

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
OCTOBER 18, 2018

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
T. DeGeeter
J. Bacci
J. Ciaccia
R. Stefanik

ABSENT: 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 4, 2018, 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 the main research organizations of drinking water and wastewater have merged. The Water Environment and Reuse Foundation and the Water Research Foundation merged in 2017 and are acting as the Water Research Foundation. This organization looks at emerging issues in drinking water, water reuse, wastewater treatment and stormwater management.

Last week she participated in the first of the newly-combined Research Advisory Council of the Water Research Foundation which looked at the work those organizations had been doing and determined what was going to continue, be combined or suspended. The topics the Foundation is focused on include stormwater, both urban and agricultural best management practices, watershed planning, contaminants of emerging concern, cyanotoxins and lead as well as nutrient recovery, carbon utilization and smart water systems. The District will continue to participate in this research because it is a leader on many of these topics.

CEO Dreyfuss-Wells advised that on October 10 Congress passed the America's Water Infrastructure Act or the Water Resources Development Act ("WRDA") of 2018. The bill is awaiting the president's signature and authorizes at least \$9 billion in funding for the Army Corps and U.S. EPA for drinking water and overflow control. Four components of the act look very favorable for the District and member communities -- including an expansion of the Water Infrastructure Finance and Innovation Act ("WIFIA"). The authorization is for \$50 million each for 2020 and 2021 and staff is in conversations internally and with the U.S. EPA to see the extent to which they can capture some of that money for member community infrastructure projects.

The U.S. EPA has a history of making grants to communities for CSO, SSO and stormwater control. This has been authorized year after year and it has not been funded since 2003; in this act there is \$225 million with a potential for that to be appropriated this year.

The WRDA also creates national task forces on stormwater funding and hazardous algal bloom technology for detection and prevention.

Mr. Ciaccia stated that \$50 million per year available nationally would not go very far. He noted that project applications were previously to have a \$20 million minimum. CEO Dreyfuss-Wells explained that the funds would have an impact if the District were to obtain some of them.

Closing the report, CEO Dreyfuss-Wells noted that Southerly employees Marty Zelinsky and Hugh Sullivan collaborated on a great outreach opportunity to design and paint murals at the Headworks building at Southerly. The murals are seen by over 1,000 visitors on plant tours every year.

V. Action Items

Authorization to Purchase

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| Resolution No. 360-18 | Authorization to purchase four Wonderware Historian Enterprise licenses from Wonderware North in an amount not-to-exceed \$149,050.00. |
| Resolution No. 361-18 | Authorization to purchase a Microsoft Windows Server and SQL Server licensing for both the business and control networks through the State of Ohio Cooperative Purchasing Program in an amount not-to-extend \$291,810.00. |

MOTION – Mr. Ciaccia moved and Mayor Bacci seconded to adopt Resolution Nos. 360-18 through 361-18. Without objection, the motion carried unanimously.

Authorization to Enter into Contract

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| Resolution No. 362-18 | Authorization to enter into a professional services contract with Raftelis Financial Consultants for |
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stormwater billing support services for a two-year period in an amount not-to-exceed \$475,000.00.

Resolution No. 363-18

Authorization to enter into a one-year agreement with the U.S. Geological Survey for the Joint Funding Agreement for the Stream Gauge Operation and Maintenance Project in the amount of \$393,000.00.

Resolution No. 364-18

Authorization to enter into a professional services contract with Wade Trim, Inc. for the Chagrin River/Lake Erie Direct Tributaries Stormwater Master Plan Study Project in the amount of \$10,000,000.00.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution Nos. 362-18 through 364-18. After the following discussion, without objection, the motion carried unanimously.

Mr. Brown requested an overview of Resolution No. 362-18. Frank Greenland, Director of Watershed Programs, explained that Raftelis was the architect of the stormwater billing system. Several years ago, the District entered into a support contract with Raftelis to continue their services and assist as the billing system rolled out. The District intended to bring work in-house and transfer knowledge into primarily the GIS and IT departments.

Staff recommends continuing services with Raftelis at a reduced amount, task-order based contract. This contract is to develop specific task orders through discussions with various departments regarding key needs to bring the work into the District and to enhance the stormwater fee tool set. Raftelis will be utilized for as-needed support. Staff will assess their internal capabilities when the contract concludes in 24 months.

Mr. Ciaccia inquired about the skill set required to carry these duties out internally. Kenneth J. Duplay, Chief Financial Officer, advised that this is a completely custom application so there will probably be some need for outside support. Maintaining the database and programming is more specialized because it is a custom application, and that is the skill that needs to be developed in-house.

Mr. Ciaccia appreciated the work Raftelis has done but stated that at some point there should be other firms that can be given a chance to compete. Mr. Greenland advised that Raftelis was the architect of the program and this allocation has been reduced by over half. Any new support would be dramatically reduced and could be obtained through an RFP, dependent on scope elements.

Moving to Resolution No. 364-18, Mr. Brown stated that the last of the four study areas is the most interesting in some ways because of the number of culverted streams and will be more unique in terms of the outcomes.

Mr. Bunsey introduced Matt Scharver, Deputy Director of Watershed Programs, who stated that the Chagrin/Lake Erie Direct Tributaries Stormwater Master Plan is a \$10 million professional services contract with a 20% Business Opportunity Program goal over a 2.5-year study period and touches 21 member communities. This is the last two of the major watersheds, including the Lake Erie Direct Watershed that includes Doan Brook, Green Creek, Shaw Brook, Euclid Creek, Nine Mile, Dugway and the Chagrin River and its tributaries within the Regional Stormwater Service Area.

The master plans evaluate flooding, erosion and water quality along the regional system and this one is believed to have many local impacts in the regional and local collection systems. These master plan studies will yield construction alternatives and recommendations for projects and policy.

Mr. Scharver advised that there are 33 miles of culverted streams and contractor staff will do a full evaluation of them. He also noted that early action projects will be borne out of this master plan. Of note, the Lower Shaker Lake Dam Project, the aim of which is to get those communities in compliance with the Ohio Department of Natural Resources.

Models will be developed that allow staff to evaluate the options and scenarios. District staff added that additional scope item to carry modeling forward once the master plans are completed.

Mr. Ciaccia questioned whether there was any nexus in terms of these studies and the SSESs regarding the two major study areas. Mr. Scharver replied that staff shares data with District Engineering & Construction Department staff as it is evaluated.

CEO Dreyfuss-Wells advised that information is also shared with the communities through the Watershed Team Leaders.

Authorization of Contract Modification

Resolution No. 365-18

Modify Contract No. 17004458 to extend services of one consultant with Edge IT Corp for the Oracle EBS Procure to Pay Functional Support Project for an additional six months with an increase in the contract amount by \$74,400.00, bringing the revised contract amount to \$223,200.00.

Resolution No. 366-18

Modify Contract No. 16003328 with Triad McNally Joint Venture for the East 140th Street Consolidation and Relief Sewer Project to allow the District to quickly mobilize a contractor to mitigate the potential for upstream basement flooding due to CSO-208 outlet blockages, with no change in contract price.

MOTION – Mr. Sulik moved and Mr. Ciaccia seconded to adopt Resolution Nos. 365-18 through 366-18. Without objection, the motion carried unanimously.

Authorization to Issue Request for Qualifications

Resolution No. 367-18	Authorization to issue RFQs, in accordance with Ohio Revised Code Chapter 6119, for janitorial services with an anticipated duration of two years for the GJM and EMSC facilities.
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MOTION – Mayor Stefanik moved and Mayor Bacci seconded to adopt Resolution No. 367-18. Without objection, the motion carried unanimously.

Authorization to Reject & Re-Bid

Resolution No. 368-18	Authorize the District to reject bids and re-bid the six-month contract for snow plowing services at GJM, EMSC and outlying facilities with an anticipated expenditure of \$70,000.00.
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MOTION – Mr. Ciaccia moved and Mayor Bacci seconded to adopt Resolution No. 368-18. Without objection, the motion carried unanimously.

Property-Related Transaction

Resolution No. 369-18	Authorize the District to acquire one parcel in fee simple located on Grand Avenue in the City of Cleveland, and known as PPN 124-22-008, owned by the Norfolk Southern Railway Company, necessary for the construction of the Woodland Central Green Infrastructure Project with a consideration of \$15,400.00.
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Resolution No. 370-18	Authorize the District to appropriate one permanent subterranean easement located on a portion of PPN 003-27-098, located on Detroit Avenue, in the City of Cleveland, owned by Project 29 Partners, LLC, necessary for the construction of the Westerly Storage Tunnel Project with a consideration of \$5,950.00.
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Resolution No. 371-18	Authorize the District to acquire four permanent stormwater easements located at 8762 Crow Drive and 929, 940, and 930 Berkshire Drive, in the City of Macedonia, known as part of PPNs 3302428,
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3302370, 3302418, and 3302419 owned by Todd & Erika Wills, Kevin Cross, Albert & Donna Lascola, and Oghogho Osayamwen, respectively, necessary for the repair and maintenance for the Indian Creek Culvert Repair Project with a total consideration of \$0.00.

MOTION – Mayor Stefanik moved and Mr. Sulik seconded to adopt Resolution Nos. 369-18 through 371-18. Without objection, the motion carried unanimously.

VI. Information Items

1. Program Management Status Report and Update – September 2018

Ms. Marshall advised that the District has 102 active contracts in Engineering & Construction in the amount of \$1.17 billion: By phase, \$876 million is in construction and \$255 million is focused on design with the remaining \$42 million in planning. By location, \$900 million is in collections, \$233 million at plants and \$40 million associated with local sewer system evaluation studies.

During the third quarter of 2018 the District issued four requests for proposals and awarded two professional services contracts in the amount of \$1.8 million. The District also awarded four construction contracts for a combined \$46.9 million including the Southerly Second Stage Settling Improvements Project which was awarded for \$38.4 million. Two construction contracts were closed during the third quarter.

Ms. Marshall advised that during the fourth quarter, staff plans to issue three requests for proposals and intends to award four professional service contracts for a total estimated amount of \$25.1 million. Three construction contracts are planned to be awarded next quarter for a total estimated amount of \$27.8 million. Five construction close-outs are planned, including the Easterly Tunnel Dewatering Pump Station.

Moving to Key Performance Indicators, the District ended the third quarter with cash flow at 88%, which is above the goal of 85%.

Ms. Marshall stated that the District closed five construction contracts so far in 2018 at a total amount of approximately \$58M which included \$14.85 million in Business Opportunity Program participation. The participation rate was 25.6%, which exceeded the cumulative goal of 18.74% for the five projects meeting the KPI.

Moving to our planning level KPIs, Ms. Marshall advised that in September staff completed Step 1 of 2 of the annual Capital planning process. Staff evaluated and validated all projects nominated throughout the year. 36 projects were nominated in 2018 for potential placement on the Capital Improvement Plan (CIP).

11 projects or problems were added to existing projects and 19 became new projects on the CIP. A high-level estimate of the total cost of the nominated projects is approximately \$50 million and a majority is related to HVAC upgrades in the amount of \$38 million.

Ms. Marshall stated that in September staff completed the Federal Supplemental Environment Project which was required under the consent decree. The project was to hold a minimum of one household hazardous waste collection event per month until \$1 million was spent. The District collected 3.35 million pounds of waste in partnership with the Cuyahoga County Solid Waste District (CCSWD). Through the 50/50 partnership with CCSWD, \$2 million was spent on this project.

Three of the four design-level KPIs were met from a program level through the third quarter. The one that did not meet KPI was the average of the three lowest bids coming within plus/minus 10% of the engineer's estimate. The actual slightly exceeded the goal at 10.11% below the engineer's estimate.

During September the District achieved \$2.2 million estimated value-engineering savings on the Doan Valley Regulators and Relief Sewers Project and \$6.5 million value-engineering savings on the Burke Brook Open Channel Improvement Project. That brings the total year to date savings on value engineering to \$24.2 million – exceeding the goal of \$20 million.

The District awarded the construction of the Southerly Second Stage Settling Improvements Project in September, which had an engineer's estimate of \$44.8 million. The project was awarded within 60 days but the average of the three lowest bids was 12% under the engineer's estimate. Staff also awarded the construction of the site restoration services contract which was a \$250,000 project and met its design-level KPIs.

Ms. Marshall advised that two of the three construction-level KPIs were met from a program level through the third quarter. The one that did not meet the KPI was achieving substantial completion within 90 days of planned. The main reason being the First Stage Settling Project at Southerly came in at 500 days late due to vendor issues.

During September staff achieved substantial completion on the Dugway South Relief and Consolidation Sewer Project, which was a \$26.1 million contract. The project came in 179 days late because a utility relocation took longer than anticipated.

The District also achieved substantial completion on the Westerly Interceptor Improvements Project, which was a \$2.7 million contract and completed within 90 days of planned.

Ms. Marshall explained that staff closed the Southerly First Stage Settling Improvements Project, which was a \$38.5 million contract and was within 95% of the original contract amount despite being 500 days late. The project also exceeded the Business Opportunity Program goals.

Robin Rupe, Project Manager, was present to provide an update on the Automation Program. She advised that staff laid the format to replace the programmable-logic controllers and replace the

fiber at Westerly, which will establish a good foundation to transmit data. Hardware was purchased to expand the controls network and to provide security and segregate the controls network from the business network. The priority was placed on establishing standards for Westerly and future projects.

The first phase is on schedule for completion at the end of October 2020. The two biggest tasks are the replacement of the PLCs at Westerly and the replacement of reporting software. A lot of the work will set the basis for how to implement at Easterly and Southerly.

The Board approved the release of an RFP for a design-build project for the fiber replacement at Easterly and Southerly and is expected to be awarded in early 2019. The next contract expected to be brought to the Board is a project for the PLC replacement at Easterly and Southerly. Westerly was used as a pilot.

Ms. Rupe stated that staff decided to separate the programming on the future contract for Easterly and Southerly, bringing the program through an RFQ as an owner-held contract. The intent is to have the programmer at the Easterly and Southerly PLC Replacement project meetings as parameters are established to upgrade.

The next project will be the collection system. Staff will evaluate each site to figure out the best option. Once that information is gathered a replacement project for its hardware and software replacement will be developed to upgrade outdated equipment.

The final project of this next phase of automation upgrades will be the replacement of the uninterruptible power supplies. The project will replace a third of the system and in the next phase another third will be replaced, thereby establishing a replacement cycle. Staff has a good baseline and can release these in different packages at different times.

Ms. Rupe advised that the first phase of the Automation Program is expected to conclude in 2020. Software and hardware purchases should be completed by mid-2019 and 75% of the equipment has been purchased.

The Westerly fiber replacement is ahead of schedule and may be finished by the end of this year. The replacement of the uninterruptible power supplies is expected to be finished by the end of 2019 and the bids are out for the replacement of the programmable-logic controllers at Westerly.

Staff will stagger projects for the PLCs at Southerly and Easterly, the programmer, and the study for the collection system throughout 2019, and then look at moving the collection system replacement into the third quarter of 2020. The UPSs will start around mid-2020.

Mr. Ciaccia noted that this is an automation program but it is heavy on the word "replacement." He questioned the status of new automation opportunities.

James Bunsey, Chief Operating Officer, stated that the older the facility the less automated it is. Easterly and Westerly are less automated than Southerly. Southerly is fairly automated. The

program intends to bring Easterly and Westerly up to at least minimum standards for an efficient operation. Staff is working to re-automate a previously automated system at Southerly to reduce power by over \$200,000 a year. Additionally, some of the automation that has grown over the years has resulted in multiple PLCs that maybe can be redesigned to operate on fewer PLCs. Part of the program is making sure that we do not deploy more equipment than necessary.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

MOTION – Mayor Bacci moved and Mayor Stefanik seconded to go into Executive Session pursuant to Ohio Revised Code Section 121.22(G)(3) to consult with the District’s legal counsel concerning disputes involving the District that are subject to pending and imminent court action. Without objection, the motion carried unanimously by roll call vote.


The Board met in Executive Session from 1:29 p.m. to 1:49 p.m. then returned to open session.

X. Approval of Items from Executive Session

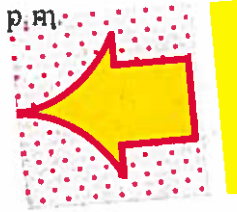
There were no items.


XI. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved and Mayor Stefanik seconded the motion to adjourn at 1:50 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

