

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
NOVEMBER 16, 2023

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 Darnell Brown.

I. Roll Call

Present: Darnell Brown
Ronald Sulik
Timothy DeGeeter
Jack Bacci
Samuel Alai
Marjorie Chambers

Absent: Sharon Dumas

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Mayor Alai seconded to approve the Minutes of the November 2, 2023 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, advised the Board that as October ended, NEORS completed its Watershed Advisory Committee (WAC) meetings under the Regional Stormwater Management Program (RSMP). The meetings provide an opportunity for member communities and partner agencies to receive an update on the RSMP, provide input to NEORS staff, and ask questions of staff. The WAC meetings are held twice per year. The October meetings had a total of 57 attendees, most of whom are city engineers, service directors, and watershed organizations that are involved in the daily work of stormwater management in their respective communities. Attendees learned about various funding programs, NEORS's stormwater inspection and maintenance activities, and walked through the project process from pre-design to construction.

As part of NEORSD's ongoing sustainability work, with a focus on cost savings and reducing its environmental impact, NEORSD's laboratory recently received the Silver Green Lab Certification. NEORSD is one of three water and wastewater utilities labs in the country to achieve this certification. The Silver level means that NEORSD has documented significant efforts to reduce energy usage, water usage, and waste. The certifying entity, My Green Lab, is an international nonprofit that looks for ways to reduce waste across laboratory activities. NEORSD is sharing this partnership with the Milwaukee Metropolitan Sewage District in these activities. Ms. Dreyfuss-Wells acknowledged Stacie Hark, Laboratory Data Analyst, and Cheryl Soltis-Muth, Manager of Analytical Services, for their efforts in achieving this certification.

NEORSD was honored this year with the Public Relations Society of America's Greater Cleveland Chapter at their Cleveland Rocks Awards, which honors outstanding regional public relations campaigns and tactics. NEORSD received several awards, including two first place awards for the Utility Assistance Resource Fairs, both for the Special Events and Community Relations Campaign categories; Clean Water Fest won second place for the Special Events category; the Clean Water Works podcast was recognized; second place for the Best Use of Twitter, specifically for the class of 2022 commencement address; and the 50 Years of People, Programs, and Progress anniversary campaign won for Best Integrated Communications Campaign. Ms. Dreyfuss-Wells acknowledged Constance Haqq, Chief Administrative Officer, and her teams in the Government Affairs and the Administration and External Affairs departments for their efforts.

President Brown offered kudos for a job well done and added that he attended the most recent Utility Assistance Resource Fair and was impressed by the event. It was interesting that there were so many subject matter experts and community partners in attendance and providing value to the community to enroll eligible participants into cost savings programs.

President Brown expressed appreciation to Ms. Haqq and her team for their continued community outreach efforts. As NEORSD is under the Consent Decree and performing the required environmental work to protect the Great Lakes, NEORSD and the Board must be mindful of the fact that many of the people who are required to help fund the projects have other challenges that they must address, and NEORSD must help them to do their part in a way that is relative to their means.

Action Items

Authorization to Advertise

Resolution No. 311-23

Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for a 12-month requirement contract for ferric chloride solution for all Wastewater Treatment Plants with an estimated probable cost of \$480,000.00.

MOTION – Mr. Sulik moved, and Ms. Chambers seconded to adopt Resolution No. 311-23. Without objection, the motion carried unanimously.

Authorization to Issue Request for Qualifications (RFQ)/Request for Proposal (RFP)

- Resolution No. 312-23 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for brokerage services for the District's operational insurance, health insurance and employee benefits.
- Resolution No. 313-23 Authorization to issue an RFQ, in accordance with Ohio Revised Code Chapter 153, for design and construction administration/resident project representation services for the Stormwater General Engineering Services IV project.
- Resolution No. 314-23 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 153, for design and construction administration/resident project representation services for the Big Creek Tunnel project.

MOTION – Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution Nos. 312-23 through 314-23. After the following discussion, without objection, the motion carried unanimously.

President Brown requested additional information regarding Resolution No. 312-23.

Ken Duplay, Chief Financial Officer, advised that Resolution No. 312-23 relates to a Request for Proposal to solicit insurance brokerage services, both for NEORSD's operational insurance program and its health insurance and employee benefits. NEORSD advertises the services in such a way that firms can propose on one or both tracks. NEORSD is nearing the end of a currently five-and-a-half-year contract, under which both tracks are held by Willis Towers Watson. Mr. Duplay invited Shola Ojo, Manager of Finance and Compliance, and the lead of the insurance program, to provide more detailed information.

Mr. Ojo explained that the first of the two tracks is the employee health benefits, which includes medical, dental, and vision, as well as supplemental insurance such as group life insurance. The primary scope is benefit planning and procurement. The insurance broker assists with procuring medical benefits, claims administration, and development of an open enrollment strategy. Additionally, stop loss analysis is performed to determine the limit of where insurance would take over at a certain amount for individual claims.

With the help of a broker, NEORSD performs an annual program change management assessment to determine necessary changes. The broker assists with union negotiations, claims projection analysis, and claims budget monitoring is performed monthly. Additionally, the broker participates in monthly meetings with NEORSD staff to discuss improving health benefits and reducing costs.

Mr. Ojo provided a graphic demonstrating changes made to the benefits program and explained that, as for progress that has been made through the life of the expiring contract, there was a major revamp of medical benefits in 2019, wherein copays were reviewed and adjusted, a nonunion vision plan was added, improved rebates for the prescription plan were obtained, and stop loss analysis was performed.

The second track will focus on operational insurance, including general liability, property, and cyber insurance. Similar to health insurance, NEORS is looking for an insurance broker to assist with the renewal program and procuring the needed insurance. NEORS reviews its portfolio with its broker monthly to help solicit the vendors to procure the needed insurance. NEORS receives monthly market updates to stay informed of current insurance market trends. A primary focus in the program in recent years relates to cyber insurance.

Additionally, there are assessments of the different insurance contract requirements to ensure that contractors have proper coverage for projects. There is appraisal planning performed, which last year included the appraisal for property and equipment at the Southerly WWTC. This helps to gauge whether there is sufficient coverage for insurable events.

NEORS tends to utilize the total insurance portfolio to determine its strategy for maintaining or increasing levels of coverage. There is a risk mitigation strategy performed annually to improve controls at each facility for things like fire prevention. NEORS also relies on its broker to manage its insurance portfolio binder.

The expiring contract with Willis Towers Watson covers both tracks of insurance needs. The term was from October 2018 to March 2024. The expiring services for track one cost \$632,000, and track two cost \$412,000, with an additional allowance of \$100,000, for a total contract amount of \$1.1 million.

NEORS is proposing a new contract term for April 2024 to June 2029, which is 5.3 years. The estimated cost for track one is \$688,000, and the estimated cost for track two is \$512,000 with a \$100,000 allowance, for a total estimated cost of \$1.3 million.

Mr. Ojo provided the timeline and explained that once the RFP is advertised, the next major milestone will be to conduct a pre-proposal meeting with potential vendors. The proposal due date will be December 29, 2023. The selected providers will be presented to the Board on February 15, 2024, with the request to award the contract with a transition period of February 16, 2024, to March 31, 2024. The new contract will go into effect on April 1, 2024.

Authorization to Reject and Re-Bid

Resolution No. 315-23 Authorization to reject all bids and re-bid, in accordance with Ohio Revised Code Section 6119.10, for a one-year requirement contract for uniforms and equipment for District Security Officers with an estimated probable cost of \$100,000.00.

MOTION – Mayor Bacci moved, and Mr. Sulik seconded to adopt Resolution No. 315-23. Without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 316-23 Authorization to purchase software maintenance and support services from sole source vendor Oracle America, Inc., necessary for the District's enterprise Oracle databases and applications that are currently managed under multiple annual contracts, for a one-year term beginning June 1, 2024 in a total amount not-to-exceed \$995,566.89.

MOTION – Ms. Chambers moved, and Mr. Sulik seconded to adopt Resolution No. 316-23. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that the resolution request indicated that the revenue projections tie into the actual cost of services for platform work and requested additional information regarding the relationship between budget revenue projection and cost.

Mohan Kurup, Director of Information Technology, explained that Oracle provides software systems and hardware that supports multiple departments, including Finance, Procurement, Inventory, Laboratory, GIS, and others. Their licensing model is predicated upon employee headcount and revenue for an organization. Approximately six months before renewing the license, NEORSD is asked to self-report revenue and headcount for the previous year. NEORSD's headcount has been relatively stable for the past few years; however, when the 2022 revenue was reported, it triggered a requirement to purchase additional licenses in the amount of \$75,000. Although the license term begins in June, NEORSD is requesting authorization from the Board so that NEORSD can purchase the licenses and come into compliance.

Mr. Kurup clarified that there are headcount and revenue thresholds and once one of those has been exceeded, an organization must go to the next licensing tier.

Authorization to Enter Into Agreement

- Resolution No. 317-23 Authorization to enter into a professional services agreement with Wichert Insurance for Third-Party Administrator Services for operational insurance claims and ancillary services for an initial term of three years, with two one-year options to renew the agreement, and further authorizing the CEO to exercise the options at her discretion, in an amount not-to-exceed \$25,000.00 per year, and including a \$25,000.00 allowance, in a total amount not-to-exceed \$150,000.00 for the initial term and all option years.
- Resolution No. 318-23 Authorization to enter into a project agreement with West Creek Conservancy (WCC) to provide funding toward the acquisition of PPN 457-19-013, located in the City of Parma, and the demolition of an existing structure on the parcel, all as necessary for the operation and maintenance of the Regional Stormwater System, with a District contribution toward project costs in an amount not-to-exceed \$275,000.00, combined with \$50,000.00 from WCC, for a total project cost not-to-exceed \$325,000.00.
- Resolution No. 319-23 Authorization to enter into professional services agreements with Improve Consulting and Training Group, Yan Maschke Group, Pinnacle Leadership Solutions, and Synergy International Limited, Inc., collectively referred to as the Suite of Coaches, for leadership coaching services for a three-year term or until funds are exhausted, in a total amount for all agreements combined not-to-exceed \$200,000.00.
- Resolution No. 320-23 Authorization to enter into a one-year agreement with CDW for the Adobe software support and maintenance services renewal for the initial one-year term beginning December 20, 2023, in an amount not-to-exceed \$63,910.89, with two additional one-year options to renew the agreement, to be exercised by the CEO at her discretion, for an additional amount not-to-exceed \$67,123.89 for year two, and not-to-exceed \$67,123.89 for year three, and including an allowance in the amount of \$20,000.00 for the purchase of additional licenses, as necessary, for future growth and development of the District's workforce, in a total amount not-to-exceed \$218,158.67 for the initial term and all option years.

Resolution No. 321-23

Authorization to enter into a professional services agreement with Hunter Consulting Company for Third Party Administrator Services for workers' compensation claims and ancillary services, for an initial three-year term beginning January 1, 2024, in the amount of \$16,000.00 for year one, \$16,400.00 for year two, and \$16,800.00 for year three, with two additional one-year options to renew the agreement, to be exercised by the CEO at her discretion, in the amount of \$17,200.00 for option years four and five, and including a \$25,000.00 allowance, in a total amount not-to-exceed \$108,600.00 for the initial term and all option years.

MOTION – Mayor Alai moved, and Mayor Bacci seconded to adopt Resolution Nos. 317-23 through 321-23. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 322-23

Authorization to enter into a contract with Underwater Marine Contractors for the Euclid Creek Tunnel Shaft 1 Grit Removal project in an amount not-to-exceed \$182,155.05.

MOTION – Mayor Bacci moved, and Mr. Sulik seconded to adopt Resolution No. 323-23. Without objection, the motion carried unanimously.

Authorization to Close Out Contract

Resolution No. 323-23

Authorizing the final adjusting change order to close out Contract No. 22009252 with Triad Engineering and Contracting Co. for the Easterly Tunnel Dewatering Pump Station Groundwater Drainage Cleaning & Repairs project to decrease the contract amount by \$59,851.37, thereby bringing the total contract amount to \$817,648.63.

Resolution No. 324-23

Authorizing the final adjusting change order to close out Contract No. 22000585 with Proshot Concrete, Inc. for the Brookside Culvert Repair project to decrease the contract amount by \$946,734.15, thereby bringing the total contract amount to \$8,522,183.85.

Resolution No. 325-23

Authorizing the final adjusting change order to close out Contract No. 22005413 with A.W. Farrell & Son, Inc. for the District-Wide Roofing Improvements Phase 2 project to decrease the contract amount by \$272,094.11, thereby bringing the total contract amount to \$1,828,755.89.

MOTION – Ms. Chambers moved, and Mayor Bacci seconded to adopt Resolution Nos. 323-23 through 325-23. Without objection, the motion carried unanimously.

Property Related Transaction

Resolution No. 326-23 Authorization to acquire one parcel in fee simple, known as PPN 794-21-050, located at 17646 Rauland Drive, in the Village of Walton Hills, owned by Karen M. Robison and Jeffrey P. Brasdovich, Trustees of the Mimi's Trust dated May 10, 2020, necessary for the construction and maintenance of the Sagamore Creek Problem Area 01 project, to enter into an assignment agreement with Western Reserve Land Conservancy, to enter into a six-month no-cost lease with Ms. Robison and Mr. Brasdovich, and to allow for the entirety of the payment to be disbursed to Ohio Real Title Agency, LLC with total consideration of \$400,000.00 plus closing costs.

MOTION – Mr. Sulik moved, and Mayor Bacci seconded to adopt Resolution No. 326-23. Without objection, the motion carried unanimously.

Authorization to Grant Credit

Resolution No. 327-23 Authorizing the District to issue a credit adjustment in the total amount of \$43,388.24 against sewer charges on the account ending in 2330 to EBMHC, LLC, 16801 Lake Shore Boulevard, Cleveland.

MOTION – Mayor Bacci moved, and Mayor Alai seconded to adopt Resolution No. 327-23. Without objection, the motion carried unanimously.

V. Information Items

Devona Marshall, Director of Engineering and Construction, provided the monthly update for the Capital Improvement Program (CIP) for October 2023, beginning with cashflow. Through October, \$133.7 million has been spent with \$23.1 million of that paid to BOP firms for their work on those projects, which equates for 17.3% of the overall cashflow.

As for Key Performance Indicators (KPIs), design was completed for the Southerly Tunnel Dewatering Pump Station project within 60 days of planned, meeting that KPI.

The construction contract for the Southerly Fire Alarm and Fire Protection Upgrades project was closed within 95% of the contract amount, meeting that KPI. The KPI for the BOP goal was set at 15% MBE/WBE and was exceeded at 46.17%. Work orders change categories as a percentage of construction was 3.92%, which equates to \$17,400, all of which were owner-requested changes.

The construction contract for the Southerly FST Launder Support Concrete Repair project was closed. The contract total was \$364,000, which was within 95% of the original contract amount, meeting the KPI; however, KPI for the BOP goal of 15% MBE/WBE was not met, with a projected actual of 8.43%. Some of the base scope of the project was non-performed because when the tanks were emptied, the amount of concrete repair planned was more than was necessary, impacting the BOP goal. There were no work orders on this project, so the general allowance was completely returned.

Ms. Marshall invited Robin Rupe, Manager of Design, to provide an update on small project support within E&C.

Ms. Rupe explained that small projects are defined as not large enough to be under the CIP, and frequently require immediate attention. Many times, there are issues that come from the Operational Readiness Implementation (ORI) team that they have identified under their initiatives. Sometimes there are items that are put through the formal CIP nomination process, or they could be projects that are identified by WWTP staff, or O&M has budgeted as a line item in their budget.

There are several ways that E&C assists with coordination of these projects. One way is by troubleshooting at different sites with WWTP staff providing guidance. There have been in-house designs by engineering staff, or by the ORI group. Additionally, E&C has made use of some of its general engineering services contracts. In addition, E&C staff has worked closely with the Technical Services Group (TSG) to help administer some of the bid packages.

As more of these projects are performed, a formalized process is being developed for how to proceed and provide assistance. First, it was necessary to identify what constitutes a small project and what documentation is needed. Then there was a need to establish an approval and prioritization process, followed by assessing the available budget to implement the projects. The team has devised a reduced set of division one specifications and made modifications to the general conditions and special general conditions that are used in small projects bid packages.

Ms. Rupe provided examples of projects performed by the group beginning with a project at the Westerly WWTC to replace a non-potable water valve, which needed to be completed before the winter season. The team worked with in-house staff to provide drawings and details. The project cost was less than \$50,000, and staff solicited three bid packages to implement the project.

The team has used in-house staff to design and bid paving improvements at the Southerly WWTC and will perform more paving services at the Southerly WWTC and Easterly WWTP next year.

The team is assisting with replacing the variable frequency drives in the REF that have reached the end of their useful life. O&M was having difficulty finding replacement parts. The team created a package with a simplified set of drawings to help purchase the parts. Once the replacement parts are delivered, O&M will perform install the new drives in-house.

At GJM, the team assisted with a masonry and brickwork project using the general engineering services contract to prepare drawings that were used to issue the bid documents.

Ms. Rupe explained that the CIP and facility plan recommendations at the Easterly WWTP and Southerly WWTC in the mid-2000 timeframe have been completed or are in the midst of being completed. These projects are representative of what the workload has been for staff in previous years. These small projects represent the workflow for the team for years to come, by providing this type of assistance specifically for O&M.

VI. Open Session

Mr. Sulik provided an Audit Committee update and reminded the Board that the Audit Committee is comprised of Bill Chorba and Ken Koncilja, both of whom are independent of NEORSD and Mr. Sulik, who represents the Board of Trustees on the Committee.

The purpose of the Committee is to maintain the integrity of NEORSD's financial statements, compliance with legal and regulatory requirements, to review the independent auditor's qualifications and independence, and to review the performance of the independent auditor and NEORSD's internal audit function.

The committee has met with Ciuni and Panichi, the independent auditor of the District. It is their opinion that the financial statements of NEORSD present fairly in all material respects the respective financial position of the business type activities of NEORSD as of December 31, 2022, and respective changes in the financial position and cash flows for the year that ended in accordance with accounting principles generally accepted in the United States of America.

The auditors stated that they encountered no difficulties in dealing with management in performing and completing their audit. The Committee reviewed the internal audit plans and internal audit reports. It has been determined that the management and the Internal Audit staff have worked closely in resolving issues highlighted in internal audit reports. There is currently an emphasis on security and priority rating measures to maintain the integrity of all departments of the Northeast Ohio Regional Sewer District.

VII. Public Session (any subject matter)

There were no items.

VIII. Executive Session

Mayor Bacci, pursuant to Ohio Revised Code Section 121.22 (G)(1), moved, and Mayor DeGeeter seconded, to enter into executive session to consider the employment and compensation of a public employee. By roll call vote, the Board voted unanimously to enter into executive session at 1:17 p.m.


The Board returned to open session at 1:50 p.m.

IX. Approval of Items from Executive Session

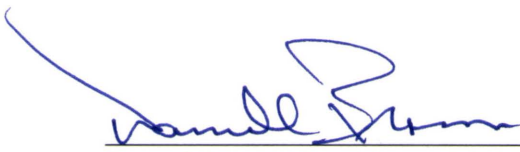
There were no items.

X. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Ms. Chambers seconded the motion to adjourn at 1:51 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