

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
AUGUST 20, 2015

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  
T. DeGeeter  
S. Dumas  
R. Stefanik

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

II. Approval of Minutes

**MOTION** – Mayor Bacci moved and Mayor DeGeeter seconded to approve the minutes of the August 6, 2015, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Chief Executive Officer (CEO) Ciaccia advised that no one signed up to speak about a specific agenda topic.

IV. Chief Executive Officer's Report

CEO Ciaccia advised that staff met again with the subgroup of the Suburban Council of Governments (SCOG) headed by Mayor Alai of Broadview Heights to discuss the proposed community grants program. There remains a lot of support for the proposed program and the same draft policy that was presented to the Board previously was discussed with the subgroup. Ideas from the subgroup were also incorporated into the draft.

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The SCOG subgroup wishes to discuss the draft policy during a Cuyahoga County Mayors & Managers Association meeting. Additionally, District staff has a meeting scheduled with Cleveland Mayor Jackson to review the proposed program.

CEO Ciaccia advised that he and Constance Haqq, Director of Administration & External Affairs, and Darnella Robertson, Manager of Government Affairs, also attended a meeting with Congresswoman Marcia Fudge. Items discussed included the District's consent decree status, the rate study and the probability of rate increases to support the consent order program, and affordability measures. Other topics included the Business Opportunity Program (BOP) and its performance. In addition, there was conversation regarding construction workforce issues that were raised by Norman Edwards.

CEO Ciaccia stated that he advised Rep. Fudge that the District received an award for 2014 best in class for supplier diversity from the Commission for Economic Inclusion.

Over \$20 million was spent on MBE participation in 2014, or 7.4% overall. The disparity study previously conducted found that given the availability of minority firms able to perform District-type work in a wide area had a recommended goal of 6.8%. CEO Ciaccia also explained that in terms of workforce the District is not governed by the Fannie Lewis law; that is a City of Cleveland ordinance.

Mr. Brown inquired whether MBE workforce statistics are tracked. CEO Ciaccia explained that such statistics have been tracked every month for the last two years. Every month, even without a residency requirement for Cleveland residents the participation rate is over 20%, which is the floor of the Fannie Lewis law. The District is exceeding the limit of that particular program without having a program.

CEO Ciaccia advised that the June minority construction workforce rate was 12% and last month it was 9%. Staff would like to see higher numbers and they will work with contractors and unions, internally, and with the Commission on Economic Inclusion to increase those numbers. He indicated that Rep. Fudge seemed satisfied and agreed to work with District staff.

Mr. Brown stated that the District does well achieving goals for its programs but the challenge in the region is with workforce numbers. He was concerned that there is a lot of conversation, but not much traction.

Ms. Haqq advised that a positive develop is the construction diversity program headed by the Mayor and the Greater Cleveland Partnership and the relationship between the union community and Max Hayes. In the past, Max Hayes produced people from the program that often could not get apprenticeships in the union; however, now there is an agreement that stipulates that the unions are involved in the curriculum and anyone who completes the program will be eligible for

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an apprenticeship. There will be a pipeline of people from the Cleveland Metropolitan School District moving into construction apprenticeships.

Mr. Brown questioned the availability of the workforce in those trades and whether they reflect an appropriate pool of candidates to improve diversity on work sites. Ms. Haqq advised that Rep. Fudge indicated she would pose that question to the local unions.

CEO Ciaccia stated that a meeting was held with union representatives and John Hairston from Rep. Fudge's office during which Mr. Edwards left. Mr. Edwards continues to assert that the District is federally mandated to have 16.1% minority hiring goals. CEO Ciaccia stated that is not the case and wanted to set the record straight. Such goals apply to federal projects with federal funds, of which the District does not have much. Secondly, the requirement is a loose requirement the government uses to track for their own statistical planning purposes.

Mr. Brown questioned whether there was a way to understand what their record has been in terms of regional or national performance. CEO Ciaccia stated that it an item that needs to be researched because it continually comes up.

Closing his report, CEO Ciaccia noted that Mr. Edwards has raised an issue that a minority contractor was taken off of the Dugway Tunnel job. CEO Ciaccia explained that to some extent that is true; however, the reason the subcontractor was removed was because the disposal site they were using needed a zoning variance from the City of Cleveland to dump debris there and they did not apply for that variance. Therefore, the majority contractor was forced to remove them from the job because they did not have a disposal site.

V. Action Items

Authorization to Advertise

Resolution No. 191-15

Advertise for Four Utility Trucks for Use by the Building Maintenance and the Sewer System Maintenance and Operation Departments.  
Anticipated Expenditure: \$212,000.00.

**MOTION** – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution No. 191-15. After discussion and without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals

Resolution No. 192-15

RFPs for Design and Construction Administration/Resident Project Representation Services for the Morgana Run Relief Sewer

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Project.

Resolution No. 193-15

RFPs for Design and Construction  
Administration/Resident Project Representation  
Services for the Southerly Optimized Parallel  
Treatment Project.

**MOTION** – Mayor DeGeeter moved and Mr. Sulik seconded to adopt Resolution Nos. 192-15 through 193-15. After discussion and without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 194-15

Water Pollution Control Loan Fund (WPCLF)  
Loan Agreement with the Ohio EPA and the Ohio  
Water Development Authority for the WPCLF  
Financing of the Construction Project Costs of the  
Mary Street Pump Station Upgrade Project.

Resolution No. 195-15

Direct Purchase, Through Sole Source Vendor  
QMation/Wonderware North, Software  
Maintenance and Support Services for All  
Wastewater Treatment Plants and the  
Environmental and Maintenance Services Center.  
Anticipated Expenditure: \$122,835.00.

Resolution No. 196-15

Direct Purchase from Statewide Ford/Statewide  
Emergency Products, Through the State of Ohio  
Cooperative Purchasing Program, Five Ford  
Explorer SUVs for Use by the Engineering and the  
Sewer System Maintenance and Operation  
Departments. Cost: \$143,055.00.

**MOTION** – Mr. O'Malley moved and Mayor Bacci seconded to adopt Resolution Nos. 194-15 through 196-15. After discussion and without objection, the motion carried unanimously.

Mr. Brown requested a brief explanation for Resolution No. 195-15. Humberto Sanchez, Director of Information Technology (IT), advised that the direct purchase includes office equipment that was damaged or destroyed in a fire that occurred in the IT area in May 2015. Some computers and laptops were being prepped for rollout.

Authorization to Enter Into Agreement

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Resolution No. 197-15

Water Pollution Control Loan Fund (WPCLF)  
Loan Agreement with the Ohio EPA and the Ohio  
Water Development Authority for the WPCLF  
Financing of the Construction Project Costs of the  
Mary Street Pump Station Upgrade Project.

**MOTION** – Mayor Stefanik moved and Ms. Dumas seconded to adopt Resolution No. 197-15. After discussion and without objection, the motion carried unanimously.

Ms. Dumas inquired whether the loan passes through to another agency and who funds it directly. Jennifer Demmerle, Chief Financial Officer, explained that the loan goes through the Ohio Water Development Authority to the District and is a District project.

Authorization to Enter Into Contract

Resolution No. 198-15

Construction Contract with Cold Harbor Building  
Company for the Easterly Primary Settling Tanks  
Nos. 9-12 Rehabilitation Project. Contract  
Amount: \$1,778,950.00.

Resolution No. 199-15

Professional Services Contract with Brown and  
Caldwell for the Easterly Chemically Enhanced  
High Rate Treatment Project. Contract Amount:  
\$17,400,000.00.

Resolution No. 200-15

Professional Services Contract with Hazen and  
Sawyer for the Westerly Wet Weather Facility  
Improvements Project. Contract Amount:  
\$746,882.26.

Resolution No. 201-15

Three-Year Professional Services Contract with  
the Rovisys Company for Instrumentation  
Maintenance and Repair Services for the  
Renewable Energy Facility at Southerly. Cost:  
\$1,998,788.00.

Resolution No. 202-15

Three-Year Professional Services Contract with  
the Rovisys Company for Programmable Logic  
Controller – Human Machine Interface  
Maintenance and Technical Support Services for  
the Renewable Energy Facility at Southerly. Cost:  
\$1,999,011.00.

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**MOTION** – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 198-15 through 202-15. After discussion and without objection, the motion carried unanimously.

Mr. Sulik requested an explanation for Resolution No. 199-15. Mr. Brown noted that there is only one bidder.

James Bunsey, Director of Engineering & Construction, advised that it was extremely concerning that there was one bidder. Staff knew there was a high probability of that because there was a very experienced team of three tier-one consultants.

Brown and Caldwell, the prime contractor, performed the pilot for the Easterly High-Rate Treatment. Wade Trim, which is the CSO Advanced Facilities Plan main consultant, is the owner of a lot of modeling, which also dictates the flows that will go into the high-rate treatment. Finally, MWH was the original designers of Easterly, have much of the information for Easterly, are on site with Brown and Caldwell and have one of the largest design shops in Cleveland.

Mr. Bunsey advised that he was personally involved with the negotiations and wanted to make sure the scope was correct and the fee was commensurate. Staff was successful in adding scope to the work and reducing the fee by approximately \$2 million. He advised that staff thinks this is the best value for the District and is the best team, albeit with one proposal.

Mr. Brown inquired whether \$125 million in construction was the engineer's estimate. Mr. Bunsey explained that because there was concern about percent of construction, staff set aside a small amount of money under GES (General Engineering Services) and had the facility they were planning to build with the construction taken off.

Mr. Brown questioned whether staff will conduct the pilot program, or had they already performed it. Mr. Bunsey explained that after consideration staff decided to outsource the pilot program. The program entails the responses to extreme wet weather events and would have been difficult. The contractor brought the right technical expertise, correct science and the results allowed staff to design the facility and get its report to EPA approved.

Mr. Brown inquired whether this is consistent with what the EPA would be looking for in terms of compliance with the long-term control program. Mr. Bunsey stated that this way of doing business is easier and less costly to operate.

Moving to Resolutions 201-15 and 202-15, Mr. Sulik requested an explanation. Ron Czerski, Deputy Director of Operations & Maintenance, advised that there are two automation contracts. The first contract is for a three-year term. A sophisticated network has to be maintained to automate the Renewable Energy Facility (REF).

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The second contract is also for a three-year term and will provide maintenance for over 1,000 instruments in the REF.

Mr. Sulik questioned whether the District has proper staffing levels trained to maintain the REF. Mr. Czerski advised that certain certifications are required for steam work that not all staff has these certifications. The bigger issue is that the projected staff to maintain the REF is 30 and it currently has 15.

Mr. Brown supported such supplementation during the startup process but questioned the long-term strategy. Mr. Czerski explained that staff will collect and analyze data as part of the asset management program to determine the real cost and skills required for maintenance. As data is collected a determination will be made whether to take on that responsibility in-house or if it will be cheaper to farm it out.

CEO Ciaccia advised that the incineration aspect of the project was designed before he joined the District. He stated that staff may have underestimated what would be necessary from a management standpoint to optimize that unique operation. The preference is to not outsource. This is not a movement towards privatization and outsourcing of operations; he advised that they are trying to get it right to optimize savings opportunities.

Chief Operating Officer (COO) Kellie Rotunno advised that the REF is a significant investment of the ratepayers' money; the District must be good stewards of that investment. The current staffing levels do not hold to the standard needed to ensure that investment is maximized. Outside help is necessary for in the interim until ultimately the proper staffing levels are in place to maintain it in perpetuity. The REF will remain a District-managed facility.

Ms. Dumas inquired whether the uniqueness of the REF disallows that consideration during planning. COO ROTUNNO stated that it does not disallow it from being better understood. The staff operating the facility is doing a great job but to ensure there is no deterioration of assets over the next two to three years until staff is trained properly, outside help is needed.

CEO Ciaccia stated that much of this is professional service, engineering-based work. Some will be labor work which will be prevailing wage.

### Authorization of Contract Modification

Resolution No. 203-15

Final Adjustment of Contract No. 14003453 with Great Lakes Construction Co. for the NWI Edgewater Park Gate Project. Cost: A Decrease in the Amount of \$81,328.48 Bringing the Total

Contract Price to \$548,334.02.

Resolution No. 204-15

Modify Contract with Robert Rakoci for Human Resources Consulting Services. Cost: A 17-Month Contract Extension and an Increase Not-to-Exceed \$54,912.00 in the Contract Price.

**MOTION** – Mayor Bacci moved and Mr. O’Malley seconded to adopt Resolution Nos. 203-15 through 204-15. After discussion and without objection, the motion carried unanimously.

Referencing Resolution No. 204-15, Ms. Dumas inquired regarding Mr. Rakoci’s services. Holly Woods, Human Resources Manager, explained that the District engaged Mr. Rakoci in February 2015 to assist with matters such as executive management salary surveys, writing job descriptions, analysis, evaluations and general compensation work as needed. Mr. Rakocki has performed those roles while the District’s Compensation Analyst has been absent due to a doctor's requirement. The contract will extend through the end of 2015 with the potential to extend into 2016. The contract may not be necessary for the entire 17 months.

Authorization of Property-Related Transaction

Resolution No. 205-15

Authorize One Fee Simple Acquisition in the City of East Cleveland Necessary for Construction of the E. 140<sup>th</sup> Street Consolidation and Relief Sewer Project. Consideration: \$24,500.00.

Resolution No. 206-15

Authorize Acquisition of One Parcel by Appropriation Necessary for Construction of the Doan Valley Tunnel Project. Consideration: \$13,000.00.

Resolution No. 207-15

Authorize Acquisition of One Parcel by Appropriation Necessary for Construction of the Union/Buckeye Green Infrastructure Project. Consideration: \$4,650.00.

Resolution No. 208-15

Authorize Five-Year Lease Agreement with Priemer Investments Co., LLC for Off-Site Parking in the Lot Adjacent to the County Parking Area at East 40<sup>th</sup> and Euclid Avenue. Consideration: \$236,400.00 for a Five-Year Term.



**MOTION** – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution Nos. 205-15 through 208-15. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Program Management Status Report and Update – June 2015

James Bunsey, Director of Engineering & Construction, stated that cash flow is at 89% for the second month in a row, indicating that programmatically the District is on schedule. He expects that figure to rise over 90% next month.

The CSO advanced facilities plan has returned good value engineering savings of \$55 million on the Big Creek Tunnel in addition to the \$73 million captured in 2014. The \$55 million in value engineering savings in 2015 is almost half of the \$120 million Key Performance Indicator (KPI) goal for the year.

Staff has submitted five of the seven CSO consent decree milestones to occur in 2015, meeting that goal.

The notice to proceed was issued in July for the Westerly Low-Level Interceptor Sewer Project. This is a significant project because when it is constructed it will reduce CSO occurrences on the west bank of the Cuyahoga River by over 80%. Construction is scheduled for 2017.

The Mary Street Pumping Station Project was authorized by the Board last month and is currently out for bid.

Mr. Bunsey noted that Mr. Brown during a previous Board Meeting asked where the force mains go. He explained that it goes toward the northwest along where the proposed towpath will be located and substantially turns 90 degrees toward the southwest, ultimately crossing West 5<sup>th</sup> and West 6<sup>th</sup> streets, and then discharging on West 7<sup>th</sup> Street.

The Southerly Thermal Condition Sludge Tank Demolition Project yielded six bids. Although it missed KPI the average of the three low bids were less than 20% of the engineer's estimate. Construction began within 90 days of the plan and it was awarded on schedule.

The ECT-4 and ECT-5 Site Restoration Project was rebid because the initial bids did not come in within 10% of the engineer's estimate. Upon further review, staff found modified the estimate and issued a new engineer's opinion without changing the scope. The new opinion was not as high as the original low bid but the new low bid came in lower than the engineer's estimate.

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Mr. Bunsey advised that the CSO 236 Relocation Project yielded value engineering savings by eliminating a deep shaft microtunnel which resulted in a shallower sewer. The savings from this change was \$1.9 million against the end-of year-goal of \$23.5 million.

The Tunnel Dewatering Pump Station is 70% complete. Staff met with the principals of the joint venture in mid-July and discussed their concern about the schedule of the project. Mr. Bunsey reported that they modified their on-site management, which seemed to have a positive effect. Cash flow increased almost threefold to \$1.4 million during the month of July. Staff expects higher cash flow in August, which is needed to maintain a good schedule.

The Easterly Secondary Systems Improvements Project is 40% complete and going very well.

Mr. Bunsey advised that staff received informal notice of a pending claim that appears to be around the excess of dewatering required on the site. The contractor's claim would be that it is above the contract requirements. He will keep the Board apprised of the progress.

The Easterly Aerated Grit project is 85% complete and is operating on two of the three interceptors. New channels will be installed underneath the headworks to route the Heights/Hilltop into the new grit facility in the fall of 2015.

The Dugway West Interceptor Relief Sewer project is 60% complete. The curved microtunnel is the first in the Midwest. As of the end of July staff had completed 15 of the 17 microtunnels and completed the other two yesterday. Operations will no longer be 24/7 and the Tuscora Avenue and Linn Drive intersection was opened, which was a source of community concern.

The Dugway Storage Tunnel is 15% complete. Four shafts are being excavated and the tunnel boring machine is being rehabilitated on site at Nine Mile.

The Southerly First Rate Improvements project is 10% complete. The entrance to Southerly has been reopened and repaved.

The Southerly Maximum Achievable Control Technology project is on schedule. The contractor has been very active, although they have not yet submitted an invoice. Two of the three mercury removal units are already fabricated.

Mr. Bunsey advised that substantial completion of the Easterly Primarily Settling Tank Rehabilitation Project was reached in July. That milestone was 92 day late but less than 120 days due to resubmittals of the Motor Control Centers.

The Euclid Creek Tunnel Project reached substantial completion on July 31. The project was very positive financially but was 179 days late.

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The Westerly Infrastructure Rehabilitation Project was 88% of the original contract, meeting KPI. However, the project's BOP participation ended at 25% from a 39% goal due to de-scoping unit quantities, and unfortunately that was from a Business Opportunity Program partner.

Mr. Bunsey explained that work orders as a percent of construction of that project was 5.9% with the majority being differing site conditions, which met KPI.

Melissa Keen, Document Control Team Leader, stated that she would provide an overview of the process and project controls team. The team was formed in 2011 as a result of the program management project to assess, implement and improve Capital Improvement Program (CIP) management controls and needs.

Currently there are 14 team members who assist Engineering & Construction in the delivery of CIP projects. Tasks performed by the team include assisting with scheduling, contract payment processing, construction change management, electronic filing and archiving of project records, maintenance of the electronic document management system and automated business processes, training on processes and procedures and SharePoint training.

Ms. Keen advised that the team is building and implementing new business applications and continuous improvement of project management processes and procedures.

Benefits of the electronic document management system and automated business processes include increased accessibility from multiple devices; security policies that prevent unauthorized access to the information; and traceability and revision control that ensures historical preservation of documents.

Documents uploaded into the system are better organized and retrievable when needed. Multiple users can access and edit the documents at the same time.

Benefits of the automated business processes are time savings and efficiencies. The system allows users to review and approve workflows anytime, anywhere on multiple devices. The system tracks and links associated documents so users can monitor the steps and get to them quickly. A standardized process was configured so all steps are run consistently every time.

Ms. Keen advised that the system captures user information with time and date stamps for historical traceability of workflows.

During 2011 the team transitioned from the paper-based system to an electronic system. Approximately 10% of projects at the time utilized the electronic system and at least one of the eleven automated workflows that were available.

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During 2012 and 2013 the team completed a project that upgraded SharePoint software. By 2014, the transition to the electronic system was completed, with all projects being run through it and using all of the 16 automated workflows.

Ms. Keen stated that during 2015 the team anticipates an increase in the number of transactions through the group due to the release of an additional workflow and a net increase in active contracts.

The group's active projects include piloting a new invoicing process, improving the submittal process, streamlining the SharePoint program, made training improvements and assessing project management application needs. The group also provides support to many District departments.

Ms. Keen explained that the group's future plans include investigating new automated reporting options, evaluating potential enterprise project software applications or upgrading the current system. They want to encourage feedback to improve the processes and procedures that help deliver these projects.

CEO Ciaccia stated that this can be a very important part of running a successful CIP program. Such work was initially contracted externally but has since been brought in-house; they are doing a great job.

Mr. Brown inquired how many capital construction sites are ongoing. Mr. Bunsey indicated staff would supply a list. The three wastewater treatment plants and the Nine Mile site are the four largest; taking into account the collections system brings that total between seven and ten.

### 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

**MOTION** – Mayor Bacci moved to go into Executive Session to discuss a real estate acquisition. After discussion and without objection, the motion carried unanimously.


The Board met in Executive Session from 1:32 p.m. to 1:47 p.m.

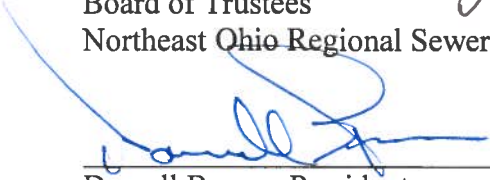
X. Approval of Items from Executive Session

There were no items.

IX. Adjournment

**MOTION** – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. O'Malley moved and Mr. Sulik seconded the motion to adjourn at 1:47 p.m. Without objection, the motion carried unanimously.

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

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