

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
OCTOBER 1, 2020

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.

President Brown opened the meeting by addressing the COVID-19 pandemic, and read the following statement:

Due to the COVID emergency, we are again conducting our Board meeting via live stream video conference using the Zoom Video Communications tool and pursuant to House Bill 197.

Members of the public may have access to the meeting using the Zoom login link found on the top of the District website, and those who wished to address the Board were able to make that request through the Zoom system prior to the start of the meeting.

I. Roll Call

PRESENT: Darnell Brown
Ronald Sulik
Samuel Alai
Terence Joyce
Jack Bacci
Timothy DeGeeter

ABSENT: Sharon Dumas

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Mayor Alai seconded to approve the Minutes of the September 17, 2020, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items

IV. Chief Executive Officer's Report

Kyle Dreyfuss-Wells, Chief Executive Officer, began her report by providing an update regarding the District's ongoing COVID-19 pandemic response. Ms. Dreyfuss-Wells informed the Board that as of September 30, the District has had a total of 10 employees with confirmed diagnoses, all

of whom have recovered and returned to work. The District is continuing its gradual reconstitution, with some employees with offices returning to District facilities on October 5th.

Ms. Dreyfuss-Wells informed the Board that Adam Krantz, Chief Executive Officer of the National Association of Clean Water Agencies (NACWA) was in attendance to present NACWA's Peak Performance Awards and provide an update regarding their national advocacy.

Ms. Dreyfuss-Wells invited Frank Foley, Director of Operation and Maintenance (O&M), to introduce the District's wastewater treatment plant (WWTP) superintendents.

Mr. Foley introduced Cathy Glisic, Assistant Superintendent of Easterly, Debbie Klosz, Superintendent of Westerly, and Terry Robinson, Superintendent of Southerly. Mr. Foley added that while the awards are a testament to the work of the leaders and hardworking people of the O&M Department, the O&M Department would not succeed without the support of all of the District departments. These awards are a testament to the work of the entire District.

Mr. Krantz thanked the Board and President Brown, Ms. Dreyfuss-Wells (who serves on NACWA's Board), and the District staff for the work that they do and added that this is an incredible achievement.

Mr. Krantz advised that there are 16,000 publicly owned treatment works, yet NACWA only gives out 300 awards for this level of compliance to utilities. Gold awards are presented to facilities that have zero permit violations for the year, an unparalleled achievement.

Mr. Krantz presented a gold award to the Easterly WWTP, noting that Easterly has received a Peak Performance award every year since 1989; a gold award to the Southerly WWTP, noting that Southerly has received a Peak Performance award every year since 2005, with their first received in 1987; and a silver award to the Westerly WWTP, noting that Westerly has received a Peak Performance award every year since 1999, receiving its first in 1987.

Mr. Krantz has worked at NACWA for 20 years with 5 years serving as the CEO. He noted that this level of achievement is remarkable and a testament to the work of the District. The District's record for environmental and public health and safety is incredible especially given that this is the 50th anniversary of the EPA, will be the 50th anniversary of the Clean Water Act in 2022, and was the 50th anniversary of NACWA in January. The regimen of regulations has grown more complex over this time. The Clean Water Act's compliance rules are very strict given water's importance.

The District won NACWA's Advocacy Award in 2019, which is not awarded most years. The Advocacy Award was given to the District in 2019 because of the work done in Integrated Planning, which was an effort to ensure that utilities had the broadest flexibility they could to prioritize ratepayer funds to meet compliance requirement placed on them by the Clean Water Act federally, as well as by state regulators. Without the District's advocacy support, NACWA would not have been able to get a statutory amendment to the Clean Water Act calling on EPA to accept Integrated Planning as a core component of their program as well as ensuring federal support for low income ratepayers. State Representative Marcia Fudge introduced the first bill with the

District's support. It then went to the Senate with bipartisan support from multiple states and ultimately, Speaker Pelosi got it put into the stimulus bill that passed on September 30, with \$1.5 billion for federal funding to assist low income households. The bill will require adjustments as it moves through the Senate but is an example of how a network of utilities can join forces and achieve strong federal partnership. With support from the District, these partnerships have helped to grow funding for programs such as the state revolving fund and the WIFIA loan program, which assists with sewer overflow grants, and the integrated planning effort, helping to ensure consent decree modifications nationwide.

Mr. Krantz further stated that NACWA is working to ensure that there is federal and state funding to meet compliance needs and noted that municipalities shoulder the load through their ratepayers and bonding capacity, but the federal government should ensure flexibility for utilities. This is a fight that will continue as the stimulus bill unfolds, however, there should be tens of billions of dollars in federal funding for water infrastructure and NACWA will work tirelessly to ensure that happens.

In closing, Mr. Krantz thanked the District and Ms. Dreyfuss-Wells for the work done within the community and in support of NACWA.

President Brown thanked Mr. Krantz for the recognition of the hard work performed by District staff and offered kudos to the WWTP superintendents and their teams, adding the leadership that they provide is critically important.

President Brown explained that Northeast Ohio is not bashful about taking credit for its role in the creation of the Clean Water Act, as it relates to the Cuyahoga River and the advocacy to enact change.

President Brown added that Mr. Krantz touched on one of his favorite subjects, the Integrated Planning process. As the District completes projects under the long-term control program and nears the end of planning opportunities, the District is focused on opportunities for Integrated Planning to provide the types of projects that give good benefits with high levels of investments, while providing compliance with removal requirements and ensuring that the District is getting value for those programming dollars, recognizing the issue of low income affordability. While the District appreciates that it is a good environmental steward and has a good environmental record, the District must be sensitive to its ratepayers.

President Brown added that the District appreciates Mr. Krantz and NACWA providing information and awards and assured him that the District will continue to be a good partner in terms of its employees, staff, and Board of Trustees.

Ms. Dreyfuss-Wells thanked Ms. Glisic, Ms. Klosz and Mr. Robinson and commended them for receiving the awards.

Ms. Dreyfuss-Wells invited Ken Duplay, Chief Financial Officer, to provide an update regarding District finances.

Mr. Duplay advised the Board that the August financial report was included in the Board materials from the prior meeting. In that report, revenue for both stormwater and sewer were tracking relatively well compared to budget.

Consumption for the year is down 5% through August as compared to 2019, which is not out of line with a typical year. The month of August itself was down 4% and the current projections are based on a 7% decrease. Consumption is leveling off and has been more stable in the last several months. Commercial consumption was down 11% in August but has improved every month since May when it was at its lowest rate of a 26% decline. Residential consumption was up 3% in August. The District is not seeing the very large declines that were predicted in April and May.

Regarding collections, the rates through August were at 94% versus 97% in a typical year. While this is down from a typical year, it is better than the 88% that was projected for the remainder of the year.

The financials are tracking better than the COVID-19 impact projections, but under a typical year's results. The Finance Department will take the last three full quarters and project one more time to assess potential revenue impacts for the year based on the current information. It is anticipated that the current projection of \$40 million to \$50 million revenue shortfall will decrease. The Board will receive updated information once the September actuals have been analyzed.

The District will remain conservative and continue to maintain the cuts that are in place, while closely monitoring financials into 2021. Additional cuts for 2020 are not anticipated.

V. Action Items

Authorization to Advertise

Resolution No. 268-20 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for the Westerly Settling Tank Rehabilitation project with an anticipated expenditure of \$6,500,000.00.

MOTION – Mr. Sulik moved, and Mr. Joyce seconded to adopt Resolution No. 268-20. After the following discussion, without objection, the motion carried unanimously.

President Brown asked for additional information regarding this project only having a 10% BOP goal. Devona Marshall, Director of Engineering and Construction, noted that the typical targeted goal is 20% and explained that the reason the goal is lower in this instance is, in part, because over 60% of the cost is materials and equipment. Additionally, a significant portion of the labor costs are related to the removal of the old collector drives and the installation of the new collector drives which is anticipated to be performed by the prime contractor on the project. This is not the type of work typically performed by the District's registered BOP firms and for those reasons, the goal was set at 10%.

Ms. Marshall added that District contractors consistently meet and frequently exceed the BOP goals and is hopeful that will happen on this project.

President Brown thanked Ms. Marshall and added that he would encourage the District to continue to explore those opportunities as it continues to deliver on its capital portfolio and goods and services.

Authorization to Reject and Rebid

Resolution No. 269-20 Authorization to reject all bids and re-bid the Water Testing and Treatment Services for Boilers, Cooling Towers and Closed Loop Water Systems at all District Facilities, with an anticipated expenditure of \$150,000.00.

MOTION – Mayor Alai moved, and Mayor Bacci seconded to adopt Resolution No. 269-20. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 270-20 Authorization to enter into an agreement with the City of Cleveland for residuals treatment at the Easterly and Southerly Wastewater Treatment Plants for a minimum term of ten years and to continue until 5-years' notice of cancelation by either party.

MOTION – Mr. Joyce moved, and Mr. Sulik seconded to adopt Resolution No. 270-20. Without objection, by roll call vote, with all present members voting yes and recusal from discussion and abstention from voting by President Brown, the motion carried unanimously.

Authorization to Enter into Contract

Resolution No. 271-20 Authorization to enter into a construction contract with Nerone & Sons, Inc. for the Doan Brook Culvert Debris Removal project in an amount of \$543,900.00.

MOTION – Mr. Sulik moved, and Mayor Alai seconded to adopt Resolution No. 271-20. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that several bids were received on the project at nearly \$1 million but the recommended bid is roughly half of the other bids and asked for an explanation regarding the pricing disparity.

Frank Greenland, Director of Watershed Programs, explained that like the Engineering & Construction Department, the Watershed Programs Department continues to be in a favorable

bidding environment. There was a grouping of bids on the high end and a grouping of bids on the low end, with three in relative range of one another. When averaged, the bids were 23% below the engineer's estimate. The District reviewed the submittals and requirements and felt comfortable with the recommendation.

Nerone & Sons has a project manager with a great deal of experience in culvert rehabilitation and culvert cleaning and has devised a plan to enter the culvert and remove the debris that is causing a restriction and lowering the level of service in Doan Brook. This project will result an increase in the level of service in the area from a 2-year storm level to a 10-year storm level. The District will continue to monitor the area and watch for redeposition of debris and has a plan to add an access point in the future, for ease of debris removal.

Authorization of Contract Modification

Resolution No. 272-20 Authorization to modify the existing three-year requirement contract with Zinkan Enterprises, Inc. for Boiler Feedwater Treatment and Cooling Tower Services for a three-month time extension through December 31, 2020 with no change in the contract price.

Resolution No. 273-20 Authorizing final adjusting change order for Contract No. 19006296 with Pirc Company Landscaping and Snowplowing, LLC for the Site Restoration Services II project by decreasing the contract amount by \$113.96, thereby bringing the total contract amount to \$420,042.02.

Resolution No. 274-20 Authorizing final adjusting change order for Contract No. 18006243 with Pirc Company Landscaping and Snowplowing, LLC for the Site Restoration Services project by decreasing the contract amount by \$15,199.67, thereby bringing the total contract amount to \$203,932.05.

MOTION – Mr. Sulik moved, and Mr. Joyce seconded to adopt Resolution Nos. 272-20 through 274-20. Without objection, the motion carried unanimously.

Authorization to Assign

Resolution No. 275-20 Authorization to assign Contract No. 18000126 with Russelectric, Inc. to Russelectric, A Siemens Business for stand-by generator maintenance and repair services, effective January 1, 2020, with all current terms and conditions of the contract to remain unchanged under the assignment.

Resolution No. 276-20 Authorization to assign Agreement No. 14002961 with PCM Sales, Inc. to Insight Public Sector for application hosting services for the District's SharePoint application platform, effective January 1, 2020,

with all current terms and conditions of the agreement to remain unchanged under the assignment.

MOTION – Mr. Joyce moved, and Mayor Bacci seconded to adopt Resolution Nos. 275-20 through 276-20. After the following discussion, without objection, the motion carried unanimously.

President Brown noted, regarding Resolution No. 276-20, that it appears that the District has had this agreement for several years with a recent extension, and asked whether there is a plan to obtain a new proposal so there is a more predictable business operation in place, rather than extending this existing contract from year to year.

Jim Bunsey, Chief Operating Officer, explained that the contract had a lot of moving parts since it was entered into in 2014. This contract is for hosting services for the District's SharePoint document control system utilized by E&C, Watersheds and O&M departments. These departments are moving towards a new project management platform.

This contract has been before the Board four times since 2014, twice to extend the contract and twice to add funds. The current Resolution is for a name modification to the hosting service. Since it is very expensive to change service providers, the contract extensions and cost increases were to allow the District time to evaluate potential document control and project management replacement systems. The District has been looking for an enterprise-wide document control system and OnBase was recently approved for document control. It is anticipated that the District will be looking to award the recommended project management system in November 2020 with implementation completed by February 2022, which will mark the end of this hosting contract and the move to the new platform.

Property Related Transaction

Resolution No. 277-20 Authorize the District to acquire one temporary easement on property known as part of PPN 132-19-037, located at 6409 Harvard Road, in the City of Cleveland, owned by K&F Property Harvard, LLC, necessary for the construction of the Morgana Burke System Improvement project with total consideration of \$300.00.

MOTION – Mayor Bacci moved, and Mayor Alai seconded to adopt Resolution No. 277-20. Without objection, the motion carried unanimously.

VI. Information Items

Mr. Greenland presented the third quarter update of the Regional Stormwater Management Program, beginning with the Labor Day rain event. Mr. Greenland explained that there was significant rain over an extended time period, and depending on the specific location within the

six-hour recurrence interval, some areas were approaching 200-year storm level and the average across the service area was a 25-year storm. This storm did not have a significant amount of high intensity rain over short periods of time. It did have significant rain fall across the area. According to the Cleveland Hopkins International Airport data, the service area has received 11 inches of rain above average this year.

There was a major rain even in March which was different inasmuch as there was a lot of rain over two days, there was heavy rain in short intervals, and there was rain in the weeks preceding so the streams were charged before the rains came. There was a lot of trash and debris with this storm.

The March and September events are both in the top ten flood events on record in Big Creek and the Cuyahoga River, which is very significant. The District monitors the stream gauges to gauge response.

In response to the Labor Day storm, the District inspected 91 areas, which generated 29 work orders and removal of over 800 cubic yards of debris, costing \$84,000. The March storm event resulted in the removal of 1097 cubic yards of debris.

Mr. Greenland provided several photographs comparing the aftermath of the Labor Day and March storm events demonstrating flooding, sediment, and debris across the service area.

Mr. Greenland explained that flood events are becoming more frequent in part because rainfall events are getting bigger. There are spiky rains with significant precipitation in short time intervals. Additionally, the landscape has changed as the percentage of impervious surfaces has increased leaving nowhere for the rain to go but the streams. The streams change because of intensity, the incredible volumes, and velocities.

Mr. Greenland provided a chart demonstrating the impacts of increased imperviousness to the quality of the stream network, explaining that if there is less than 10% imperviousness, the streams are generally good quality. When imperviousness reaches 25% or above, there are significant impacts to waterways, and this is what is being seen in the District's service area. There are very few watersheds or stream networks in the area that are under 10%, and those are on the periphery. Many of the watersheds are in the 25% imperviousness range or higher, creating a challenge in dealing with flooding and erosion in the service area.

Regarding master planning, both the Cuyahoga North and South Master Plans are 100% complete. The recommendations for Rocky River will be complete in November 2020 and the Chagrin River and Lake Erie Tributaries will be complete mid-year 2021.

In Cuyahoga North, 71 problem areas were identified with a cost of \$522 million. The intent of the master plan is to increase the level of service to the highest level possible. This will not be achievable everywhere, however, the District is nominating project recommendations from the master plan into the Stormwater 2020 Construction Plan.

As for Rocky River, the reports are being generated. The District will begin discussions with communities regarding its finding and recommendations. The total anticipated cost in this area is \$275 million. Once the study has been completed in November, the prioritization process will begin.

A great deal of field and data collection has been done for the Chagrin River and Lake Erie Tributaries with model development 75% complete. The model development for Doan Brook is complete and priority recommendations will be provided within the next couple weeks. They will be discussed internally before being provided to the communities.

The District has initiated an advanced stormwater planning project and has a consultant under contract. Many of the recommendations from the master plans, particularly in drainage areas with significant impervious surface area, are very costly projects to control flooding and erosion. The District will issue task orders and perform more detailed planning in multiple areas to stage the projects to fall within the annual cash flows.

The District has been successful in property acquisitions, which are critical to implementing large projects, with \$9 million in acquisitions since it began. The District has had \$3.5 million in acquisitions so far this year and expects \$5 million total by year-end to execute large projects that are currently in the design phase.

Mr. Greenland moved his presentation to stormwater construction, providing before and after photographs of the recently completed Stickney Creek Stream Restoration project. This project involved moving a sanitary sewer out of the streambed and created some floodplain.

Stormwater cashflow is intentionally low, with the budget reduced by \$6 million this year due to revenue concerns. The program will not hit 85% this year but there is an anticipated uptick as construction contracts get underway. In terms of KPIs, the program is doing well. It will not reach the KPI for bids within 10% of engineer's estimate because of competitive bidding, which is not a bad thing.

As for prioritizing projects, there are a lot of different levels of service across the area, meaning some areas flood every year and some only flood due to 100-year storms. Some areas have a high level of service, but still have many problems. The District is evaluating and categorizing these areas, with a focus on addressing the low level of service areas first and attempting to bring the 1- to 5-year level of service areas to a 10- to 25-year level of service, while capitalizing on opportunities where there is a high level of service and good cost-sharing or grant funding opportunities.

Mr. Greenland provided photos of some upcoming projects. Pepper Luce involves floodplain expansion with a \$760,000 estimate. Chippewa Creek in Broadview Heights has a threatened sanitary sewer and failing gabion baskets. It will cost \$1.5 million and will be presented to the Board in early 2021. The Ridgewood Basin area in Parma is in the pre-design phase with the District evaluating the potential to use dry retention basins to fill and release during rain events. Design will begin in 2021. West Creek and Sandpiper is a slope failure repair that is underway

and will be completed this year. Doan Brook was discussed earlier in the meeting. It will involve debris removal to increase the level of service in the area.

Mr. Greenland provided an update on the Community Cost-Share Program. The account balance is currently \$30 million with \$8.6 million assigned to executed agreements and \$2 million in agreements that are in process with communities. There are allocation agreements, wherein communities will leverage their funds to go into bigger projects, which ties up future funds. There is good utilization from all of the member communities with all of the year-one funds having been spent. There will be discussions with the communities mid-2021 to ensure that they utilize their two-year funds, or those funds will become District funds. There was a mix of projects for 2020 with 105 projects under agreement.

Since its inception, the program is approaching \$20 million spread over 233 projects on the local level that complement the District's regional program.

Mr. Greenland closed his presentation with a photograph demonstrating the success of the Green Lake Dam Rehabilitation project, wherein the facility functioned just as it should during the Labor Day storm.

Open Session

There were no items

VII. Public Session (any subject matter)

There were no items.

VIII. Executive Session

Mayor Bacci, pursuant to Ohio Revised Code Section 121.22(G)3, moved to enter into executive session to consult with the District's legal counsel concerning disputes involving the District that are subject to pending and imminent court action. By roll call vote, the Board voted unanimously to enter into executive session at 1:21 p.m.

IX. Approval of Items from Executive Session

N/A

X. Adjournment

The Board returned to open session at 1:56 p.m.

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Mayor Alai seconded the motion to adjourn at 1:56 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