamline the loading and processing of data so it is more accessible to business users. Maintaining this data consistently will provide users the ability to do trend analysis and gives staff a foundation to potentially allow customers to view their bills on the District's website in the future.

Mr. Yadati continued to state that the District will have the ability to perform predictive analyses and build a database from data collected this year.

Kenneth J. Duplay, Chief Financial Officer, explained that this project will allow Finance staff to have more time for predictive analysis. It takes a lot of effort to combine data from multiple sources into some of the simple monthly reports. This will allow staff to automate a lot of that reporting and move some data manipulation into IT so the analyst can take the time to do "what if" analyses and more predictive modeling.

Moving to Resolution No. 245-17, Mr. Brown asked what the project goal is. Mr. Yadati explained that there have been audit issues in this area and staff is trying to find a comprehensive integrated solution for an organization the size of the District.

CEO Dreyfuss-Wells stated that this has been an outstanding audit finding from the Audit Committee.

Authorization to Purchase

Resolution No. 246-17

Authorize the direct purchase, from sole source vendor Q-Mation Wonderware North, of one year of Wonderware software maintenance and support services in an amount not-to-exceed \$224,308.00.

MOTION – Mr. Ciaccia moved and Mayor DeGeeter seconded to adopt Resolution No. 246-17. After the following conversation and without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 120a-17

Authorize the modification of design build Contract No. 17002230 with Turnkey Tunneling, Inc. for the Emerald Parkway Culvert Repair Project by increasing the contract amount by

\$3,905,000.00 bringing the total contract price to \$4,700,000.00.

Resolution No. 247-17

Authorize the final adjustment modification for Contract No. 13003654 with Walsh/Super Excavators Joint Venture II for the Dugway West Interceptor Relief Sewer Project by decreasing the contract amount by \$4,548,868.30 bringing the total contract price to \$52,930,487.00.

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution Nos. 120a-17 and 247-17. After the following discussion, the motion carried unanimously.

Mr. Sulik requested an explanation for Resolution No. 120a-17. Devona Marshall, Director of Engineering & Construction, advised that this is a two-step design-build process. In April, the Board authorized the first step for just under \$800,000 for the design of the project up to 60%. Now staff is requesting authorization for the full construction of the project which is estimated at \$3.9 million.

This project will replace or repair 370 linear feet of culvert that has collapsed or is in the process of collapsing near the intersection of Grayton Road and I-480. In addition to having to hand mine a portion of the tunnel to fix the collapse, staff must reline the portion of the pipe where it is collapsing. Staff also must put in a 24-foot diameter shaft to access the site. The District will leave the site with a permanent access road and site restoration.

Ms. Marshall further explained that this type of work is time consuming and requires a lot of skill.

Authorization to Enter Into Contract(s)

Resolution No. 248-17

Authorization to enter into one-year contract with PVS Technologies, Inc. for Ferric Chloride Solution at all wastewater treatment plants in the amount of \$528,750.00.

Resolution No. 249-17

Authorization to enter into contract with Blackbaud, Inc. for the Grant Management Software Implementation Project in the amount of \$60,926.00.

Resolution No. 250-17

Authorization to enter into contract with Sages Networks, Inc. for the Plan Review Software Implementation Project in the amount of \$176,261.60.

MOTION – Mr. Sulik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 248-17

through 250-17. The motion carried unanimously.

Authorization to Retain Bond Counsel and Issue Bonds

Resolution No. 251-17

Authorize approval of engagement letters to retain Squire Patton Boggs, LLP and Forbes, Fields and Associates Co., LPA to serve as bond counsel and co-bond counsel respectively for the Series 2017 Wastewater Improvement Revenue Refunding Bonds, with a total cost for both engagements not-to-exceed \$112,000.00.

Resolution No. 252-17

Authorize the issuance of the Wastewater Improvement Revenue Refunding Bonds, Series 2017 for the purpose of refunding some or all of certain obligations currently outstanding previously issued for the purpose of acquiring, constructing and improving water resource projects with an anticipated principal amount up to \$97,000,000.00.

MOTION – Mayor DeGeeter moved and Mr. Ciaccia seconded to adopt Resolution Nos. 251-17 through 252-17. After the following conversation and without objection, the motion carried unanimously.

Mr. Duplay explained that staff is proposing a transaction similar to the refundings from 2014 and 2016. Mr. Duplay does not expect to refund the full \$97 million not-to-exceed amount. Staff expects to refund certain maturities of the 2013 and 2014 new money issues. The low end of refunding is \$25 million that would represent \$2 million in debt service savings on debt service and on the high end it could be up to \$5 million in savings. The repayment schedule will not be extended.

Staff will have presentations with the rating agencies at the end of August and expect the District's ratings to be affirmed and go to market in mid-September.

Mr. Ciaccia inquired whether the same underwriters will be utilized and whether a resolution has been passed. Mr. Duplay affirmed that the same underwriters – Bank of America -- will be utilized and they are in the underwriter pool resolution from 2014.

Authorization to Implement Program

Resolution No. 253-17

Authorization to issue the request for proposals for the 2018 Green Infrastructure Grants Program for the combined sewer area.

MOTION – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution No. 253-17. After the following conversation and without objection, the motion carried unanimously.

Property-Related Transaction

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| Resolution No. 254-17 | Authorize the acquisition of one permanent easement in the City of Cleveland owned by the Montenerodomo Citizens Club, Inc. necessary for construction and maintenance of the Doan Valley Tunnel Project with a consideration of \$20,100.00. |
| Resolution No. 255-17 | Authorize the District to deposit an additional \$41,400.00 with the Cuyahoga County Probate Court, pursuant to a court mediated settlement agreement, for the acquisition of property owned by Cassandra Williams-Carter within the City of Cleveland and necessary for construction and maintenance of the Union/Buckeye Green Infrastructure Project. |

MOTION – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution Nos. 254-17 through 255-17. The motion carried unanimously.

VI. Information Items

1. Program Management Status Report & Update – July 2017

Devona Marshall, Director of Engineering & Construction, stated that cash flow is steady at 87%. By the end of July staff had spent just under \$113 million and anticipates finishing the year at over \$200 million.

Moving to Key Performance Indicators (KPIs), in July staff delivered two of the eight consent decree reporting milestones. A notice to proceed was issued for the construction of Control Measure 8, which is the Doan Valley Tunnel. Staff also submitted its semi-annual Report No. 11.

Overall, the District has delivered six of eight and is on target to meet all eight deliverables required under the decree in 2017.

Ms. Marshall stated that the District awarded two construction contracts in July: the Woodland Central Green Infrastructure Project, which is the last green infrastructure project to be implemented under Project Clean Lake, and the Easterly Service and Security Buildings Rehabilitation Project. Both projects were delivered within 60 days of plan and within 10% of the engineer's estimate. She noted that the Easterly Service and Security Building Rehabilitation Project was rebid because the initial bids were way over the first engineer's estimate.

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The District closed the Westerly Scrubber Sump Pump VFD Replacement Project and the Collection System Asset Renewal Project. The Westerly Scrubber Sump Pump VFD Replacement Project met its KPI by closing within 95% of the original contract amount. However, the Collection System Asset Renewal Project closed out at 97.5% due to ownership-requested changes and small emergency work. The District exceeded the Business Opportunity Program goals on both projects.

The Doan Valley Storage Tunnel Project is the third tunnel under Project Clean Lake. Staff just issued the notice to proceed for construction in July. Ambler Park is where the main mining operation will occur and the focus at this time is utilities coordination at the site.

The Westerly Low Level Project is 70% complete with micro-tunneling which included a long run of 1,800 feet which allowed for the elimination of a shaft that saved \$20,000 during construction.

Ms. Marshall advised that the Dugway South Relief Sewer Project will take flow from the future Doan Valley Tunnel to the Dugway West Interceptor Project that serves as a conveyance pipe between the two.

The East 140th Street Project includes ample sewer work and three green infrastructure basins which are part of the Appendix-3 green infrastructure. Construction of all three basins has been completed but they will not be in operation until plantings take place and the storm sewers are finished which will feed the basins.

Moving to the wastewater treatment plants, Ms. Marshall stated that consent decree Control Measure 1 is increasing the overall capacity of secondary treatment at Easterly from 330 mgd to 400 mgd. The chemical feed system is completed which allows staff to move more into the commissioning, testing and the startup phase. Operations & Maintenance staff training will initiate at the end of the month with the hope that after three to six months they will be comfortable with operating these facilities before achievement of full operation is announced. The District would then go into one year of performance compliance on this control measure.

District staff continues to troubleshoot the Tunnel Dewatering Pump Station and test the vibration issue with the pumps. Staff is engaging the pump manufacturer and they will be on site next week with a third-party expert, at which time they hope to have a better understanding of the path forward.

Mr. Brown asked staff to clarify the status of green infrastructure which did not achieve the CSO removal target. Ms. Marshall explained that the consent decree has two requirements related to Appendix-3 green infrastructure. The 44 million gallons of additional control related to a \$42 million expenditure. The nine projects have surpassed that dollar amount and are close to \$70 million. 18 to 20 million gallons of CSO control will be achieved with those projects. Staff thought those were the most cost-effective projects of those evaluated. The District has the ability to go to corrective action and are proposing that be done with upsized gray infrastructure already planned under the decree.

Andrea Remias, Planning Manager, advised that in 2012 the Environmental Protection Agency (EPA) introduced integrated planning, which was an attempt to incorporate other Clean Water Act issues besides CSO into CSO consent decrees.

The District had already signed the consent decree and knew of extensive issues within member communities in the local system.

The District conducted a study on the impacts of non-CSO Clean Water Act issues in the local system and the findings indicated that in the service area 138,000 buildings are at risk of basement flooding during a five-year rain event. Furthermore, the amount of E. coli in a typical year from non-CSO issues is equivalent to 6.7 billion gallons of CSO. District staff decided to address these issues and help member communities using two mechanisms.

The Member Community Infrastructure Grants Program (MCIP) includes grants for communities to perform projects that address local Clean Water Act issues. \$34 million in grants is available over the next four years. The MCIP activated in 2017 with 12 projects awarded. Applications for 20 projects for 2018 have been received.

Ms. Remias advised that the District will perform four Local Sewer System Evaluation Studies (LSES) over the next four years at a cost of \$40 million in the areas of the Mill Creek Interceptor/Combined Sewer System, Heights Hilltop Interceptor, Southwest Interceptor and the Cuyahoga Valley Interceptor. These planning level studies provide the technical support to identify problems and solutions.

Prior to starting the LSESs, the District asked communities to inform staff of any specific problem areas in addition to known locations, used hydraulic models to understand wet weather response, and prioritized study areas for the LSES.

Some early action projects include mitigation of two sanitary sewer overflows into Nine Mile Creek in East Cleveland, the Shaker Heights Fernway sanitary sewer overflow and the Marcella and East 185th Street Relief Sewer. Furthermore, data from the LSES will help communities to draft MCIP applications for repair and renewal projects.

Ms. Remias advised that the Heights Hilltop and Mill Creek Interceptor/Combined Sewer System LSES are ongoing and the Southwest Interceptor LSES is expected to occur around February 2018 and the Cuyahoga Valley would start around June 2018.

Mr. Brown stated that it will be helpful for member communities to do companion work along with the District. He also hoped to give weight to projects they recommend that are in compliance with the LSES that mitigate compliance issues and make sure high-value projects are weighted accordingly.

CEO Dreyfuss-Wells agreed and advised that data makes it clear to the communities which projects they need to submit for the MCIP. As consent decree discussion continues, the District is anticipating continued focus on these issues and their water quality impacts.

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. Ciaccia seconded the motion to adjourn at 1:23 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