

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
October 17, 2019

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown
R. Sulik
R. Stefanik
T. DeGeeter
J. Ciaccia
J. Bacci
S. Dumas

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 October 3, 2019, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

CEO Dreyfuss-Wells began her report by stating that on October 8, the Latinx Professional Network Employee Resource Group partnered with the Northeast Ohio Hispanic Center for Economic Development to host a very successful event, which was focused on the Latinx community at the Hispanic Center's new home on West 25th Street. Contract Compliance provided outreach to businesses via the Business Opportunity Program, and Human Resources provided outreach to people that were interested in employment opportunities with the District. There were approximately 56 participants.

On October 16, the Business Opportunity Program hosted an event with over 100 people and senior staff, where local business owners were able to meet with department directors.

Ms. Dreyfuss-Wells introduced Samantha Marx, Director of Client Services with ERC, to present the District with a 2019 NorthCoast 99 winner in the top workplace award.

Ms. Marx congratulated the District on its third NorthCoast 99 win. She reminded the Board that it is challenging to win NorthCoast 99 one time but, three times is quite the feat, and everyone should be proud of the accomplishment.

V. Action Items

Authorization to Advertise

Resolution No. 268-19 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for the CSO Outfall Repairs and Improvements project with an anticipated expenditure of \$2,900,000.00.

MOTION – Mr. Ciaccia moved and Mayor Bacci seconded to adopt Resolution No. 268-19. After the following discussion, without objection, the motion carried unanimously.

Mr. Brown requested an overview of Resolution No. 268-19 as well as further explanation as to the definition of “vent structure.”

Devona Marshall, Director of Engineering and Construction, explained that there is an area upstream of CSO 062 where the District is removing seven known illicit connections. Eliminating all illicit connections will enable the removal of the regulator structure and that CSO outfall will become a stormwater only outfall. After the removal of the seven known illicit connections, follow-up testing will be required to evaluate whether there is still E. coli present in the system. If the E. coli is eradicated, the regulator structure will be able to be eliminated. If E. coli is still present, it will require work with the WQIS group for further investigation to identify any additional illicit connections which if found could be removed per the specific allowance in the contract.

Included in this project is the installation of four air vent structures. The purpose of the air vents is to dissipate air during wet weather in the system. If air is entrapped in the system, it may cause a surge wave, which in the worst situations, can cause geysers within the system. The installation of the four air vents will release air during wet weather to avoid those situations.

Authorization to Issue Requests for Proposals (RFP) and Requests for Qualifications (RFQ)

Resolution No. 269-19 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 153, for the Brookside Culvert Repair project.

Resolution No. 270-19 Authorization to issue an RFQ, in accordance with Ohio Revised Code Chapter 153, for the Stormwater General Professional Services 2 project.

Resolution No. 271-19 Authorization to issue a progressive design-build RFQ and subsequent RFP, for design and construction services, in accordance with Ohio Revised Code Chapter 153, for Debris Racks and Access Road Improvements at Various Locations.

MOTION – Mayor Stefanik moved, and Mr. Sulik seconded to adopt Resolution Nos. 269-19 through 271-19. After the following discussion, without objection, by roll call vote, the motion carried with all present members voting yes and recusal from discussion and voting abstention by Mr. Ciaccia.

As to Resolution No. 269-19, President Brown noted that the structure had been inspected around a year ago and appeared to be in good condition; however, there has been major deterioration. President Brown further noted that the structure is 50 to 80-years-old and asked for some insight as to what to anticipate as it relates to the condition of the structure. Ms. Marshall asked Doug Lopata, Design Program Manager, to provide an overview.

Mr. Lopata explained that the Brookside Culvert is an eight-and-a-half foot high by 23-foot wide stormwater culvert which required emergency bracing earlier this year and will require additional repairs as portions of it range in age from 83-years-old to 53-years-old. This RFP is for the consultant to do a condition assessment of the entire culvert (approximately 2,500 linear feet) to provide recommendations for the repair methods in various sections of the culvert, which is not easy to access, as it runs through more than one hundred residential properties and is shallow.

Mr. Lopata stated that there are 2 areas of the culvert, one area being a 1936 construction and the other being a 1966 construction. The project is budgeted at \$10,000,000.00 for the repair of the failed section, which is 115 feet and includes interior lining, then the rest of the 1115 LF 1933 section is a 50/50 split between spray liner and interior lining. The consultant will perform a condition assessment of the remainder of the 1966 built culvert section.

Mr. Brown noted the shallow nature of the culvert which suggests there are many structures at that location. He inquired as to the material of the culvert. Mr. Lopata explained that the structure is made of corrugated metal and that there many trees, garages and other structures located on top of the culvert.

Mr. Brown stated that it appears the District will need to evaluate the bracing that was installed as well as other structural installations to give rigidity to the culvert. Mr. Lopata concurred and stated the District will install a self-supporting structure inside and then grouting or concrete will be included between the new structure and the existing structure, using the outer structure as a form.

Mr. Brown inquired as to the \$10,000,000.00 project estimate. Mr. Lopata stated that, based on video inspection of the culvert, the District should be able to stabilize the northern section within budget. Ms. Marshall added that the District has performed a high-level estimate of \$30,000,000.00 to \$50,000,000.00 if the entire 2500 LF of culvert requires replacement, however, this is not anticipated.

Mr. Brown moved discussion to Resolution No. 271-19 and noted that frequency, duration and intensity of rainfall is changing in a negative sense so the ability for us to properly size, repair/replace, and maintain these structures becomes a critical issue. He asked for an explanation as to the thinking in terms of how we ensure that we are not putting something in place that may not allow the passage of what the District is trying to control, collect, or keep from going downstream.

Frank Greenland, Director of Watershed Programs, explained that there are seven different sites that require racks to keep woody timber and other debris out of the culverts. The request will allow the District to evaluate each site for the spacing of the rack to find the balance of keeping out debris but not to become clogged. Once the racks are in, the racks will be inspected regularly.

President Brown stated that there had been an issue with a debris rack on Fairhill. He inquired as to how the District balances the ability to capture at a place other than where the debris is found and having it cleaned and hauled away so that we are improving what is there structurally.

Mr. Greenland stated that he believes the District will find the right balance of spacing. He acknowledged that there is a learning curve to watch the culvert for re-accumulation of things like rocks, and that will need to be watched and evaluated going forward. He stated that the good news is that the District has its own inspection crews on those streams who are routinely inspecting, so we will know of problem areas, and if significant accumulation is observed, the crews will be able to respond quickly.

Authorization to Enter into Agreement

Resolution No. 272-19 Authorization to enter into a cooperative project agreement with the Cleveland-Cuyahoga County Port Authority relative to the Port's Irishtown Bend Stabilization and Rehabilitation project, including the protection and lining of the District's Westerly Low-Level Interceptor (WLLI), with a District contribution of \$7,000,000.00 toward the project.

MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution No. 272-19. After the following discussion, without objection, the motion carried unanimously.

President Brown requested an update on the project and noted that it is a \$20,000,000.00 project, with \$12,000,000.00 in funding having been leveraged through other entities, leaving a \$7,000,000.00 funding gap. He asked for further discussion on the goals of the project, the fact that the Port Authority is guiding the design of the project, and the implications of getting the design from the Port Authority.

Ms. Marshall summarized that the main goal of the project is to stabilize the failing slope. The Westerly low-level interceptor runs through the area and if there was a major failure in the slope, would require an estimated \$12,000,000.00 to \$13,000,000.00 to install new facilities. As to the

design process, the Port is leading the effort, however, the District is actively involved and two members of the District's engineering staff participated in the selection of the design consultant, Osborn Engineering. The slope will likely require both bulkheads and retaining walls to achieve stabilization. The District will be engaged in the design process and review and approve plans before construction begins.

President Brown asked if the District will have a role in monitoring the construction. Ms. Marshall stated that District construction staff will be in field overseeing the construction efforts.

President Brown inquired about the bulkheads and retaining wall located at Carter Road, and while they are necessary, by solving one problem, there may be others that the District will need to look at. Ms. Marshall agreed and stated that the District has been in discussions with stakeholders, including the City, and helping to ensure, at a minimum, efforts don't proceed that could make the situation worse.

Mr. Greenland added that the Port Authority is involved in inspecting the bulkheads along the Cuyahoga River subsurface and that Mr. Lopata has been involved in the discussion about Carter Road. There have been ongoing studies to determine what is going on in terms of slope failure and what should be done. The District has remained diligent on this because, at times, some of the bulkheads are adjacent to District structures. He further stated that there are property owners who have responsibility for failing culverts, the Port Authority has responsibility for inspecting those culverts, and sometimes they are fixed while other times they are not.

CEO Dreyfuss-Wells stated that the Port Authority and the City have been good partners in terms of understanding that the District is involved in this project because of District infrastructure and that the District is controlling its participation as there are many more interest related to the stabilization of that hillside. She added that Mr. Lopata, Mr. Greenland, and Ms. Marshall have done a great job of threading that needle in terms of what makes sense for District infrastructure.

Authorization to Enter into Contract

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| Resolution No. 273-19 | Authorization to enter into a three-year requirement contract with ITR, LLC for Predictive Maintenance Services at all District Wastewater Treatment Plants and outlying facilities in an amount not-to-exceed \$301,155.47. |
| Resolution No. 274-19 | Authorization to award the following contracts for 2020 employee benefits: <ul style="list-style-type: none">• Cleveland Clinic Wellness Enterprise, LLC: \$37,600.00 for Employee Assistance Program;• Be Well Solutions: \$10,750.00 for Wellness Program;• MedMutual Life Insurance Company: \$730,000.00 for Group Life, Accidental Death & Dismemberment, and Short-Term Disability; |

- Medical Mutual of Ohio: \$1,810,000.00 for Plan Administration and Stop-Loss Coverage; and
- Medical Mutual Services, LLC: \$12,633,500.00 for Actual Claims Incurred Protection, for a total amount, for all contracts, of \$15,302,521.00

MOTION – Mr. Ciaccia moved and Mayor Bacci seconded to adopt Resolution Nos. 273-19 and 274-19. After the following discussion, without objection, the motion carried unanimously.

Mr. Brown asked for a comparison of the cost of 2020 and 2019 benefits. Ken Duplay, Chief Financial Officer, advised that the cost is approximately \$400,000.00 more than last year for the same suite of benefits. CEO Dreyfuss-Wells recognized the Finance and Human Resource Departments for their good work in controlling costs. Mr. Duplay indicated that the District took Ms. Dumas' recommendation to evaluate costs and started an internal healthcare task force that has expanded to look at the whole benefits package and balance saving costs with impacts on employees. He stated that changes were made where possible to keep the plan as cost effective as possible.

Authorization to Renew Contract

Resolution No. 275-19 Authorization to exercise the first one-year option to renew the requirement contract with Polydyne, Inc. for liquid emulsion polymer solution, and to increase the total annual amount of solution to be delivered to all District Wastewater Treatment Plants to 775,000 pounds, in an amount-not-exceed \$1,972,375.00.

MOTION – Mayor Stefanik moved, and Mr. Sulik seconded to adopt Resolution No. 275-19. Without objection, the motion carried unanimously.

Property Related Transaction

Resolution No. 276-19 Authorizing the District to acquire one permanent stormwater easement on a portion of PPN 771-09-017, located at 4633 Northfield Road, in the Village of North Randall, owned by The Salvation Army, necessary for the construction and maintenance of the Bear Creek Streambank and Headwall Repair project with total consideration of \$1.00.

MOTION – Mr. Dumas moved and Mayor Bacci seconded to adopt Resolution No. 276-19. Without objection, the motion carried unanimously.

VI. Information Items

1. Program Management Status Report and Update – September 2019

Ms. Marshall provided a monthly update on the Capital Improvement Program for the month of September 2019. Ms. Marshall noted that she would not be highlighting any construction projects, as Lita Laven, Project Manager, would be providing a feature presentation on the annual Capital Improvement Program planning process.

As for cashflow, the District ended the month of September at 86 percent of planned. That is up from August, which closed at 85 percent. All projections are that the District will meet its year-end KPI of delivering at least 85 percent of the planned cash flow. With regards to actual dollar amounts, the District paid out approximately \$20 million in September and year-to-date is at \$152 million.

As for the District's planning level KPIs, the District did complete one step of a two-step process as it relates to the annual capital planning and validation process. This is in support of the annual budget process and this first step was the validation piece.

Regarding design level KPIs, there were two projects that were awarded for construction. The first was the Site Restorations Services 2 Project, which was awarded within 60 days of the planned meeting the KPI. The goals were met as it relates to the engineer's estimate as the average of the three lowest bids came within ten percent of the estimate.

The second project awarded was the construction of the Southerly Wastewater Treatment Center Fire Safety Code and Building Improvements project. Again, the contract was awarded within 60 days of plan meeting the KPI. However, the KPI was not met on the engineer's estimate as the average as the three lowest bids was approximately 13 percent below the engineer's estimate.

September saw some value engineering savings by way of the Doan Valley Regulators and Relief Sewers Project. The estimated value engineering savings on this project is \$4.1 million, in the area of hydraulic updates and evaluation. Using the recalibrated models based on updated flow data, the overall length of required new sewer was reduced by 4,740 linear feet. Additionally, the District was able to eliminate a planned new flow divider and eliminate some risks to the project as it relates to tunneling efforts under an existing 48-inch water main, which were deemed unnecessary. This brings the District's value engineering savings to date to \$61 million for 2019, which well exceeds the overall KPI of \$15 million.

Regarding construction level KPIs the District achieved substantial completion on the District Wide Energy Conservation and Management project and achieved it within 90 days of planned, meeting the KPI. Also, in the month of September, the District closed the contract on one of its green infrastructure projects which is the Union Buckeye Green Infrastructure project. This was a \$4 million construction contract. It closed within 95 percent of the original contract amount meeting that KPI and as also met the KPI related to the Business Opportunity Program goals. The

goal was set at 20 percent MBE/WBE and the projected actuals are over 28 percent. Looking at the total work orders for this project, they came in at 4.92 percent with an associated dollar amount of about \$200,000.00. Ms. Marshall noted that the majority of the work orders came under the category of differing or unforeseen site conditions.

Ms. Marshall turned the discussion over to Ms. Laven to provide a condensed version of the presentation she recently gave at WEFTEC explaining the District's annual capital planning improvement process. Ms. Laven explained that the process began with the consent decree negotiation. Given the \$3 billion CSO program, it is necessary to have effective project management in order to implement the District's CSO and non-CSO projects. In 2011, the District developed the CIP planning process. Its primary functions are to ensure that the project deadlines are met in accordance with the Consent Decree and that projects remain on budget. This required a collaborative effort with the various budget centers to understand the needs and wants of each project. The team identified tools, staff and resources to best prioritize the non-CSO projects and worked diligently with the Finance Department to inform a new rate cycle and align annual planning with the rate structure at the rate model that was established. The process takes approximately six months and relies heavily on cross-department coordination. Although E&C is responsible for implementing the Capital Improvement Program, it works very closely with the Operation and Maintenance Department and engages 60 to 70 District Staff members throughout this process.

Ms. Laven demonstrated the use of Primavera P6, SharePoint and other tools available to the team. All design and construction projects use these tools to report monthly on the status of their projects and ensure they stay within budget for capital planning. Staff from the District can add new CIP nominations in SharePoint. Once the nomination is submitted, it goes through a two-level workflow approval, usually at the superintendent or supervisor level, and then up to the director level. Once all the nominations are complete, and these nominations can be throughout the year but typically they come in the summertime, the validation and scoring process step is next. The validation workshops occur in August where O&M and E&C review existing and previous nominations. During this meeting, a business risk exposure score is developed, which is based on the nomination's condition and criticality based upon the District's enterprise risk management policy. The team goes through each criterion as a group to determine the nomination score. This process allows the team to gain a better understanding of the issues associated with the project and document the information into the SharePoint tool to keep at hand while developing the scope of the project. After the validation and scoring steps are complete, the engineering and construction department refines the project scope, budget and identifies an approximate timeline.

Ms. Laven briefly outlined the process of developing that initial draft cash flow to finance: The team exports the most current version of the schedule from the P6 schedule. Then reviews what the construction cost index for Cleveland is at the time and updates all those projects that have not started, updates the professional engineering services, meets with the asset management staff to ensure they incorporate the repair and renewal information into the plan, and then adds the new projects that came out of the validation process. The information is updated into P6 and the draft cash flow is generated.

Mr. Ciaccia asked for clarification as to whether this is discussing project preliminary engineering. Ms. Laven clarifies that this is a program step. In some cases, the team may have enough information to develop a scope of work for a project to go into design, but basically, this is looking at it from a very high level and having a placeholder.

The draft cash flow is presented to the Finance Department in an Excel spreadsheet. If Finance approves it, the team can proceed to the next step. If there are constraints with budget, the team will adjust the cash flow to meet the identified constraints.

Once Finance offers approval, Ms. Laven meets with Engineering and Operations management to evaluate cash flow and the ten-year planning period to ensure the District is meeting its milestones for the CSO Consent Decree and NPDES permits. The team makes refinements to the budget, staff and schedule as necessary, then develops the final draft cash flow for the annual budget planning process, which is submitted in December and then finalized in January.

The final step in the process is to compile the documentation previously discussed and develop the Capital Improvement Plan. Ms. Laven summarized what went on during this past year of this process. The five-year and ten-year forecast of the cash flow are provided in a table format, the gantt chart schedule that comes out of P6 to provide the team with information regarding when their projects will be beginning, a summary of what occurred during the nominations process or if any of the existing projects changed during the year.

The team will typically meet with O&M after that finalized CIP in February to provide an update as to the anticipated projects beginning in the upcoming year and who the engineering project manager would be if there are any other follow-up questions.

The largest part of the project is producing the data sheets for the roughly 200 active nominations to ensure they are kept on track. Staff from E&C and O&M or across the District can access this through the SharePoint tool.

From a cash flow perspective, as Ms. Marshall reported, when Ms. Laven develops her cash flow, it is the maximum projected cash flow. When contractors are actually submitting their invoices or completing their work, it may not be on schedule requiring an adjustment from the maximum cash flow to a more realistic cash flow. The realistic maximum cash flow for 2019 is estimated at \$237 million and through her planning, Ms. Laven estimated it to be \$252 million. A point to note is that the 86 percent cash flow that the District has currently reached is a huge challenge for utilities to implement. Other utilities have indicated that they are operating typically around 50 to 60 percent. This is a testament to District staff and the process in place to deliver cash flow efficiently.

Each year, the District learns through this process and works to improve it. Ms. Laven is interested in utilizing Power BI, which is a tool that can take Excel data to provide additional information to assist in facilitating the reporting discussion. Additionally, the District has not yet integrated its CIP projects into GIS, similar to the stormwater program, which should be implemented soon.

Ms. Laven concluded her presentation by explaining that the capital planning improvement process aligns with the District's overall strategic plan by ensuring that it is utilizing its resources to efficiently deliver projects on time and within budget to protect our receiving waters and the environment in Greater Cleveland. Financial viability is an essential component to the process.

By working with the Finance Department, they can ensure that cash flow is in line with the rate model by anticipating future budget needs and planning funding acquisition accordingly. This program served as a foundation for the regional stormwater management program construction process. The team worked closely with IT to allow them to shadow the process and implement their own capital improvement planning process.

The NorthCoast 99 award is a timely testament to the District staff and its resources to manage the capital improvement planning process internally and not rely on outside consultants.

Mr. Ciaccia offered his congratulations to the team for managing the program internally so efficiently and greatly reducing costs to the District.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

There were no items.

X. Approval of Items from Executive Session (if necessary)


N/A

XI. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Ms. Dumas seconded the motion to adjourn at 1:28 p.m. Without objection, the motion carried unanimously.



Timothy J. DeGester, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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