

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
NOVEMBER 1, 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 Ronald D. Sulik.

I. Roll Call

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

ABSENT: D. Brown

II. Approval of Minutes

**MOTION** – Mayor Stefanik moved and Mayor Bacci seconded to approve the minutes of the October 18, 2018, Board Meeting. Without objections, minutes are approved.

III. Public Session

There were no items.

IV. Chief Executive Officer's Reports

CEO Dreyfuss-Wells began by noting that the Watershed Advisory Committees are a key component of the success of the Regional Stormwater Management Program. These committees meet twice each year and it is a time for the representatives from each member community to come and share their opinions, questions and any concerns about the Stormwater Program and to get an update on the projects and activities that are going on in their watersheds.

The fall Watershed Advisory Committees were held from October 16th to October 25th. There were 41-member communities in attendance, as well as the Cuyahoga County Department of Public Works, the Summit County Engineering Department, ODOT Districts 12 and 14, the Cleveland Metroparks, the Cuyahoga and Summit Soil and Water Conservation Districts and several watershed groups. The fall Watershed Advisory Committee included a tour to the Beechers Brook stream restoration project in Mayfield Village on October 25<sup>th</sup> showing the reconnection of this stream to its flood-plain. The Watershed Advisory Committees have come to an end for 2018 with, again, great success and good interaction with member communities.

CEO Dreyfuss-Wells explained that the Ohio State Apprenticeship Council approved the District's apprenticeship program effective October 17<sup>th</sup>. The approval allows full craft maintenance mechanics, electricians, instrumentation technicians and maintenance training program trainees

the opportunity to be eligible to receive an industry-issued and nationally recognized journeyman's card. There are only 70 programs in our industry like this across the country and none in Ohio. This would be the first in Ohio to offer apprenticeships in these areas within the wastewater industry. It's very good work on the part of the HR department to bring that professional credential to offer to employees of the District.

Next, Frank Foley, Director of Operations and Maintenance, pointed out that each year NACWA recognizes member utilities with their Peak Performance Awards. Mr. Foley explained that these awards are for excellence in permit compliance and that there are three levels of awards: the silver award for facilities that have between one and five permit violations per year, gold for facilities that have zero permit violations in a year, and the platinum for facilities that have five consecutive years with zero permit violations.

This year Westerly received the silver award and they are represented today by Superintendent Debbie Klosz. The Southerly facility received the gold award with zero permit violations for 2017 and they are represented by Superintendent Terry Robinson. The Easterly facility received their second gold award for zero permit violations for the year and are represented by Superintendent Bob Bonnett.

V. Action Items

Authorization to Advertise

Resolution No. 372-18

Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Chapter 6119, for Sludge Cake Removal Services with an anticipated cost of \$270,000.00.

**MOTION** – Moved by Mr. Ciaccia and seconded by Mayor Stefanik to adopt Resolution No. 372-18. Without objection, the motion carried unanimously.

Authorization to Enter in Agreement

Resolution No. 373-18

Authorization to enter into agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority to accept WPCLF funding for construction costs related to the Southerly Second Stage Settling Improvements Project for a total amount up to \$42,852,600.00.

Resolution No. 374-18

Authorization to enter into agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority to accept WPCLF funding for design costs related to the

Shoreline Storage Tunnel Project for a total amount up to \$18,751,197.15.

Resolution No. 375-18

Authorization to enter into agreement with the Ohio Environmental Protection Agency and the Ohio Water Development Authority to accept WPCLF funding for construction costs related to the Dugway Regulators and Relief Sewer Project for a total amount up to \$5,400,000.00.

**MOTION** – Moved by Mayor Stefanik and seconded by Ms. Dumas to adopt Resolution Nos. 373-18 through 375-18. After the following discussion, without objection, the motion carried unanimously.

Mr. Sulik requested an explanation for Resolution Nos. 373-18 through 375-18. Kenneth Duplay, Chief Financial Officer, stated that these are the last three loans that the District anticipates taking out for this year. In the 2017 rate study the District moved primarily to OWDA funding for the capital program. The District estimates are based on current market conditions that these loans will provide savings of \$10 million on a present value basis over the 30-year term versus bond funding.

Authorization to Enter into Contract

Resolution No. 376-18

Authorization to enter into a construction contract with Marra Services, Inc. for the Spring Creek Culvert Rehabilitation Project in the amount of \$758,037.50.

Resolution No. 377-18

Authorization to enter into a construction contract with Shook Construction Company for the Southerly Electrical Infrastructure Improvements Project in the amount \$18,402,524.48.

Resolution No. 378-18

Authorization to enter into a professional services contract with Ernst & Young LLP for Data Warehouse Collections, Payment Plans, and Meter Date Enhancement project in the amount of \$363,000.00.

**MOTION** – Moved by Mayor Bacci and seconded by Mr. Ciaccia to adopt Resolution Nos. 376-18 through 378-18. After the following discussion, without objection, the motion carried unanimously.

Mr. Sulik requested an explanation for Resolution No. 376-18. Frank Greenland, Director of Watershed Programs, asked Janet Popielski to speak regarding the Spring Creek Culvert

rehabilitation Project. The project is in the City of Cleveland next to Bradley Road which has collapsed in on one portion and another upstream portion is in poor condition. The collapsed portion will be getting replaced and relining the portion that's in poor condition.

Ms. Popielski explained that the project, which was bid out in July, was rejected and re-bid. Nine bids within 3.8 percent of the engineer's estimate were received and a request to award to Marra Services was made and request a for a general allowance in excess of 10 percent in order to account for the additional erosion. Mr. Ciaccia inquired what the general allowance is and Janet stated that it is 15%.

Next, Mr. Sulik asked for a report on the electrical contract to be provided pursuant to Resolution 377-18. Devona Marshall asked Bob Pintabona, Program Manager in Engineering and Construction, to provide a presentation on the electrical improvements included in this project as well as the evolution of those improvements and some future improvements that will be coming to the Board under future efforts.

Mr. Pintabona provided the Board with background of the infrastructure for electrical needs at Southerly along with upgrades that need to be done. Mr. Pintabona answered questions presented by the Board.

Mr. Ciaccia inquired if the District is going to pay First Energy and if the contract will come to the Board as a separate type of contract. Mr. Pintabona replied that they would design and build it.

Devona Marshall, Director of Engineering and Construction, stated that there is currently an agreement with FirstEnergy for up to \$15 million and that the price tag started to go up towards \$20 and 22 million, so it forced them to relook at their approach towards this project.

Mr. Pintabona discussed how energy usage at the plants has come down and how it may be better for the District to relook at future needs and come up with a more cost-effective solution.

Mr. Pintabona also stated renegotiating consent decree may result in not building the Southerly Optimized Parallel Treatment facility. Not building this new facility would further reduce future power projections at Southerly. This combined with providing power to the future Tunnel Dewatering Pump Station from E.49<sup>th</sup> Street in lieu of the Southerly Plant avoids the need to replace our existing incoming power transformers. All questions from the Board were answered by Mr. Pintabona.

Mr. Sulik requested an explanation for Resolution No. 378-18. Kenneth Duplay, Chief Financial Officer, advised that the data warehouse is to improve the internal process in order to streamline how long it will take to identify, reconcile and ultimately certify accounts.

#### Authorization of Contract Modification

Resolution No. 379-18

Authorization to increase by \$3,000.00 the 2018 Group Life & Accidental Death & Dismemberment contract with Consumers Life

Insurance Company; to increase by \$24,000.00 the Short Term Disability contract with Consumers Life Insurance; to extend by one month and increase by \$3,170.00 the Wellness Administration contract with Be Well Solutions; to increase by \$600.00 the Employee Assistance Program contract with Cleveland Clinic Wellness Enterprise, LLC; and to increase by \$2,500.00 the COBRA & Flexible Spending Account Administration contract with BASIC NEO, thereby increasing the total amount for all contracts by \$33,270.00 to \$14,402,551.00.

**MOTION** – Moved by Mayor Stefanik and seconded by Mr. Ciaccia to adopt Resolution No. 379-18. Without objection, the motion carried unanimously.

Authorization to Grant Credit

Resolution No. 380-18

Authorization to issue a credit adjustment in the amount of \$69,485.48 against sewer charges on NEORS account number ending in 3352 for Orlando Baking Company, at 7777 Grand Avenue, Cleveland, Ohio 44104

**MOTION** – Moved by Mr. Ciaccia and seconded by Mayor Bacci to adopt Resolution No. 380-18. Without objection, the motion carried unanimously.

Authorization of Employee Benefits

Resolution No. 381-18

Authorization to award the following contracts for 2019 employee benefits: Consumer Life Insurance Company: 61,200.00 for Group Life & Accidental Death Dismemberment and \$810,000.00 for Short-Term Disability; Medical Mutual of Ohio; LLC: \$12,549,300.00 for Health Insurance Claims and \$1,734,300.00 for Plan Administration and Stop-Loss Coverage; Be Well Solutions: \$50,000.00 for Wellness Administration; Cleveland Clinic Wellness Enterprise, LLC: \$37,600.00 for Employee Assistance Program; and BASIC NEO: \$53,700.00 for COBRA & Flexible Spending Account Administration,

for a total amount, for all contracts, of  
\$15,296,100.00.

**MOTION** – Moved by Ms. Dumas and seconded by Mayor Bacci to adopt Resolution No. 381.18. After following discussion, without objection, the motion carried unanimously.

The Board requested more information regarding Resolution No. 381-18. Angela Smith, Director of Human Resources, explained the percentage increase for Medical Mutual over the year was 5.8 percent and that this would include health claims, stop-loss coverage, and claims administration. Mr. Sulik asked if this increase was the biggest out of all of the contracts and Ms. Smith responded that it was.

#### Authorization of Base Pay Increase and Performance Pay

Resolution No. 382-18

Authorize the Chief Executive Officer to grant up to 2% base pay increases for non-union employees for 2019 and authorize a budget dollar amount not-to-exceed \$600,000.00 for providing performance pay for 2018.

**MOTION** – Moved by Mr. Ciaccia and seconded by Mayor Bacci to adopt Resolution No. 382-18. Without objection, the motion carried unanimously.

#### VI. Information Items

##### 1. Quarter Report and Update for 2018

Kenneth Duplay, Chief Financial Officer, announced that the District is meeting all financial metrics. Revenue is coming in-line with projections and expenses are under budget. Mr. Duplay explained that the District has spent about \$35 million out of the capital account this year towards capital projects.

Mr. Duplay stated that as interest rates continue to go up, total return on the entire portfolio is also inching up at about 1.86 percent. Some of the older investments with lower rates are working their way out of the portfolio.

Mr. Duplay explained that the stormwater money is held in Star Ohio, which is earning over 2 percent right now. Mr. Duplay intends to eventually propose establishing a Stormwater investment portfolio for funds in excess of 90 days of operating expenses similar to the sewer funds.

Frank Foley, Director of Operations & Maintenance, gave his quarterly update on O&M regarding safety, quality, maintenance, cost, and morale. Mr. Foley spoke on these matters and highlighted some points on how the District can fix some concepts to try and work on morale. Ms. Dumas praised Mr. Foley on his insightfulness and sensitivity of taking on morale as a reporting measure.

Doug Reichlin spoke about the second installment of a three-part series to optimize the REF facility. Doug explained options to deal with the current operating conditions in cost-effective ways that it can optimize the overall biosolids management and look at opportunities for a merchant facility. Doug described two optimization opportunities and the potential cost of each, and described the actions going forward to further validate the potential lowest cost option for potential implementation. Doug also answered all the Board member's questions.

Resolution No. 383-18                      Authorization to enter into a Memorandum of Understanding with the Ohio Patrolmen's Benevolent Association, substantially in the form presented, for the purpose of resolving certain economic matters for the collective bargaining agreement succeeding the collective bargaining agreement which expired in June 30,2018.

**MOTION** – Moved by Mr. Ciaccia and seconded by Mayor Bacci to adopt Resolution No. 383-18. Without objection, the motion carried unanimously.

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 Mr. Ciaccia seconded to go into Executive pursuant the Ohio Revised Code Section 121.22 (G)(4) to prepare for and review negotiations and bargaining sessions with District employees concerning their compensation and other terms and conditions of employment. After discussion and without objection, the motion carried unanimously by roll call vote.

The Board met in Executive Session from 1:20 p.m. to 1:47 p.m.


X. Approval of Items from Executive Session

Resolution No. 383-18                      Authorization to enter a Memorandum of Understanding with the Ohio Patrolmen's Benevolent Association, substantially in the form presented, for the purpose of resolving certain economic matters for the collective bargaining agreement succeeding the collective bargaining agreement which expired in June 30,2018.


Moved by Mr. Ciaccia and seconded by Mayor Bacci to adopt Resolution No. 383-18. Without objection, the motion carried unanimously.

XI. Adjournment

**MOTION** – Mr. Sulik stated business having been concluded, he would entertain a motion to adjourn. Mr. Ciaccia moved and Ms. Dumas seconded the motion to adjourn at 1:48 p.m. Without objection, the motion carried unanimously.



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



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

