

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
SEPTEMBER 15, 2011

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:32 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown
R. Sulik
D. DePiero
J. Bacci
S. Kelly (arrived at 12:35 p.m.)
W. O'Malley
G. Starr

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

II. Approval of Minutes

MOTION – Mr. O'Malley moved and Mayor DePiero seconded that the minutes of the September 1, 2011, Board Meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no members from the public registered to speak at Public Session.

IV. Executive Director's Report

Executive Director Ciaccia stated that he did not include department reports in the Board's most recent packet. Staff is considering restructuring them as they have become voluminous. They are attempting to streamline the information and question whether there is a need for that level of information included in the packets. He explained that on a monthly basis the Board receives the Program Management report as it relates to the Capital Program and updates each meeting regarding finances and other key issues.

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Executive Director Ciaccia stated that compiling reports from each department is intensive work and he is unsure how much value they bring at the Board level.

Mr. Brown stated that he would appreciate if Executive Director Ciaccia would touch base with the Board before any determination is made because each trustee has their key areas of interest. Executive Director Ciaccia asked the Board to advise him or Constance Haqq if there are key areas of interest and they will make sure to address them.

Mr. Brown advised that Ms. Kelly was present.

Moving discussion to Project Clean Lake, or the Combined Sewer Overflow Long-Term Control Plan (hereinafter "CSO LTCP"), Executive Director Ciaccia stated that green infrastructure is a component of the consent decree the District has entered into with the federal government. The District is mandated to implement a certain portion of green infrastructure and staff is assessing it for the purposes of green-for-gray infrastructure tradeoffs in the future. Consultants have been working on this issue and have identified areas where green infrastructure may be a possibility.

Executive Director Ciaccia advised that meetings have been held with the Cleveland Land Bank, the Cuyahoga County Land Bank and other external entities. A meeting with the City of Cleveland City Council Caucus is scheduled for September 19.

At that time, Executive Director Ciaccia turned the meeting over to Director of Engineering & Construction, Kellie Rotunno, to provide an update regarding this effort.

Ms. Rotunno recognized her "green teammates" on the green infrastructure program. The project has been a large undertaking and is not part of the department's traditional business. She advised that Kyle Dreyfuss-Wells had been instrumental in helping deliver it, as well as consultants John Lyons from Strand & Associates, Joe Ferenszy from URS Consultants and Tim Coleman from the District's PMO.

Ms. Rotunno stated that the consent decree requirements include capturing an additional 44 million gallons of CSO flow using green infrastructure than that proposed with gray. Efforts will continue to implement green infrastructure to replace gray. She indicated an early action project would be presented.

The original CSO LTCP called for the reduction of CSO by 4 billion gallons. Through negotiations, the United States Environmental Protection Agency (hereinafter "US EPA") asked the District to collect an additional 44 million gallons. Subsequently the District entered into a contract with URS for \$850,000 to help locate where an additional 44 million gallons may be obtained.

Ms. Rotunno advised that there is an opportunity to replace some gray infrastructure with green. The District entered into a contract with Strand Associates for \$255,000 to develop opportunities to reduce gray infrastructure on the Doan Valley tunnel area, which will enter the design phase shortly.

The District must submit a Green Infrastructure plan to the US EPA and the governments in accordance to the consent decree by December 2011 and a monitoring plan for green infrastructure by 2012.

By 2020 the District must design, construct and monitor all of the projects for the 44-million gallon capture. Ms. Rotunno indicated that is a very aggressive schedule and staff is pushing it as quickly as possible.

Green infrastructure may be exchanged for gray throughout the life of the consent decree to the extent it can be done in advance of the design.

Ms. Rotunno advised that Cleveland and the District's service area were recently named by US EPA Region 5 as their green infrastructure partner, making Northeast Ohio one of few communities recognized as innovative thinkers with a progressive approach to the application of green infrastructure.

Mayor Starr inquired if exchanging green for gray infrastructure could be quantified in terms of savings. Ms. Rotunno explained that she could not provide figures at this point but a detailed analysis will be conducted to determine which is more cost effective.

As a US EPA partner, Ms. Rotunno advised that other entities and the US EPA will look to the District to help inform them and guide national policy on green infrastructure. She stated that "they are learning as we are that green infrastructure is not as easy as it looks."

Green projects such as bioretention, green roofs, extended retention wetlands and pervious pavement are only the tip of the iceberg. Bigger and similar projects will be implemented in the region because an additional 44 million gallons of combined sewage must be captured.

Ms. Rotunno explained that the 44 million gallons is combined sewer overflow capture that can only be obtained in the combined sewer area. The District's combined sewer area is comprised of about 52,000 acres. She explained that staff will attempt to narrow that down to a smaller area in which the 44 million gallons may be targeted.

Staff estimates that capturing the 44 million gallons may require approximately 1,000 acres of drainage area. Ms. Rotunno explained that the property may not need to be District property, but 1,000 acres of drainage from which the stormwater from the

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impervious surface may be collected and put through a stormwater control measure. She stated that is a large amount of real estate.

The Board authorized a contract with URS in August. Ms. Rotunno explained that they have been working diligently to achieve a 10% schematic level for green infrastructure projects. Eighty (80) million gallons of CSO control has been targeted because staff is unsure at the 10% level what will be feasible within the eight-year timeframe.

Staff is aiming for a larger number of targets and will continue to distill through the funnel and identify which are most cost effective and most easily implemented.

Ms. Rotunno advised that Morgana, Kingsbury and Doan top the list of where remaining CSO volume is located after the implementation of gray infrastructure. These are the "easiest targets" to capture the required 44 million additional gallons.

Staff considered at a number of criteria, including soils, availability of land, partnering opportunities, impervious surface areas, the proximity of parks and greenways and development opportunities. Annual CSO volume for a given area was examined in relation to how well the collection system responds to reductions in impervious surface area.

The information was utilized with a GIS application and a map was generated. Ms. Rotunno advised that 38 areas have been preliminarily identified as priority opportunities for green infrastructure that would capture more than the 44 million gallons required. The areas will be prioritized and determine which ones bubble up.

Deep dives will be done on each of the 38 sites to assist with concept development. Ms. Rotunno stated that this is an exciting concept in the Easterly District area, near Lakeshore Boulevard, because infrastructure improvements are already planned for the relief sewer and Euclid Creek pump station.

In addition to planned infrastructure improvements, existing separate storm sewers were discovered in the neighborhood that may be easy to tie into. There will be an opportunity to install a new storm sewer in the trench with the relief sewer. The District owns property close to the lake at Beulah Park, which would be compatible with green infrastructure.

Ms. Rotunno stated that determining which sites become priorities is where staff must get creative. An existing SWO and collection system pipe is located on Lakeshore Boulevard.

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Ms. Rotunno advised that under the green infrastructure project staff would propose the installation of a new relief sewer with the Euclid Creek tunnel and maintain the option to install a separate storm sewer to convey stormwater to a control measure at Beulah Park. She stated that feasibility and costs need to be taken into account but it has promise.

Each of the 38 sites will be evaluated and ranked according to their capital costs per CSO gallon removed and how much CSO would be reduced by each project.

Ms. Rotunno explained that secondary criteria include land requirements and what the District will do in terms of acquisition, easements and how quickly they can be accomplished. She stated that the key is partnership opportunities and public acceptance.

Continuing with the subject of land requirements and partnership opportunities, Ms. Rotunno advised that staff has met with representatives from the Cuyahoga County Land Reutilization Corp. and the City of Cleveland Land Bank regularly to maximize the use of vacant land.

Additionally, members of the previously-stated "green team" have been meeting with these partners on a weekly basis meeting over the past few months. She indicated that meetings had also been held with University Circle, Burten, Bell, Carr, Slavic Village Community Development Corp., Greater Cleveland RTA, ParkWorks, Cleveland Urban Design Collaborative and Neighborhood Progress, Inc. The District is "tapping the region's brain trust on property and redevelopment opportunities."

Regarding Mayor Starr's question about cost, Ms. Rotunno advised that the District will develop life cycle costs to compare green to gray. Construction of green infrastructure will be less costly than construction of traditional gray infrastructure because there is no poured concrete, deep digging or tunneling.

Ms. Rotunno stated that the question revolves around operation and maintenance costs for green infrastructure. There are savings regarding energy but maintenance is decentralized and more frequent than gray.

The capital renewal associated with green infrastructure is also uncertain. The requirements of an extended detention wetland over a life cycle of 50 years are unknown, whereas the life cycle of a tunnel is very well documented. Ms. Rotunno advised that this capital renewal and replacement component needs to be understood to quantify the costs of green infrastructure compared to gray. Such steps will be taken as the District moves forward with green infrastructure.

Ms. Rotunno moved discussion to the Doan Valley tunnel and the opportunity to exchange green for gray infrastructure. She advised that Strand & Associates has been

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working with staff to identify options for this area since August 2010. The Doan Brook study area includes Shaker Heights, Cleveland Heights, Cleveland and the Buckeye neighborhood.

A graphic was displayed that showed planned gray infrastructure controls, including the Dugway storage tunnel associated with the Easterly district that ties into Doan Valley; the Woodhill conveyance; and the MLK conveyance tunnel.

Ms. Rotunno advised that an opportunity exists to modify or eliminate the Woodhill conveyance tunnel system. The proposed gray infrastructure plan encompasses picking up existing diversion structures and putting them into the Woodhill conveyance tunnel. Such an action would account for \$14 million in capital construction costs.

The green infrastructure study raised the possibility that gray infrastructure could be eliminated or significantly reduced if a green infrastructure plan including these components were implemented in this area. The existing Giddings Brook conveyance currently conveys combined sewage, sanitary and storm in the same pipe.

Ms. Rotunno explained that successful interception of the diversion from the diversion structures would enable retrieval of the combined sewage piece or sanitary sewage piece from the pipe during normal low-flow events, which would keep it available exclusively for stormwater during the typical year. She stated that storage tanks may be required underground in the vicinity and the concept is being refined.

If storage is provided, it could allow the sanitary flow out of the Giddings Brook conveyance and pick up stormwater from impervious surfaces, which could potentially be a regional water quality feature for stormwater prior to discharging into Doan Brook.

Ms. Rotunno stated that green infrastructure comes together one piece at a time and many pieces need to be coordinated. She advised that The MPI Group (hereinafter "MPI") was excited when District staff met with them yesterday. Additionally, staff met with Buckeye neighborhood residents who were pleased with the District helping repurpose real estate in the area that does not currently have a purpose.

Ms. Rotunno stated that the Board authorized the District to enter into an agreement with University Circle, Inc. (hereinafter "UCI") regarding the early action green infrastructure project. The site is located near the corner of Euclid and Mayfield. She indicated that the sand in the area is optimal for infiltrating stormwater.

The parking lot was not included in the developer's original concept that addressed the building, roof drainage and courtyard. A "holistic drainage plan" was developed utilizing expansion of the parking lot.

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Ms. Rotunno explained that the sand is capable of infiltrating up to a 100-year storm event, which far exceeds the requirements for CSO control. Management of the parking lot and roof drainage into infiltration is estimated to eliminate one million gallons of stormwater from the combined system during a typical year.

The project still requires a tie-in to the sanitary and combined systems in the event they are needed. However, staff is optimistic it will not be needed up to that threshold due to the soil quality.

Ms. Rotunno advised that the difference in costs between the gray parking lot and the green parking lot is about \$285,000. Construction will begin very shortly and is expected to be completed by fall 2012. Within a year the District can reference this project as an infiltration contribution. She stated that staff thinks the project is a good investment of District money to demonstrate that contribution.

The Doan Valley tunnel feasibility studies are coming to an end at the end of the year. Staff is in the process of determining which of the 38 sites warrant a commitment to build. The study is currently in the 10% phase and will require cost estimates and design details to advance to 30%.

Ms. Rotunno indicated that District staff intends to present the Board with a Request for Proposal (hereinafter "RFP") to advance the green infrastructure levels to the 30% design stage and construct some of the early action projects. The projects subsequently will be implemented as the additional 44 million gallons are captured by 2020.

Mayor Starr complimented the presentation. He inquired if a map or list of addresses was available in regards to the 38 sites. Ms. Rotunno advised that all or most of the various CSO communities were included, as well as most of the City of Cleveland wards. She explained that the map was based upon where remaining CSO volume is located, where soils are suitable, land is available, and where the District can best accomplish its mission. The map is a technically-based location map.

Mr. Brown inquired if the GIS application could generate an overlay with geographic municipality lines. Ms. Rotunno affirmed.

Mayor Starr questioned how municipalities could collaborate and work with the District on similar projects. Ms. Rotunno stated that her colleagues would be willing to make a presentation and have a dialogue with any community willing to work on these issues. It will take the effort of all the communities in northeast Ohio and the cooperation of many politicians.

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Mayor Starr expressed interest while noting that the City of Middleburg Heights has 300,000 acres of wetlands controlled by the Cleveland Metroparks. He inquired if this green infrastructure project would address new development. Ms. Rotunno explained it was not necessarily new development. This is only in the combined sewer area. Much of it is re-purposing vacant land and getting tied in with known development projects on the horizon that we can collaborate on.

Mayor Starr questioned if most suburbs would not qualify. Ms. Rotunno clarified that an area must be inside the CSO area for the green infrastructure project to help.

Executive Director Ciaccia advised that the Stormwater Management Program is more focused toward the mid-ring and outer ring suburbs with those problems. There will be projects similar in nature in those communities.

Mayor Starr stated that he would like a presentation to the City of Middleburg Heights. Ms. Rotunno agreed.

Mayor Starr advised that his community will have significant new development in the \$20 to \$30 million range. He indicated the development would involve large parcels and this would be a good opportunity to utilize the green infrastructure program. Ms. Rotunno stated that the right opportunity to discuss it is in advance of the development.

Mr. Brown stated that he believed the discussion will revolve around a change in property owners' habits as it relates to development opportunities or residential development. He stated that the District is the best positioned entity in the region to facilitate the things that should be done system-wide to keep water out of the system or repurpose it for beneficial usage. The real opportunity is creating the "drivers for change" and how that occurs in communities. Ms. Rotunno agreed.

Executive Director Ciaccia advised that the District has two green infrastructure efforts -- the CSO LTCP and the SMP. While some communities tout that they are going 100% green, he stated that the issue needs to be examined logically. There are major capital costs associated with gray infrastructure and the costs associated with green infrastructure is seemingly less.

In-ground gray infrastructure is not maintenance intensive while above-ground green infrastructure is perhaps very maintenance intensive. He explained that those issues need to be considered over the long term in terms of balancing cost, the community and economic development benefits the projects might bring.

Executive Director Ciaccia stated that green infrastructure needs to be considered "holistically" and to "not jump into it" as other communities have. Staff thinks that is

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one of the reasons the EPA chose the District as one of their partners is because the organization is approaching this on a more logical basis.

Mr. Brown stated that the District is expected to become the driver for that type of effort. He rhetorically asked how programs are created that change people's thought processes in terms of approaching capital improvement, infrastructure improvements and gray versus green infrastructure because it is a significant change in repurposing areas.

Mr. Brown stated that there are ample opportunities to create this a "Green City on a Blue Lake." The opportunity exists to create a better habitat when stormwater reaches the lake through various tributaries. He further explained there are opportunities through making people in the region aware that their actions impact it and how they can do their part. Additionally, economies can be leveraged by approaching the matter a different way.

Ms. Kelly inquired regarding the definition of partnership participation with entities such as University Circle and Slavic Village. Ms. Rotunno explained that they are informational and collaborative partners helping guide the District to invest in areas that are compatible with development plans. They have more knowledge of their properties and District staff is staying current with their plans and information.

Ms. Rotunno advised that University Circle happened to own a parking lot adjacent to a hotel undergoing redevelopment. District staff coordinated with them, which made it possible to advance the project and infiltrate stormwater on that site.

Changing to the subject of the SMP litigation, Executive Director Ciaccia advised that the proposed changes to Title V are available to the communities for comment. A previous change allowed up to 100% credit for all customers -- including residential. However, following the last Board meeting staff agreed to pull the exemption for municipal airports from Title V.

The trial continues to be scheduled for October 31. Meanwhile, the program is in limbo. Executive Director Ciaccia stated that various communities have engaged the District regarding projects that would be on the regional system once the SMP is active. He explained some projects are ready for implementation and communities are aggressively lobbying for continued District involvement in their projects.

Executive Director Ciaccia explained that staff has not taken a hard-line stance of refusing to engage because the SMP is not yet active. Key opportunities exist such as the Beechers Brook improvements in Mayfield Village and the Chevy Branch project in Parma. He stated that something must be done soon because we do not want to lose the opportunity with these projects. He indicated the Board may be asked to consider recommendations on how to approach these projects.

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Mr. Greenland advised that Beechers Brook and Chevy Branch will be among the first projects under the SMP. Beechers Brook involves stream erosion issues in a community that is developing trail systems nearby.

The Chevy Branch project is a joint Parma-Cleveland project. Improvements have been made but the major issues remain. The landscape is changing with General Motors closing a portion of their facility. There is a development plan and needs to manage stormwater and perpetual flooding in Parma and Cleveland. He explained that the District must remain active in the process because it will inherit these decisions.

Executive Director Ciaccia explained that the Summit County Department of Engineering Services (hereinafter "Summit County") entered into an agreement with the District in 1986 on behalf of a number of communities that spelled out that we would bill them on a bulk sewage flow meter, master meter basis based on sewage flow and surcharges. He clarified that some communities were taken out of the SMP but remain in the sanitary sewer system.

Executive Director Ciaccia advised that at the beginning of the year the director of the Summit County Department of Engineering Services informed him that they were not happy with the billing arrangement and thought it was not equitable. District staff and Summit County had meetings and entertained their arguments. He stated that some of their arguments were logical and he wanted to engage them even though an agreement is in place.

Letters were exchanged and we are going to meet in a couple weeks with Summit County Executive Russ Pry and work through the issues. There is no threat of litigation at this point but may be in the future. He advised the Board that he had a productive conversation with Mr. Pry via telephone.

Moving conversation to federal advocacy efforts, Executive Director Ciaccia stated that emerging rules and regulations are monitored. One rule currently under consideration being tracked on behalf of communities is a new stormwater and sanitary sewer overflow rule. He explained that in the Northeast Ohio region the District is not responsible for much of the local utility as it relates to stormwater pipes and sanitary sewer overflows. There are no sanitary sewer overflows within the District but are in some communities.

Executive Director Ciaccia stated that the spokesperson for these issues and the communities' advocate is uncertain. He explained that the District does the best it can in that regard through the National Association of Clean Water Agencies (hereinafter "NACWA"). He intends to engage the communities to reach a consensus. A newsletter

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was distributed to the communities recently related to regulatory issues and the District will be more aggressive in that regard.

The District is monitoring the Farm Bill as it relates to nutrients. An initiative NACWA has dubbed "Money Matters" will result in legislation asking Congress to mandate the EPA utilize additional flexibility and prioritization with regulations. He noted that a resolution is on today's agenda from the U.S. Conference of Mayors that coincides with the Money Matters efforts.

President Obama's recent jobs bill contains some infrastructure money for water and sewer. Whether the legislation passes Congress remains to be seen.

Executive Director Ciaccia advised sewer system incineration is a current issue. While President Obama has put administrative stay on some rules, he has not as it relates to wastewater utilities. Executive Director Ciaccia stated that rule has problems on different levels.

The District is regulated under Sec. 112 of the Clean Air Act and this would move the organization under Sec. 128 of the Clean Air Act, putting it into a different realm. District staff thinks some of the data they used is flawed.

The Board has authorized a contribution of \$35,000 through Resolution No. 109-11 to a coalition of utilities that incinerate to challenge the rule through NACWA. Executive Director Ciaccia explained that the rule is a result of a court order a couple years ago and is being appealed. The District will be a party in that appeal through NACWA.

An affidavit was drafted for NACWA stating the District's case. The cost to adapt to the incinerators is estimated between \$38 and \$51 million, including the new \$165 million incinerators at Southerly. Staff believes it is significant and needs to be addressed.

Executive Director Ciaccia stated that the data used was flawed and the benefit the EPA expects will not be realized. Letters have been written advising the District's position to a number of Ohio Congressional representatives, including Rep. Bob Gibbs, Sen. Sherrod Brown and Sen. Rob Portman.

Executive Director Ciaccia advised that Andy Futey, a member of the District's federal advocacy firm, is with NACWA meeting with Sen. Portman's office in Washington. At that time, he turned the meeting over to former Congressman Dennis Eckart, who was present with his son, Ed Eckart.

Dennis Eckart stated that he and his senior staff were in a meeting with a top staffer who was presenting in an aggressive form his view of a provision of the Safe Drinking Water

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Act and how it is applied today. The staffer was unaware that he was talking to the author of that section of the law passed in 1986. Mr. Eckart advised that he had a slightly different view of that today and that federal agencies devolve things that were well intentioned 25 years ago into something he barely recognized today.

He reiterated that Mr. Futey was not present as he was meeting with Senators Brown and Portman's offices.

Mr. Eckart stated that a positive new development had occurred. Recently, Sens. Kay Bailey Hutchison and Brown introduced the National Infrastructure Bank legislation.

Mr. Eckart and his associates met with the U.S. House Minority Leader, Congressman Steny Hoyer and the Speaker of the House, John Boehner. They connected the legislation with the Chesapeake in Maryland and with Hamilton County in Ohio, where Speaker Boehner and Sen. Portman may have a special interest.

They presented modifications to the Infrastructure Bank legislation to specifically include no low-interest loans, refundable, returnable grants and non-returnable grants. He stated that the national leaders had not been aware of the incredible implications for infrastructure opportunity, particularly as it related to Hamilton County and northeast Ohio. Mr. Eckart stated that is a pleasing new development.

In terms of creating an "essential political synergy," Mr. Eckart advised that the Hamilton County area hired outside counsel to coordinate their efforts with his. He explained he was trying to align the Ohio EPA's sense of national issues and how it impacts them. Sens. Portman and Brown and Congressman Steve LaTourette have been very helpful in securing money for the purposes in the Water Resources Development Act.

In seven months, Mr. Eckart and his associates have attempted to create a sense of locality to a national debate. He advised that a presentation indicating how the District will address ratepayers with modest means was well received by both Republicans and Democrats in Congress. The issue was raised by Congresswoman Marcia Fudge and she appreciated the presentation.

Mr. Eckart advised that an entire day was spent touring the Southerly plant for a comprehensive look at the treatment process. He thought it was important and representatives from several congressional offices plan to return.

Mr. Futey will present what the District is doing in terms of the incineration issue and the sizeable investment associated with it. He arranged to attend Governor John Kasich's energy discussion on September 21-22 and show them firsthand what the District is doing

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to drive both energy and environmental remediation. Congressman LaTourette has worked for the inclusion of projects in the reauthorization of the Great Lakes initiative.

Mr. Eckart stated that on some matters there is no small level of disagreement in Congress, but in regards to the Infrastructure Bank, the House, Senate and White House all like it, but at different numbers.

Mr. Eckart stated that it is a breakthrough to find common ground between political representatives of differing philosophical beliefs. He indicated that both sides have the same goal in better serving constituents with the entities of federal government. Rep. Bob Latta and Sen. Brown are working together to introduce that bill.

Ed Eckart stated that the forward-thinking and collaborative nature with which the District has approached legislators has made it easier to reach both sides of the political aisle. He explained that while "it has not been a very friendly year in Washington, D.C.," there are projects on which both sides can agree and provide benefits to constituents.

Dennis Eckart stated that he and his associates try to break down partisan barriers. His group holds a conference call every Tuesday with senior staff and examines hearings and press releases. He explained that they have traveled to Washington multiple times and have been responsive to the Governor and the Ohio EPA's requests as District leadership has requested.

Mr. Eckart stated that the Board and senior District staff made clear they wanted "to know what they were paying for" with its advocacy groups. He hoped he provided a sense of what they had done on their behalf and that they appreciated the District's coordinated direction.

Mr. Brown thanked the Eckarts for the briefing and update. He indicated it was insightful and encouraging but the proof is whether dollars are attached to these conversations, but we have to continue to fight the good fight.

Executive Director Ciaccia moved conversations to finances as the end of the third quarter nears.

District operating revenues are currently at 66.6% of the \$169 million budgeted for the year and is projected somewhat ahead. He stated that was a positive sign. The District also had a rate increase in 2011 and the operating revenue numbers indicate that the billing problems at the Cleveland Water Department are being resolved.

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Executive Director Ciaccia advised that operating expenses are tracking 58.8%, or nearly \$4.5 million under budget. Personnel is projected down \$1.5 to the end of the year and no significant hires are anticipated that would alter that number.

Utilities are tracking \$700,000 downward. He advised that the District is under a new contract with First Energy and will reap the benefits from electric energy this year.

Equipment and repair and maintenance is down by about \$700,000. Executive Director Ciaccia explained that Dave McNeely, Director of Operations & Maintenance, and the Operations Department found a cheaper way to perform centrifuge maintenance and realize additional savings in the maintenance area.

Executive Director Ciaccia advised that more payroll will be capitalized this year than last, which takes away from the operating budget because that labor goes towards capital. The capitalized labor represents some employees in Ms. Rotunno's office and their salaries go towards projects. He advised that figure is running higher than budgeted, which is a good development.

Overall, the budget is expected to end the year at \$97 million -- which is significant because 2010 ended at \$97.2 million -- representing a flat budget for the year if the trends continue.

Executive Director Ciaccia stated the figures are a testimony to the Operations Department and others within the District. Staff will "run a tight ship for the final quarter" to bring in a good final number.

Executive Director Ciaccia thanked Larry Cinadr, the superintendent at Westerly, who has announced his retirement. He brought the Board's attention to a resolution of acknowledgement. As the resolution was presented to Mr. Cinadr, Mr. Brown read it in part.

Mr. Cinadr stated that he appreciated the recognition and the opportunities he had during the last 26 years with the District. He especially enjoyed his last three and a half years as superintendent at Westerly, which is where he began in 1985.

Mr. Cinadr stated that he was very fortunate and had four excellent assistant superintendents: John Augustine, Terry Robinson, Dan Smith and Mike Sullivan. He stated that they had amazing accomplishments at the plant. Mr. Cinadr thanked the Westerly staff and that he was honored to have been with the District.

Resolution No. 218-11

Resolution of acknowledgment and appreciation to Lawrence Cinadr in recognition of his more than twenty-six years of outstanding service and noteworthy contributions to the Northeast Ohio Regional Sewer District.

MOTION – Ms. Kelly moved and Mr. Sulik seconded to adopt Resolution No. 218-11. Without objection, the motion carried unanimously.

V. Action Items

Authorization to Advertise

Resolution No. 209-11

District-Wide HVAC Improvements.
Engineer's Opinion of Probable
Construction Cost: \$3,495,000.00.

Resolution No. 210-11

Southerly Boiler No. 2 Rehabilitation.
Engineer's Opinion of Probable
Construction Cost: \$625,000.00.

MOTION – Mayor DePiero moved and Mr. Sulik seconded to adopt Resolution Nos. 209-11 and 210-11. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 211-11

RFPs for Three-Year Contract for the Provision of Cellular Phone Service and Equipment. Estimated Cost: \$306,000.00.

Resolution No. 212-11

RFPs for Two-Year Contract for Supplemental Desktop and Network Support Services with an Option to Renew the Second Year. Estimated Cost: Year One, \$293,000.00 and Optional Year Two, \$176,000.00.

MOTION – Ms. Kelly moved and Mayor Starr seconded to adopt Resolution Nos. 211-11 and 212-11. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement(s)

Resolution No. 213-11 Agreement with the Cleveland Metroparks
for the Renewal of Operation and
Maintenance Funding for Two (2) Stream
Gages on West Creek. Cost: \$31,000.00.

Resolution No. 214-11 Agreements for 2011 Watershed Operating
Support Grants. Cost: Not-to-Exceed
\$244,982.06.

MOTION – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution Nos. 213-11 and 214-11. After discussion, Resolution No. 213-11 carried unanimously without objection and Resolution No. 214-11 carried with one abstention by Mr. Brown.

Mr. Brown requested a roll call on Resolution No. 214 due to his role on the board of one of these organizations.

Authorization to Enter Into Contract

Resolution No. 215-11 Contract with AdvizeX Technologies, LLC
to Design and Implement the Microsoft
Exchange Email System. Cost: Not-to-
Exceed \$97,332.46.

MOTION – Mr. O'Malley moved and Mayor Bacci seconded to adopt Resolution No. 215-11. After discussion, the motion carried with one abstention by Mayor DePiero.

Mayor DePiero requested a roll call as this is a client of a lawyer at his law firm.

Authorization of Contract Modification

Resolution No. 216-11 Modify Contract No. 10002398 with
Kenmore Construction Company, Inc. for
the Westerly Combined Sewer Overflow
Treatment Facility Rehabilitation Project.
Cost: A Time Extension of 93 Days with
No Change in the Contract Price.

MOTION – Mr. Sulik moved and Mayor Starr seconded to adopt Resolution No. 216-11. Without objection, the motion carried unanimously.

Authorization to Endorse Resolution

Resolution No. 217-11

Endorse United States Conference of Mayors Resolution 43 Requesting Congress “Reform the Clean Water Act Sewer Overflow Policy to Achieve Sustainable Long Term Goals.”

MOTION – Ms. Kelly moved and Mayor Starr seconded to adopt Resolution No. 217-11. Without objection, the motion carried unanimously.

Mr. Brown inquired if Executive Director Ciaccia had a statement.

Executive Director Ciaccia stated that Mayor David Berger of the City of Lima wrote a letter asking the Board to consider this resolution and return it by October 1.

The resolution is associated with NACWA, the Money Matters campaign and legislation the District and its advocates are formulating when there is enough support.

Executive Director Ciaccia stated that while the District has entered into a consent order, there may be opportunities to renegotiate certain aspects if the landscape or law changes. He explained that is why Mayor Berger and the U.S. Conference of Mayors are asking communities that have entered into consent decrees sign this. He was glad the Board decided to sign on and it will be forwarded.

VI. Information Items

There were no Information Items.

VII. Public Session (any subject matter)

No members from the public registered to speak at Public Session.

VIII. Open Session

There were no items for discussion.

IX. Executive Session

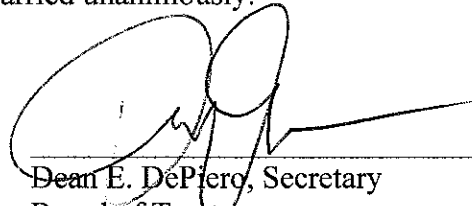
Mr. Brown stated that there was a matter for discussion in Executive Session.

MOTION – Mayor Bacci moved to enter into Executive Session to consult with legal counsel and District administration regarding a proposed promotion of a plant superintendent. Discussion of a personnel matter in executive session is permitted as a specific exemption to Public Meeting Act pursuant to Ohio Revised Code section §121.22(G)(4). He specifically designated all matters discussed in executive session be protected from public disclosure in accordance with Ohio Revised Code §121.22(g) and attorney/client privilege. A roll call vote was taken and the motion carried unanimously to adjourn into Executive Session.

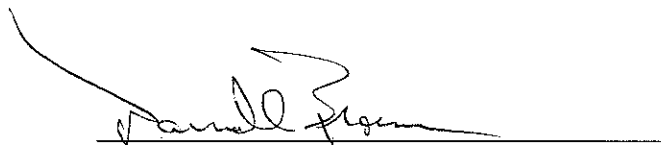
The Board met in Executive Session from 1:40 p.m. to 1:47 p.m.

X. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Ms. Kelly seconded the motion to adjourn at 1:47 p.m. Without objection, the motion carried unanimously.



Dean E. DePiero, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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