

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
OCTOBER 21, 2021

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District (NEORS) was called to order at 12:30 p.m. by Ronald Sulik.

I. Roll Call

Present: Ronald Sulik
 Jack Bacci
 Timothy DeGeeter
 Samuel Alai
 Terence Joyce
 Sharon Dumas

Absent: Darnell Brown

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Mr. Joyce seconded to approve the Minutes of the October 7, 2021, 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, provided an update regarding NEORS's ongoing COVID-19 pandemic response and informed the Board that NEORS staff has 4 active COVID-19 cases, and 1 employee with COVID-19-like symptoms awaiting test results. There are currently no employees remaining at home because a member of their household tested positive. There has been a total of 108 employees with confirmed diagnoses since the beginning of the pandemic, 104 of whom have recovered and returned to work.

Ms. Dreyfuss-Wells advised that on October 18, NEORS began its opt-in policy for employees who provide proof of vaccination to Human Resources to receive an exemption to the face covering policy. Any employees interested in the exemption can contact Human Resources.

On October 15, the Suburban Council of Governments (SCOG) met for their final scheduled meeting of 2021. Ms. Dreyfuss-Wells provided an update to the SCOG regarding state and federal funding for infrastructure and customer assistance. Constance Haqq, Chief Administrative Officer, provided an update regarding a customer service app that NEORSD is developing to help customers apply for affordability programs. Frank Greenland, Director of Watershed Programs, provided an update regarding stormwater master planning, Community Cost-Share, and the Member Community Infrastructure Program. The SCOG will next meet on January 27, 2022.

The Water Environment Federation's WEFTEC Conference reconvened October 16 through October 20, after being held virtually in 2020. Several NEORSD staff attended and Kristen Buccier, Senior Project Manager, gave a presentation called One Water Approaches to Regional Stormwater Management in Northeast Ohio, to an international audience. Kathryn Crestani, Enterprise Biosolids and Residuals Superintendent, chaired the Biosolids Subcommittee meeting. Ms. Dreyfuss-Wells participated in a panel discussion regarding resiliency with other utility leaders from Chicago, New York City, and Washington, D.C.

Ms. Dreyfuss-Wells advised the Board that Elizabeth Brooks, Director of Human Resources, will be leaving NEORSD on October 29. Ms. Brooks joined NEORSD just before the start of the COVID-19 pandemic and has been an essential part of the team. NEORSD appreciates her leadership on labor relations, COVID-19 response, and working closely with Ms. Haqq through restructuring and reorganization of the Human Resources Department. NEORSD is well positioned to begin its search for its next Director of Human Resources. Ms. Dreyfuss-Wells wished Ms. Brooks the best of luck and informed the Board that Ms. Haqq will be stepping back into the role of Interim Director of Human Resources.

Mr. Sulik offered kudos to Ms. Brooks on behalf of the Board for an excellent job in restructuring the HR Department and wished her luck in her future endeavors.

V. Action Items

Authorization to Advertise

Resolution No. 325-21 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119.10, for the Baldwin Creek Stabilization near Abbey Road project with an anticipated expenditure of \$917,500.00.

Resolution No. 326-21 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119.10, for the purchase of Schneider Electric APC 100kVA Uninterruptible Power Supply (UPS).

Resolution No. 327-21 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119.10, for the Districtwide Electrical Repair and Easterly Service Improvements project with an anticipated expenditure of \$4,100,000.00.

Resolution No. 288-21 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119.10, for the Brookside Culvert Repair project with an anticipated expenditure of \$11,900,000.00.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded, to adopt Resolution Nos. 325-21 through 327-21, and 288-21. After the following discussion, without objection, the motion carried unanimously.

Mr. Sulik noted that NEORSD has performed repairs on the Brookside Culvert in the past and requested additional information regarding the project associated with Resolution No. 288-21. Devona Marshall, Director of Engineering and Construction, explained that the project will include structural rehabilitation of approximately 2,300 feet of failing corrugated metal culvert. The culvert carries both CSO and stormwater. In 2019, NEORSD performed an emergency repair of approximately 100 feet of the culvert.

Ms. Marshall provided aerial photographs demonstrating the area to be repaired and explained that the alignment runs through the backyards of approximately 100 residents and there are multiple structural defects. There is a high likelihood and high consequence of failure. Ms. Marshall provided additional photographs demonstrating the areas of disrepair and the section that was repaired in 2019.

Authorization to Issue Request for Qualifications (RFQ)

Resolution No. 328-21 Authorization to issue an RFQ, in accordance with Ohio Revised Code Chapter 153, for Advanced Stormwater Planning support for the Advanced Stormwater Planning II project.

Authorization to Purchase

Resolution No. 329-21 Authorization to purchase Cisco equipment, equipment maintenance services, and software license subscriptions from Presidio Networked Solutions Group, LLC under the State of Ohio Cooperative Purchasing Program in an amount not-to-exceed \$313,101.75.

MOTION – Mayor Alai moved, and Mr. Joyce seconded to adopt Resolution Nos. 328-21 through 329-21. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

- Resolution No. 330-21 Authorization to award the following agreements for 2022 employee benefits:
- MedMutual Life Insurance Company: \$750,000.00 for Group Life, Accidental Death & Dismemberment, and Short-Term Disability Insurance;
 - Medical Mutual of Ohio: \$1,737,100.00 for Administrative Fees and Stop-Loss Coverage;
 - Medical Mutual Services, LLC: \$13,000,000.00 for Actual Claims Incurred Protection,
- for a total amount, for all agreements, not-to-exceed \$15,487,000.00.
- Resolution No. 331-21 Authorization to enter into a three-year professional services agreement with Concentra, Inc. for employee occupational health services for the period January 1, 2022 through December 31, 2024, for a total amount not-to-exceed \$100,000.00.
- Resolution No. 332-21 Authorization to enter into an agreement with the Cuyahoga County Board of Health for services in support of community member compliance with Ohio EPA National Pollutant Discharge Elimination System General Permit for Municipal Separate Storm Sewer Systems for years 2022 through 2025, in the yearly amounts presented, in a total amount not-to-exceed \$1,301, 879.00.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 330-21 through 332-21. After the following discussion, without objection, the motion carried unanimously.

Mr. Sulik asked for additional information regarding the pricing associated with Resolution No. 330-21. Ms. Brooks explained that Willis Towers Watson Midwest is NEORSD’s insurance brokerage consultant for all employee benefits and invited Doug Brown, Director of North American Health & Benefits, to summarize the rationale and change in budget year-to-year.

Mr. Brown explained that the life, accidental death, and short-term disability is a set premium number that fluctuates only by the enrollment changes for NEORSD.

This is the third year of a three-year rate guarantee for administrative and stop-loss fees as a result of marketing that the firm did on NEORSD's behalf in 2019. The stop-loss amount increases each year because the risk profile of NEORSD changes annually based on demographics. The fees are based on a per-head number with a 10% buffer to allow for fluctuation in enrollment over time. The specific and aggregate stop-loss renewals have common increases each year of 15% and 20%. That is a large risk element for a large claim, spread over a smaller number of people. NEORSD came in at 14.5%. Unlike recent years where there was some financial encouragement to take the specific stop-loss, which is a level per claimant up to a higher level, this year, the stop-loss market is a hard market, and there was no financial incentive to increase from the current level of \$210,000. Overall, this component of the projection for administrative costs and stop-loss is targeted at \$1,737,000 for 2022.

To forecast claims, a 24-month period is used, the current 12 months and the prior 12 months, and weigh that 75% to the current year and 25% to the prior year. This method is an actuarial and underwriting approach to try to level off any unusual spikes or increases over time.

As for annual inflationary projections, the projected increase is 5% annually for medical, 9% for drug costs, and 3% for dental, vision, and hearing costs.

Medical claims were impacted by COVID-19, most significantly for dental, vision, and hearing. There were COVID-19 margins included in the forecasted claims, with a higher margin in those areas.

These factors are trended over a 16-month period, which is the midpoint of the projections. There is a 20% buffer, consistent with what has been done in the past, in order to set a number not-to-exceed and avoid having to request additional funding.

The last factor is to reduce the forecast by projected prescription drug rebates, which are returned entirely to NEORSD, and is projected at \$540,000 for 2022. All of these factors result in the \$13 million total reflected in this Resolution.

Ms. Dumas asked whether there is a consideration for the demographics of the group and chronic diseases. Mr. Brown explained that chronic diseases are included in the claims totals spread over the total number of employees. Demographics play more of a role in stop-loss coverage and is evaluated year to year.

Mr. Sulik asked, regarding Resolution No. 332-21, if this is an ongoing commitment that NEORSD has with Cuyahoga County.

Mr. Greenland explained that NEORSD has been under contract with the Cuyahoga County Board of Health (Board of Health) for some time. The Board of Health provides services to allow member communities to meet their obligations under the Phase II Stormwater regulations. The Board of

Health handles Minimal Control Measures 3 and 6, Illicit Discharge Detection and Elimination, and Pollution Prevention/Good Housekeeping for Municipal Operations. Mr. Greenland provided a graphic showing the history of the agreement from 2019 through 2021 and explained that the Board of Health has fine-tuned their estimates and services resulting in decreased costs and increased services.

Authorization to Enter Into Contract

Resolution No. 333-21 Authorization to enter into a construction contract with Great Lakes Construction Company for the Pearl and Jennings Road Storage Tanks and Pump Station Upgrades project in an amount not-to-exceed \$21,711,913.20.

MOTION – Mr. Joyce moved, and Mayor Alai seconded to adopt Resolution No. 333-21. After the following discussion, without objection, the motion carried unanimously.

Mr. Sulik asked for a brief explanation regarding the project associated with Resolution No. 333-21. Ms. Marshall explained that this project is Control Measure 23 of the Consent Decree and will specifically address two combined sewer overflows (CSO) in the Southerly District. This project will allow NEORSD to control 27 million gallons of CSO annually through the construction of a 1.1-million-gallon underground storage tank. It will be 45 feet in diameter, 110 feet deep, have its own pumping system, and a force main that will discharge to another force main associated with the Jennings Road Pump Station, which will also be rehabilitated under the project, and eventually be pumped to the Big Creek Interceptor during dry weather, then to the Southerly Wastewater Treatment Plant (WWTP) for treatment.

Authorization to Ratify Expenditure

Resolution No. 334-21 Ratification of payment of \$10,500.00 in equipment rental charges to Ohio Cat in excess of the existing \$50,000.00 Equipment Rental Services contract.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution No. 334-21. Without objection, the motion carried unanimously.

Authorization to Amend Resolution

Resolution No. 284a-21 Authorization to amend Resolution No. 284-21, authorizing a Stormwater Project Cooperation Agreement with the City of Shaker Heights to contribute District Regional Stormwater Management Program funding toward construction costs for the city's emergency

partial breach of the Horseshoe Lake Dam, to increase the total not-to-exceed amount from \$200,000.00 to \$475,000.00.

MOTION – Mr. Joyce moved, and Mayor Alai seconded to adopt Resolution No. 284a-21. After the following discussion, without objection, the motion carried unanimously.

Mr. Sulik requested an update regarding the project as a whole. Mr. Greenland explained that NEORSD has made the recommendation to upgrade or replace the Lower Lake Dam and remove the Horseshoe Dam, then restore the Doan Brook stream corridor. The Request for Proposals for the predesign/design activities is open and NEORSD has asked Cleveland Heights and Shaker Heights to appoint two members to NEORSD's selection committee. The interview and selection process will occur in or around December 2021 and NEORSD will request a Resolution from the Board to authorize us to contract with a design consultant for pre-design activities.

Resolution No. 284a-21 is intended to facilitate temporary emergency measures to reduce the risk of losing the dam in the interim period the District's permanent project, which is not expected to commence for two or more years. Given the voids and cracks in the dam, Shaker Heights utilized the engineering firm AECOM to design the emergency partial breach, which involves lowering a section of the dam to relieve the pressure on it. The dam will still fill in wet weather but is dry most of the time. This project will help mitigate the risk. NEORSD wants to be involved in funding the construction.

There was previously a \$200,000 estimate for the emergency work, however, that was before the design was complete. NEORSD has reviewed the design details and agrees with the plan, as it is a step in the right direction of full removal of the dam in the future. NEORSD added a contingency to allow for unknowns during the project. It is anticipated that the emergency project will take 4 to 6 weeks to complete, depending on weather.

Shaker Heights has a dam tender who inspects the dam each time it rains and NEORSD will remain vigilant to ensure that nothing happens in the interim.

Mr. Sulik asked whether NEORSD has an agreement from both communities to remove the dam. Mr. Greenland explained that the Shaker Heights City Council voted 6 to 1 in support of NEORSD's recommendation to remove the dam. Cleveland Heights has hired an independent consultant to perform a third-party review. NEORSD has provided the consultant with all requested documents, including a technical memorandum and the cost estimates, and has met with the firm to discuss the project. We expect to receive an update soon and will keep the Board informed as to the status.

Mr. Joyce thanked Mr. Greenland and his team for taking him on a site visit, along with a representative from Shaker Heights, to provide an understanding of the magnitude of the problem.

Ms. Dumas asked whether the changes to government in Cleveland Heights moving from having a City Manager to Mayor is anticipated to impact the outcome. Mr. Greenland explained that it is too soon to tell. NEORS will remain in contact with their representatives and expects a first briefing from their engineer, Gannett Fleming. The City has added two members to the selection committee.

Ms. Dreyfuss-Wells added that Councilman Seren has participated in conversations with Mr. Greenland and his team and Ms. Danforth has attended public meetings where Mr. Greenland has presented regarding the issue.

Authorization to Amend Agreement

Resolution No. 335-21 Authorization to amend Agreement No. 20006612 with Blue Technologies Smart Solutions, LLC for the Enterprise Content Management Assessment and Implementation project by adding two additional years of software maintenance for the Hyland Software OnBase Enterprise Content Management Solution and increasing the agreement amount by \$60,600.00, thereby bringing the total agreement amount not-to-exceed \$221,508.08.

Resolution No. 336-21 Authorizing final adjusting change order for Design-Build Agreement No. 18004634A with Lake Erie Electric, Inc. for the Easterly & Westerly Low Voltage Equipment Replacement project by decreasing the agreement amount by \$795,498.15, thereby bringing the total agreement amount to \$10,298,743.97.

MOTION – Mayor Alai moved, and Mr. Joyce seconded to adopt Resolution Nos. 335-21 through 336-21. Without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 337-21 Authorizing final adjusting change order for Contract No. 20007515 with DRS Enterprises, Inc. for the CSO Outfall Protection project by decreasing the contract amount by \$39,490.82, thereby bringing the total contract amount to \$375,971.53.

MOTION – Mayor Bacci moved, and Ms. Dumas seconded to adopt Resolution No. 337-21. Without objection, the motion carried unanimously.

Property Related Transactions

- Resolution No. 338-21 Authorization to acquire one temporary easement at the property known as PPN 581-08-066, located at 8183 Twin Oaks Drive, in the City of Broadview Heights, owned by Lisa C. Hawkins, necessary for the construction of the Chippewa Creek Flood Reduction Project Near Echo Lane with total consideration of \$800.00.
- Resolution No. 339-21 Authorization to acquire one parcel in fee simple known as PPN 489-14-034, located at 4812 Oakridge Drive, in the City of North Royalton, owned by Timothy R. and Pamela S. Barnes, necessary for the construction and maintenance of the Big Creek Main Branch – Master Plan Project Area BC-NR-02 project with total consideration of \$310,000.00 plus closing costs.
- Resolution No. 340-21 Authorization to acquire one permanent access easement at the property known as PPN 023-23-023, located at 13921 Industrial Parkway, in the City of Cleveland, owned by Fogg-West 140th Street Industrial Park Co., LLC, necessary for the construction and maintenance of the Debris Racks & Access Road Improvements at Various Locations project with total consideration of \$3,850.00.
- Resolution No. 341-21 Authorization to acquire one permanent stormwater easement at the property known as PPNs 457-20-006 and 457-20-045, located on E. Linden Lane, in the City of Parma, owned by Jeram, LLC, necessary for the construction and maintenance of the Baldwin Creek Relief Culvert at Stormes Drive in Parma project with total consideration of \$15,550.00.
- Resolution No. 342-21 Authorization to acquire one temporary easement at the property known as PPN 457-18-094, located at 7796 E. Linden Lane, in the City of Parma, owned by Lynnea R. and Justin J. Anderson, necessary for the construction of the Baldwin Creek Relief Culvert at Stormes Drive in Parma project with total consideration of \$300.00.
- Resolution No. 343-21 Authorization to acquire one temporary easement at the property known as PPN 022-14-003, located at 3912 West 130th Street, in the City of Cleveland, owned by Harry A. Quinones, necessary for the construction and maintenance of the Brookside Culvert Repair project with total consideration of \$10,000.00.

MOTION – Mr. Joyce moved, and Ms. Dumas seconded to adopt Resolution Nos. 338-21 through 343-21. Without objection, the motion carried unanimously.

Sewer Use Code Matters

Resolution No. 344-21 Adopting the findings of the Hearing Officer with regard to the sewer account of Burten, Bell, Carr Development, Inc., Sewer District Hearing No. 21-004, that the customer’s request be denied.

MOTION – Mayor Alai moved, and Mayor Bacci seconded to adopt Resolution No. 344-21. Without objection, the motion carried unanimously.

VI. Information Items

Ms. Marshall presented the monthly update regarding the Capital Improvement Program for September 2021.

Beginning with cashflow, the month of September closed at 98% of planned, an increase from 85% the month prior due to two pay applications associated with the Shoreline Storage Tunnel received during the month. This is a bit of an anomaly, and it is anticipated that cashflow will decrease and will not exceed planned cashflow for 2021. Actual dollars spent for September was approximately \$30 million for a year-to-date total of \$121 million.

As for Key Performance Indicators (KPI), project designs were completed for the Brookside Culvert Repair, Districtwide Electrical Repair and Easterly Service Improvements Project, and the Shoreline Consolidation Sewer Project, all within 60 days of planned, meeting that KPI.

Substantial completion of the Southerly Electrical Infrastructure Improvements Project achieved substantial completion within 90 days of planned, meeting that KPI.

The construction contract for the Westerly Steam Grease Handling Boilers Replacement Project was closed within 95% of the original contract amount meeting that KPI. The KPI for the Business Opportunity Program (BOP) Goal of 5% MBE/WBE was exceeded with an actual of 6.85%. Work orders on the project by change categories as a percent of construction, came in at approximately \$17,500, or 2.74% of the total. The majority fell under the category of design omissions and were all specific to the startup of some of the electrical equipment on the project.

Ms. Marshall provided construction highlights, beginning with the Southerly Building Demolition Project, which is a \$17.24 million construction contract. This project involves the demolition of 8 decommissioned facilities to eliminate safety concerns and costs related to maintaining the facilities. The estimated return on investment is less than 30 years. What will be left behind will

primarily be greenspace where the buildings once stood. Substantial completion is scheduled for March 2023.

The first phase of the project is the partial demolition of the Thermal Conditioning Building. Over recent years, the operator's control room portion of the building has been repurposed for ongoing training of Operation and Maintenance Department staff. The portion of the building to be demolished is the location of the abandoned Zimpro high pressure, high temperature process previously used to dewater sludge before incineration.

There will be a full demolition of the Sludge Dewatering Building that over twenty years ago housed the filter presses which were replaced with centrifuges in the sludge dewatering process. Centrifuges are still used in the dewatering process and are now located in the new REF building.

The Multiple Hearth Incineration Building, the associated Auxiliary Incineration Building that housed the vapor combustion units that cleaned the air from the incinerators, the incineration control room building, and the old steam generation building will all be demolished.

A process that was more recently decommissioned was the primary sludge cyclone de grit process. The main level of the building will be demolished and the basement level that houses equipment and blowers still in use will be maintained.

Included in the demolition will be an old pump house and labor storage building, as neither are in use.

Ms. Marshall provided photographs depicting active construction at the various demolition sites and explained that there is significant pre-work and post-work to be completed as part of the demolition, such as electric demolition, utility relocation, process pipe rerouting, ash removal from old incinerators, and asbestos removal. Additionally, radiation scanning of the demolished materials before removal from the site is required due to an illegal discharge of Cobalt-60 that went through the plant many years ago.

Mr. Joyce asked if anything is salvageable. Ms. Marshall explained that the contractor has the ability to salvage materials and that is taken into consideration in the published engineer's estimate and realized by NEORSD in the construction bids.

Open Session

Mr. Sulik provided the yearly report from the Audit Committee and advised that the purpose of the Committee is to maintain the integrity of NEORSD's financial statements, compliance with legal and regulatory compliance, review the independent auditor's qualifications and independence, and review the performance of the independent auditors and NEORSD's internal audit function.

The Committee met with the independent auditors who audited the 2020 financial statements and found no significant problem areas in NEORSD's reporting in the current year audit.

An independent firm normally performs the annual audit, however, approximately every 10 years the State performs the audit, as was the case this year.

The Committee reviewed the internal audit plans and internal audit reports. The Committee found that management and internal audit staff have worked closely in resolving issues highlighted in internal audit reports.

Michael Oleksa, an independent Committee member, notified NEORSD that he is relocating and effective January 31, 2022, will no longer be able to participate as a voting member of the Audit Committee. Mr. Sulik encouraged the Board to refer any potential candidates to Ms. Haqq.

VII. Public Session (any subject matter)

There were no items.

VIII. Executive Session

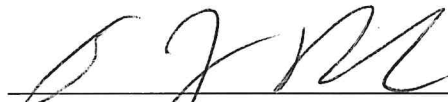
There were no Items.

IX. Approval of Items from Executive Session

There were no items.

X. Adjournment

MOTION – Mr. Sulik stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Ms. Dumas seconded the motion to adjourn at 1:15 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