

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
OCTOBER 1, 2015

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:35 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 Mr. Sulik seconded to approve the minutes of the September 17, 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 reported that five of the communities involved in the Stormwater Management Program (SMP) litigation -- Beachwood, Lyndhurst, Brecksville, Independence and Strongsville -- and some business interests represented by the Berns firm have filed an action with the Ohio Supreme Court asking them to reconsider their decision on the case. They filed a brief outlining their arguments and the District will have ten days to reply to those arguments.

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Moving on with the report, CEO Ciaccia asked Constance Haqq, Director of Administration & External Affairs, to provide a report on the District's recent open house.

Ms. Haqq advised that the open house was successful. The District had a friendly competition with the Pittsburgh wastewater organization's open house. The District won two of the three criteria: the participation percentage increase was 228%; theirs was 5.12%. The District had a higher volume of social media activity; and Pittsburgh had 2,013 attendees whereas the District had 1,725. She thanked Mayor Bacci, the Operations Department, the EMSC and laboratory staffs, Jean Chapman, Jessica Shutty, Jenna Elting, John Gonzalez and all volunteers.

Mr. Brown noted that the Board had a resolution of acknowledgement of Humberto Sanchez, the former Director of Information Technology.

The resolution of acknowledgement recognizes Mr. Sanchez's 15 years of outstanding service, beginning as a management information system analyst and becoming Director of IT in 2008. Mr. Sanchez led initiatives related to IT governance, information, security, business process management and provided direction for the District's growing data storage needs.

**MOTION** – Mayor Bacci moved and Ms. Dumas seconded to adopt the resolution. After discussion and without objection, the motion carried unanimously.

### V. Action Items

#### Authorization to Release for Review

Resolution No. 242-15

Release the Proposed Community Infrastructure Program Policy and Draft Request for Proposals for Member Community Review.

**MOTION** – Mayor Stefanik moved and Mr. O'Malley seconded to adopt Resolution No. 242-15. After discussion and without objection, the motion carried unanimously.

Mr. Sulik requested an explanation regarding the leasing aspect of the resolution. CEO Ciaccia explained that the process is similar to the Title V Stormwater Program in which staff formed the program and put the draft out to the communities for comment. The Community Infrastructure Program is a proposed program and to what level it would be funded is to be determined based on the results of the rate study and negotiations with Environmental Protection Agency (EPA) from an integrated planning standpoint.

In terms of the leasehold arrangements, CEO Ciaccia explained that there might be assets over which the District would like to have temporary ownership in order to capitalize costs. Staff wanted an alternative of taking out a long-term lease on some assets for the purposes of

constructing assets.

Frank Greenland, Director of Watershed Programs, advised that staff met with a subcommittee of the Suburban Council of Governments (SCOG). The District has a \$3 billion combined sewer overflow (CSO) control program and is investing additional funds to maintain treatment plants and interceptor sewers. Those are Clean Water Act obligations.

Across the communities there are Clean Water Act or public health-related issues which are the responsibility of member communities. Examples of water quality issues at the local level include sanitary sewer overflows, basement flooding, illicit discharges and septic systems. These are public health issues that are not directly the District's Clean Water Act responsibilities, but the local and regional systems are linked.

Mr. Greenland explained that in the region sanitary and storm sewers are in the same trench, which can lead to intermingling flow. Stormwater is contaminated in many areas and bacteria gets to streams. The proposed program would support, repair and renew the sewer systems to address these problems.

The SCOG subcommittee had three meetings to discuss the proposed program. They were highly supportive of the funding and discussed levels of funding and cost sharing. They also asked the District to strongly consider planning to assist communities in developing projects for implementation.

Mr. Greenland advised that the program will be rolled out twofold. Sanitary sewer evaluation surveys (SSES) will be conducted to assess the problems and develop solutions for implementation. SSES studies are detailed evaluations that assess problems and identify solutions to solve the problem rather than moving it. They ultimately lead to a prioritized list of projects by community and study area. The program will include some level of funding in the future to assist communities with implementation, grants and lease agreements.

Mr. Greenland stated that the Heights Hilltop area is where staff proposes to launch the first SSES study. Other areas will be studied in subsequent years to complete SSES activities across the service area. When the study concludes staff will list proposed solutions and prioritize the worst problems.

Staff proposes funding up to 75% of the project cost to assist with implementation after SSES recommendations are received. Points are tallied depending on the local cost share. Applications will be due by September, after which they are reviewed and ranked on a list by the end of January each year. The criteria for ranking projects will include points for benefits to the community and the District.

Mr. Greenland explained that the next steps are to request authorization today to release the

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proposed policy and scoring criteria to member communities for a 60-day comment period, after which District staff will take into account the comments and make appropriate adjustments to the updated policy before presentation to the Board.

Authorization to Adopt Policy

Resolution No. 225-15

Adopt Northeast Ohio Regional Sewer District  
Green Infrastructure Policy.

Resolution No. 243-15

Adopt Northeast Ohio Regional Sewer District  
Public Purpose Expenditures Policy.

**MOTION** – Mr. Sulik moved and Ms. Dumas seconded to adopt Resolution No. 225-15. After discussion and without objection, the motion carried unanimously.

Resolution No. 243-15 was **held**.

Mr. Brown noted that modifications were made to the Green Infrastructure Policy so it more clearly reflects the current state of affairs.

Mr. Brown stated that it would be in the best interest of the Board if the Public Purpose Policy under Resolution No. 243-15 be referred to the Governance Committee. He asked Mayor Bacci and Mayor Stefanik to join him for those discussions along with appropriate District staff. The policy is significant and should have that level of due diligence.

CEO Ciaccia advised that the Public Purpose Policy was an agenda item during an Audit Committee meeting that was held this morning, chaired by Mr. Sulik.

Mr. Brown noted that that meeting would be open to all members of the Board of Trustees.

Authorization to Advertise

Resolution No. 244-15

Advertise for a One-Year Requirement Contract  
for the Purchase of Centrifuge Polymer for Use at  
the Southerly Renewable Energy Facility.  
Anticipated Expenditure: \$1,921,125.92.

**MOTION** – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution No. 244-15. After discussion and without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals

Resolution No. 245-15

RFPs for Heights Hilltop Interceptor Local Sewer  
System Evaluation Study.

**MOTION** – Mayor Stefanik moved and Mr. O’Malley seconded to adopt Resolution No. 245-15. After discussion and without objection, the motion carried unanimously.

Ms. Dumas inquired whether the study is tied to the proposed Community Infrastructure Policy. CEO Ciaccia explained that it will feed into the program but the studies are needed now.

Mr. Brown questioned what would occur if the program did not go forward. CEO Ciaccia advised that the studies stand on their own merit; the information obtained would be useful for the District and the communities to address improvements in the systems.

The District has a \$3 billion commitment to the federal government for CSO control in the consent decree and staff is executing that program with projects substantially under budget. From an advanced facility planning standpoint there is more than \$300 million in project costs that can be modified. In the interest of wisely spending money, staff engaged the federal government on integrated planning because there are priorities in the region other than CSO. The studies will help make that case.

Mr. Brown questioned whether the requirement is to obtain a certain removal rate or a certain expenditure level. He stated that he wanted to be clear about what the consent decree requires the District to do. Marlene Sundheimer, Chief Legal Officer & General Counsel, advised that the consent decree requires both a \$3 billion expenditure and the 98% CSO capture rate over 25 years. The expectation is to meet all of the requirements.

Mr. Brown stated that the results of the study will point to things that need to be done to comply with the consent decree, whether District-related or community-related. There is an expectation of compliance or working with a community to comply. He suggested that is a discussion point the District has responsibility to mitigate.

Mr. Brown inquired how staff is tracking reaching the removal rate in terms of facilities brought online and whether they will have the expected outcome.

Devona Marshall, Deputy Director of Engineering & Construction, advised that staff is in the early stages of the long-term control plan which includes construction of the final facilities. Staff completed construction of the first control measure at the end of the year and has begun performance compliance activities. The District is required to monitor them for a year and evaluate for another year to show it has achieved the required level of control. Mr. Brown stated that when that comes online it may be an appropriate monthly dashboard item.

CEO Ciaccia advised that the District from a compliance and consent decree standpoint is under

the Clean Water Act and its various regulations; the communities' issues are not part of the consent decree. However, now the EPA is taking a less siloed approach and the integrated planning approach has allowed all Clean Water Act issues to be considered and now these studies will help make the case that such other issues should also be considered along with CSO's.

Mr. Brown stated that there are other preexisting regulations the District is required to enforce; should an SSES discover something that contributes to those concerns there is a responsibility to work with communities to get them into compliance.

Authorization to Issue Request for Qualifications (RFQs)

Resolution No. 246-15	RFQs for Two Appraisal and Appraisal Review Services Two-Year Contracts. Cost: Not-to-Exceed \$200,000.00 for Both Contracts Combined.
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**MOTION** – Mr. O'Malley moved and Mayor DeGeeter seconded to adopt Resolution No. 246-15. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreements

Resolution No. 247-15	Sponsorship Agreements for the 2015-2016 Water Resource Restoration Sponsor Program.
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**MOTION** – Mayor Bacci moved and Mr. Sulik seconded to adopt Resolution No. 247-15. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 248-15	Professional Services Contract with MWH/HMM Westerly JV for the Westerly Storage Tunnel and Dewatering Pump Station Project. Contract Amount: \$19,405,106.00.
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Resolution No. 249-15	Requirement Contract with Park Ford, Inc. for the Purchase of One 350 Type Utility Truck for the Building Maintenance Department and Three 450 Type Utility Trucks for the Sewer System Maintenance and Operations Department. Cost: \$195,602.00.
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**MOTION** – Mayor Stefanik moved and Mayor DeGeeter seconded to adopt Resolution Nos. 248-15 through 249-15. After discussion and without objection, the motion carried unanimously.

Mr. Brown was surprised that only two responses were received and inquired whether vendors were too busy with projects that they could not propose for what seems to be a significant project. Ms. Marshall affirmed and explained that the District has many proposals currently out to comply with a tight schedule for Project Clean Lake projects. Staff attempts to stagger projects to encourage proposals from multiple consultants but two good proposals were received for this project.

Doug Lopata, Manager of Design, stated that the project is the fourth of seven tunnels. The AFP team has looked through the project and saved between \$85 and \$105 million. Staff has been able to secure property agreements with the City of Cleveland, Cleveland Water Department and Great Lakes Towing, which is an advantage of starting the process earlier.

Mr. Lopata advised that the best way to package the two projects is the one professional services contract because of the overlapping site work and shared construction shaft and two construction packages: one for the tunnel and another for the pump station. Staff has negotiated a contract \$3.9 million under the current budget.

During the first six months staff must finalize the alignment of the Westerly tunnel. There are four alignments.

Mr. Lopata explained that a pump station and one shaft will be located near the West Shoreway which is one of the pick-up points. We will go through Ohio City towards one of the top five outfalls. The location currently has 43 CSO occurrences and 320 million gallons of CSO currently which will be reduced to two occurrences and 42 million gallons. The location of CSO 74 has 28 occurrences per year accounting for 26 million gallons of CSO, which will be reduced to two events and 3 million gallons.

Mr. Lopata explained that District staff is trying to work in an area between the Shoreway, the Soap Box Derby and Great Lakes Towing along the river with some of the boats they store. The City is in the process of filling that river channel.

The pump station will be a 36-million-gallon-per-day pump station compared to 160 million gallons per day at Easterly. The 80-foot diameter, 200-foot deep shared shaft will be used for tunneling and the pump station.

Shaft 2 is pinned down to three sites, two of which are near Cleveland Water Department property on the north side of the Shoreway. The alternate site is on the south side near West 45th Street, which will pick up CSO 74.

Mr. Lopata advised that at the east end of the tunnel would be Shaft Site 3, which will have two locations: one potential site if staff decides not to tunnel from that end and a site if they do.

Mr. Lopata advised that the tunnel and pump station designs overlap and are integral due to the shared shaft site. The tunnel will be bid in advance of the consent decree milestone and then the pump station will be bid. The consent decree milestone is potentially three years early and the District may save \$21 million in escalation and 900 million gallons of additional CSO capture.

Mr. Brown inquired whether the storage tunnel is a footprint for capturing flow during a storm event that would have gone into the environment. Mr. Lopata affirmed.

Mr. Brown questioned whether the sewershed drains from the West 117th area. Mr. Lopata explained that it does not; it is a separate leg of the Westerly district. The Northwest Interceptor handles that area.

Property-Related Transaction

Resolution No. 250-15	Authorization of Five Appropriations Necessary for the Construction of the Woodland Central Green Infrastructure Project. Total Consideration: \$600.00.
Resolution No. 251-15	Authorization of One Appropriation of a Permanent Sewer Easement Necessary for Construction of the Dugway West Interceptor Relief Sewer Project. Consideration: \$550.00.
Resolution No. 252-15	Authorize One Acquisition, in the City of Parma, Necessary for Construction of the Chevrolet Boulevard Detention Basin Project. Total Consideration: \$1.00.
Resolution No. 253-15	Authorize One Fee Simple Acquisition, in the City of Cleveland, Necessary for Construction of the Doan Valley Tunnel Project. Total Consideration: \$17,000.00.
Resolution No. 254-15	Authorize Transfer of One Parcel to the City of Lyndhurst in Order to Maintain the Parcel as a Green Space for the City. Total Consideration: \$1.00.



Resolution No. 255-15

Authorize Relocation Payment, Associated with the District's Permanent Acquisition of Property in the City of Cleveland, Necessary for Construction of the Union/Buckeye Green Infrastructure Project. Total Consideration: \$18,731.14.

**MOTION** – Mr. O'Malley moved and Ms. Dumas seconded to adopt Resolution Nos. 250-15 through 255-15. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Insurance Broker Presentation

CEO Ciaccia noted that during a previous Board Meeting the contract of the District's commercial insurance broker, The Fedeli Group, was extended and the Board asked for an update on the insurance program.

Kelly Zebrowski, from The Fedeli Group, advised that he was present to provide a high-level view of the insurance program including property and liability.

The District is a robust organization and has a complex insurance program. He noted that the District has a sizeable retention due to its financial ability, and keeps the exposure to risk itself rather than transferring it to insurance. The District has a \$250,000 self-insured retention on most liabilities and a \$2 million retention under property.

Mr. Zebrowski explained that a licensed broker is needed to procure, sell and service insurance. Fedeli is licensed and consults or contracts with various insurance companies. They act as the District's conduit to insurance marketplace and work with the District's risk management team to make sure the insurance coverage is adequate for business needs. As the business changes the program may need to be changed. Fedeli on a day-to-day basis helps the District interpret its insurance contracts and how it applies to insurance products.

Mr. Zebrowski stated that Fedeli also assists with overall risk management. In this case, they transfer risk from the balance sheet to the insurance company's balance sheet. The District can either pay a commission built into the insurance product or pay you a fee.

Due to the District's sizable retention it needs someone to help it manage claims within that retention level. The third-party administrator helps manage those claims and watch them with the risk management department.

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 personnel matter and the SMP litigation. After discussion and without objection, the motion carried unanimously.

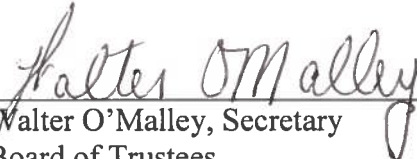
The Board met in Executive Session from 1:27 p.m. to 1:54 p.m.


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. Sulik moved and Mayor Bacci seconded the motion to adjourn at 1:54 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