

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
DECEMBER 1, 2011

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: R. Sulik
D. DePiero
J. Bacci
S. Kelly
W. O'Malley
G. Starr

ABSENT: D. Brown

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

II. Approval of Minutes

MOTION – Ms. Kelly moved and Mr. O'Malley seconded that the minutes of the November 17, 2011, Board Meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no members of the public registered to speak during Public Session.

IV. Executive Director's Report

Executive Director Ciaccia advised that the trial in regards to the Stormwater Management Program litigation is currently in a lull after three weeks of both sides presenting their respective cases.

Executive Director Ciaccia further advised that Judge Pokorny sat down with the parties in the interest of reaching a framework for settlement. The parties agreed to meet to discuss settlement on Friday, December 2, 2011. He advised that the District has a

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proposal which will be discussed with the Board during executive session. Should no agreement be reached in the interim, the trial will resume on December 14 ending on December 15 with closing arguments.

Executive Director Ciaccia provided updates regarding other litigation.

A pre-trial is scheduled for December 15, 2011, in regards to the KMM&K/MCT-3 lawsuit. Staff is hopeful that a trial date will be set for early next year.

A trial date of July 2012 has been set for the 3320 Woodland case regarding the landfill and Mill Creek Interceptor. Talks continue with the parties in the meantime.

A contractor is suing the District for upwards of \$400,000 in regards to work performed on the Train Avenue Relief Sewer project. The contractor is suing for additional costs they incurred they believe was from a differing site condition -- claims the District denied. That trial is scheduled for February 6, 2012, and talks continue with them as well.

Moving to another topic, Executive Director Ciaccia advised that the Cleveland Water Department (hereinafter "CWD") billing system continues to improve. District staff is working with them on formulating the new rates into the billing system. He asked Humberto Sanchez, Director of Information Technology, to provide the Board with an update.

Mr. Sanchez explained that testing of scenarios related to water bills is complete. CWD is configuring the system in many different ways and each requires separate testing. That went very well and the next step is the validation process next week. The January 1, 2012 target date is on course.

Mr. Sulik questioned if there has been progression towards moving to monthly billing. Executive Director Ciaccia explained that CWD is involved in an automated meter reading project -- a major endeavor -- and when that project is substantially completed they intend to move to monthly billing. That transition is a couple years down the road, but the desire to move to monthly billing exists and will eventually happen.

Executive Director Ciaccia stated that a meeting to discuss the billing agreement with representatives from CWD is scheduled for Monday, December 5.

Both parties operate under a billing agreement from the 1980s, and District staff wanted to begin negotiating a new agreement because of the new billing system with new capabilities. There are opportunities to enhance some of the Customer Service Department's operations and reporting.

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Executive Director Ciaccia advised that the main topic of the meeting will be the fee associated with the billing services CWD provides. They have calculated their costs and will present those numbers, at which point, the fees and other aspects of the agreement will be negotiated. This will be an ongoing topic over the next couple months.

Cash from receipts is improving; \$133 million was received in November -- substantially more than last year when only \$121 million was taken in. Executive Director Ciaccia advised that receipts are projected to be only 2% behind where they should have been. Projections were 8% behind in July.

Eleven (11) months into the 2011 budget, revenues are projected to end slightly ahead of the budget's projected revenues and "a good amount" below on expenses. Executive Director Ciaccia indicated that the promising figures have prompted him to encourage Dave McNeeley, Director of Operations & Maintenance, to remove ash from the Southerly plant before the end of the year. He stated that staff has done a great job holding expenses in line.

The Ohio Environmental Protection Agency (hereinafter "EPA") conducted a pretreatment inspection audit of the Industrial Pretreatment Program last month and the results have been received. Executive Director Ciaccia stated that the results were positive and he asked Frank Foley, Superintendent of Environmental Services, to address the Board on the results.

Mr. Foley stated that representatives of the Ohio EPA visited the District three times during the first half of November. The visits were primarily comprised of interviews with District staff, file reviews and going into the field with District investigators to observe them conducting inspections of industrial facilities.

The Ohio EPA determined and communicated to District staff that the overall evaluation of the Industrial Pretreatment Program is operating very well, with excellent oversight of significant industrial users.

A couple deficiencies were found and being addressed. One was related to the plans for toxic/organic chemicals the District requires from some of the industries. Scott Broski and his team presented a plan on the final day of the audit that the Ohio EPA found acceptable.

Another deficiency was in regards to language in some of the permits issued to industrial users and how certain parameters are sampled. Those concerns are being addressed as well. The Ohio EPA made one recommendation for how some samples are documented.

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Mr. Foley advised that some aspects of the program were found to be superior. One was the practices employed when collecting samples to ensure legally defensible data is collected that can be used for enforcement when needed.

The other aspect of the program the Ohio EPA cited as superior was the Mercury Program and the way that information is collected on sources of mercury within the system and the willingness to share it with other Publicly Owned Treatment Works throughout the state with less experience in that area.

During interviews, the Ohio EPA inspectors mentioned they recognize that as an organization, the District puts resources into this program and that commitment and support from the administration and the Board helps the people do a good job.

Mayor Starr questioned the significance of industrial audits versus others and what are the other categories. Mr. Foley advised that significant industrial users is a technical regulatory term and applies to industries either covered by certain federal categorical standards for pretreatment or large industries with the potential to affect operations at the treatment plant by discharging more than 25,000 gallons a day of processed wastewater or by things they could do to potentially cause problems at treatment plants.

Mayor Starr asked how many significant industrial users are in the District. Mr. Foley advised that about 170 significant industrial users and 130 categorical industrial users are within the service area.

On another topic, Mr. Sulik stated that as staff diligently works on next year's budget, he wanted to emphasize "that we want to keep a very sharp pencil." A multitude of costly projects are on the horizon and anywhere dollars in the operating budget can be shifted into construction helps.

Mr. Sulik also requested Constance Haqq, Director of Administration & External Affairs, create a small report regarding the response the District received from its recent mass mailing to customers about affordability programs. Ms. Haqq stated that she would be happy to put a report together. Preliminarily, she advised that over 3,000 phone calls were received in the week afterward the mailing went out, which is 1,000 more than the number of calls usually received for an entire month. Most callers asked for information or applications and every call received a response.

Executive Director Ciaccia stated that he agreed with Mr. Sulik's comments and that F. Michael Bucci, Deputy Executive Director, appreciates his comments about the budget. He stated that the District must "run a tight ship" and there has been some stress from the rate projections.

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Executive Director Ciaccia reported that the District is entering into a new agreement with Summit County in regards to how they are billed, which will reduce some revenue projections. Additionally, the billing agreement with CWD with the upgrades they made will be addressed from a billing fee standpoint. Executive Director Ciaccia explained that certain things were not anticipated when the rate study was conducted, but the Board passed the rates, as presented at the time.

Mr. Sulik inquired if CWD's rates should decrease as they become more efficient. Executive Director Ciaccia advised that in the long-term that would likely be the case, but there are up-front capital costs associated with the new billing system and automated meter reading system.

Executive Director Ciaccia explained that staff is considering how that can be booked from an accounting standpoint. These are factors that were not necessarily factored into the projections during the rate analysis. However, it is something the District will have to live with the next five years.

Mayor DePiero advised that City Hall in Parma has received good information with regard to the Homestead exemption and affordability programs. He inquired what the District is doing to raise awareness of the new rate structure. Ms. Haqq explained that staff has widely distributed posters to churches and community centers and will continue to do so. The information is displayed on the District's web site and information was contained in the recent mailing. Brochures are available, individual presentations have been made as requested and there have been radio spots on WCPN and other stations.

Mayor DePiero inquired if District customers are notified when the billing is sent perhaps through an envelope insert. Ms. Haqq stated that there is a joint bill now with CWD which contains a line regarding the affordability programs and new rates. An insert with the bill was not done this year as it had in the past because every customer was informed through an individual letter.

Mayor Starr inquired why cash receipts increased. Executive Director Ciaccia explained that last year CWD experienced problems getting bills out as they transitioned to a new billing system. Those problems have been remedied and bills are going out on a timely basis. CWD has also enhanced their collection efforts. Last year their collection efforts contracted because there was an issue with the accuracy of some bills, so they were not as aggressively collecting as they are now. Executive Director Ciaccia stated that a report on their collections practice was recently on Channel 5, which he viewed positively because it was a sign CWD was being more aggressive. He thinks that this is driving the increase in revenue collection currently.

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Mayor Starr questioned if these are revenues going back two years. Executive Director Ciaccia clarified that revenues were falling behind for the last two years.

Mayor Starr inquired if Executive Director Ciaccia held the opinion that the billing errors were corrected now, to which he replied that they are still working on corrections, but the major issues have been corrected. One of the biggest problems was causing bills to not be sent out. There was a default that resulted in no billing if any bill got two consecutive estimates. That was corrected.

Executive Director Ciaccia stated that there are still some problems. He would not give them “a completely passing grade” at this point, nor would CWD, but it has been substantially corrected.

Mayor Starr inquired if meetings with CWD have occurred on a regular basis. Executive Director Ciaccia advised that Mr. Sanchez and Ms. Haqq have been meeting with CWD in regards to IT and customer service. Jennifer Demmerle, Director of Finance, has also met with them on financial reporting.

Mayor Starr questioned if the bills will be redesigned. Executive Director Ciaccia indicated that bills were redesigned a year ago when they went to a combined water and sewer bill. Mr. Sanchez clarified that the bill was redesigned in 2009. Executive Director Ciaccia stated that there has been discussion about how well the redesigned bill is working.

Mayor Starr stated that the two most important questions when looking at a bill associated with water and sewer is usage and price per unit. Executive Director Ciaccia agreed and advised that information has historically been on the bills and continues to be. The bills now break down usage and price per MCF which had not been included previously.

V. Action Items

Authorization to Advertise

Resolution No. 276-11

Two-Year Requirement Contract for Boiler Feed Water Treatment and Cooling Tower Service at All Wastewater Treatment Plants and the George J. McMonagle Building. Anticipated Expenditure: \$108,000.00.

Resolution No. 277-11

One-Year Requirement Contract for the Purchase of Centrifuge Polymer for Use at the Westerly Wastewater Treatment Plant. Anticipated

Expenditure: \$146,900.00.

Resolution No. 278-11 Three-Year Requirement Contract for Substation Preventative Maintenance and Repair at All Wastewater Treatment Plants and the Environmental and Maintenance Services Center. Anticipated Expenditure: \$878,000.00.

MOTION – After discussion, Mayor DePiero moved and Mr. O’Malley seconded to adopt Resolution Nos. 276-11 through 278-11. Without objection, the motion carried unanimously.

Ms. Kelly stated that 34 combined SBE/WBE/MBE firms were listed for participation and inquired regarding the number of SBE and MBE of the 34. Mr. McNeeley advised that ten were WBEs and quite a few are multiples, classified as SBEs, WBEs and MBEs.

Ms. Kelly requested a breakdown of the numbers at the next Board meeting. She expressed an interest if the majority were SBEs since the new program was implemented. Mr. McNeeley agreed to provide the information for the next meeting.

Authorization to Purchase

Resolution No. 279-11 Purchase from Dell Marketing L.P., Under the Ohio State Term Contract No. 0A07004, Microsoft Windows & Exchange Server Software Licenses. Cost: \$102,878.85.

MOTION – After discussion, Ms. Kelly moved and Mayor Bacci seconded to adopt Resolution No. 279-11. Without objection, the motion carried unanimously.

Authorization to Pay Fees

Resolution No. 280-11 Ohio Environmental Protection Agency Annual Discharge Fees for All Wastewater Treatment Plants. Cost: \$108,700.00.

MOTION – After discussion, Mayor Bacci moved and Mayor DePiero seconded to adopt Resolution No. 280-11. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement(s)

Resolution No. 281-11	Agreement with the Auditor of State of Ohio to Appoint Auditors for 2011 Audit. Cost: Not-to-Exceed \$55,000.00.
Resolution No. 282-11	Sponsorship Agreements Under the Environmental Protection Agency's 2012 Water Resource Restoration Sponsor Program.
Resolution No. 283-11	Agreements with the Ohio Public Works Commission to Assume the Remaining Funds for the Big Creek Watershed Improvement Project and with the City of Cleveland and City of Parma for Project-Related Purposes.
Resolution No. 284-11	Settlement Agreement with Hallmark Building Company. Account Credit: \$2,382.26.

MOTION – After discussion, Ms. Kelly moved and Mr. O'Malley seconded to adopt Resolution Nos. 281-11 through 284-11.

Mayor DePiero requested a roll call for Resolution No. 283-11. The motion carried with one abstention by Mayor DePiero.

Without objection, the motion to adopt Resolution Nos. 281-11, 282-11 and 284-11 carried unanimously.

In regards to Resolution No. 281-11, Mr. Sulik stated that Ciuni & Panichi, Inc. has been the District's auditors for a number of years, and the District is now switching to the State. He inquired as to the reason. Ms. Demmerle explained that Ciuni & Panichi had been on two five-year contracts. They are no longer to bid on the audit if the District went out for a Request for Proposal. The Ohio Auditor of State chooses whether the organization submits an RFP for an outside auditor, or whether the State will perform the audit. Ms. Demmerle speculated that the new Auditor may want the State to perform the audit because the District has never had the State perform it. The Auditor chooses which entities have been away from the audit for a long time. It is something he put in place recently.

Mr. Sulik asked, for purposes of clarification, if it is the State's choice as to who performs the audit, which Ms. Demmerle affirmed.

Moving discussion to Resolution No. 282-11, Mr. Sulik asked Executive Director Ciaccia to explain the District's involvement and if there is a financial commitment.

Executive Director Ciaccia advised that the District got involved with this program in 2004 and revisited it in 2008. It is called the Water Resource Restoration Sponsor Program (hereinafter "WRRSP") and is tied to the Water Pollution Control and Loan Fund Program (hereinafter "WPCLF") with the State. An entity such as the District that accesses money through the State loan program may participate in the WRRSP Program.

They take some of the money the District would otherwise pay in interest to the State on those loans and redirect it to restoration projects with conservancy and restoration groups for wetlands and things of that nature. They sponsor those projects in the form of grants to those entities. It requires a sponsorship from the agency which is holding the WPCLF fund. In this case, that is the District.

In order for these groups to qualify they need a sponsoring agency. The District is the biggest player in the state as it relates to WRRSP funds. A lot of money can get redirected in the way of a sponsorship.

Executive Director Ciaccia advised that the District has chosen as a matter of policy to sponsor projects in communities not necessarily within the District boundaries. That includes any that drain into the Cuyahoga River, Rocky River or Chagrin River watersheds. These are projects that fall within that footprint. The District has sponsored \$27 million worth of projects in the five-year period it has done this.

The District gets a break on the interest rates it charges, resulting in savings of \$1.8 million over the life of the loans. Executive Director Ciaccia stated that it is a great program. At that time, he asked Frank Greenland, Director of Watershed Programs, if he wished to comment.

Mr. Greenland advised that the District has been active in the program since 2004 and over \$27 million to date has been brought into the region for good projects. The projects are either protection of wetlands, forested areas or stream restoration activities to control erosion and flooding. He indicated there is reason to believe at least \$6 million more is on the priority list for 2012, pushing the total over \$30 million.

Mr. Greenland explained that while meeting with the communities over the past few years regarding the SMP staff was often questioned regarding the availability of funding for these types of projects. This program is a demonstration of the District's ability to leverage resources and bring them into the region.

Mr. Greenland stated that the program has been very successful. He indicated that Mark

Link is raising awareness with community groups and Jim Tubero in Finance deals with the financial aspects between loans and this program and both do a great job. The engineering staff has at times been involved in implementation of the project activities.

Executive Director Ciaccia explained that at the time the District went out for the last bond issue the market was not as favorable from an interest rate standpoint, but more favorable for structuring, longer-term loans and the ability to refinance than the WPCLF. Nonetheless staff chose to fund a certain amount under WPCLF to maintain the involvement in the WRRSP program. He stated that is how important it is to the District and the region.

Mayor Starr stated that the District is comprised of approximately 61 communities and is spending this money in communities which are not in the District, such as Streetsboro and Medina. He inquired if water in those areas ends up in District tributaries. Executive Director Ciaccia affirmed. Mr. Greenland stated that the projects are all related to stormwater.

Executive Director Ciaccia stated that there was one project in Aurora, which is in either the Cuyahoga or Chagrin watershed. Mayor Starr inquired if the Portage district also drains to the area. Mr. Greenland advised that it drains to the Cuyahoga River.

Executive Director Ciaccia advised that if a community within District boundaries has a project it is given priority status. Otherwise, the District is expanding the reach it has.

Mayor Starr questioned how many projects are proposed from the District area and if communities initiate them. Mr. Greenland explained that on an annual basis the Ohio EPA and the District make it known that certain funding is available. Community groups, watershed groups, park districts, cities and villages make the pitch to the Ohio EPA.

Mr. Greenland advised that discussions are held regarding whether the District will fund the projects with which groups approach them. As long as the projects meet the criteria and are good projects, they will be sponsored. He explained that there is a limit on how much can be sponsored per year based on the loan amount. District staff chooses the projects it wishes to sponsor among those submitted to the Ohio EPA for ranking.

Mayor Starr inquired if the program is essentially spending the money to help reduce stormwater flooding. Mr. Greenland affirmed and elaborated that it includes controlling erosion and quality improvements in streams.

Mayor Starr stated that "those are all the things you have to keep repeating." Mr. Greenland clarified that the funding for these projects are grant money and not District

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dollars. The funds are leveraged dollars the Ohio EPA makes available to communities and the District receives a benefit in terms of reduction of interest on the loan. Through the program the District leverages dollars into the region.

Executive Director Ciaccia advised that the only expense the District has is management as it relates to the projects because the money coming back would otherwise have gone towards paying interest to the State. He explained that there is some risk if one of the sponsoring groups fails, because the District then would be on the hook to finish managing the project.

Mayor Starr questioned if these are low-interest loans. Executive Director Ciaccia advised that they are grants. Mayor Starr inquired if they are outright grants, which Mr. Greenland affirmed.

Mr. Sulik requested clarification regarding Resolution No. 283-11. Mr. Greenland explained that the project involves the Chevrolet branch of the Big Creek project. The project has been in development for more than ten years and is a result of a cooperative arrangement between the City of Cleveland, City of Parma and the District. ODOT was a player at one point during the process.

Mr. Greenland advised that the arrangement is a “classic inter-community stormwater problem.” Flow from Parma goes to Cleveland and there are issues in both cities in terms of basement and stream flooding, which is precisely the type of work that will be done with the SMP.

During the time the grant application was submitted by Cleveland and Parma, the District provided in-kind support. Certain elements of the project have been implemented in Cleveland, such as upsizing culverts, cleaning debris from the Chevy branch of Big Creek and stream restoration.

Mr. Greenland stated that other big-ticket elements remain, including detention basins. Preparations are under way for detention facilities in Parma to alleviate stormwater flooding issues and linking to Cleveland. The District has been asked to assume the remaining grant funds with a zero percent loan to continue to drive the project forward.

Mr. Sulik inquired if there is around \$745,000 remaining in the grant and the District would contribute 32%. Mr. Greenland affirmed there is a local match.

Mr. Sulik questioned if the District will contribute \$238,000. Mr. Greenland stated that the figure is around \$400,000.

Mr. Sulik inquired if the project can be completed without the loan. Mr. Greenland advised that the project will be reevaluated. There are different issues now at the GM site because a 57-acre site was recently sold.

There is preliminary engineering and design, at which point the final cost estimate for the basin will be known. The basin was estimated at \$1.2 or \$1.6 million a number of years ago. Mr. Greenland stated that whether to utilize the loan is yet to be determined. The District is not obligated to use it, but staff wanted to preserve the funding availability until a decision is made.

Authorization to Enter Into Contract

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| Resolution No. 285-11 | Two-Year Contract with St. Vincent Charity Medical Center, Occupational Health Care Services, to Provide Occupational Health Care Services to District Employees. Cost: Not-to-Exceed \$60,000.00 per Contract Year for a Total Not-to-Exceed Cost of \$120,000.00. |
| Resolution No. 286-11 | Two-Year Contract (with an Option to Renew the Second Year) with Sarcom for Supplemental Desktop and Network Support Services. Cost: Not-to-Exceed \$527,930.00. |
| Resolution No. 271-11 | Contract with Walsh-Atkinson Joint Venture for the Easterly Tunnel Dewatering Pump Station Project. Contract Amount: \$69,740,474.20. |

MOTION – After discussion, Mr. O’Malley moved and Mayor Bacci seconded to adopt Resolution Nos. 285-11, 286-11 and 271-11. Without objection, the motion carried unanimously.

Mr. Sulik requested additional background regarding the Dewatering Pump Station. He was aware the bids came in under the estimate. Ms. Rotunno explained that the Tunnel Dewatering Pump Station as it was originally carried on the facilities plan budget was nearing a \$200 million figure carried for a number of years and into the negotiations with the EPA. Subsequent to that the designer formulated the value engineered proposition to construct it using a cavern construction technique, which will cost substantially less and they revised their engineer's opinion of probable construction cost to \$86 million.

When put out to bid a number of bids received in and around \$86 million. One was around \$76 million and Walsh submitted a bid of \$69 million. The District has taken the

\$200 million placeholder in the Combined Sewer Overflow Program and reduced it to a \$69 million item.

Ms. Rotunno advised and she and her staff met with the low bidder to make sure they were comfortable with the bid. The bidder's escrow bid documents were reviewed during the interim period to make certain they complied with the requirements and had all backup information should a suit arise. She indicated that on this contract the District has the requirement for a dispute resolution board as well. Should disputes arise during construction an avenue exists to support the negotiation and settlement of claims before getting to litigation.

Mr. Sulik stated that is a substantial savings for the District from the estimates.

Mayor Starr inquired if Walsh is located in Detroit, Michigan. Ms. Rotunno advised it is based in Chicago, Illinois.

Mayor Starr indicated the background material lists a Detroit office location. Ms. Rotunno stated that Walsh maintains an office in Detroit as well. They are a Midwest-based firm.

Mayor Starr questioned if the District has dealt with the firm. Ms. Rotunno affirmed and explained they are the prime contractor on the Renewable Energy Facility at Southerly.

Mayor Starr inquired if prevailing wages will be paid on the contracts, which Ms. Rotunno affirmed.

Mayor Starr inquired if the firm will make local hires. Ms. Rotunno stated that they hire from the local union halls as the other contractors do.

VI. Information Items

1. Program Management Status Report and Update – November 2011

Kellie Rotunno, Director of Engineering & Construction, stated that improvements were made to the graphics to make them more clear and descriptive.

The District has awarded 91% of planned project awards in regards to the Capital Improvement Program and is projected to meet \$152 million with the approval of the Tunnel Dewatering Pump Station. She thinks the District will come very close to meeting its Key Performance Indicator (hereinafter "KPI") projections in terms of the dollar value and number of projects.

Ms. Rotunno advised that the accuracy of the engineer's estimate is slightly below projections. Bidders have been on average 10.8% below the engineer's opinion of probable construction cost. Only two projects were re-bid because they were over the engineer's estimate.

Four projects closed out in November -- all at less than 105% of budget and within the KPI goal.

Ms. Rotunno explained that the Mill Creek interceptor main branch is substantially lower than the contract value because a considerable amount of work was de-scoped due to litigation on the 3320 Woodland case.

Three projects are forecast to close by the end of the year. District staff anticipates being very close to meeting the KPI but expect the Easterly primary settling tanks will just miss.

Ms. Rotunno stated that on the aggregate for the year about 30% of the general allowances or 3% change order above the base contract value has been spent. The national average is 4% and staff is comfortable with that number.

Moving discussion to the fourth KPI, Ms. Rotunno advised that four projects closed in November below budget and met MBE, WEB and SBE goals. Each was at or above 80% for business opportunity participation.

Referencing the three projects yet to close in 2011, it appears a couple of MBE/WBE goals will not be met. Ms. Rotunno stated that she would be prepared to explain why when they are before the Board for closure.

Ms. Rotunno stated that with the award today on the Tunnel Dewatering Pump Station staff anticipates an NTP after the first of the year. The Euclid Creek Tunnel is proceeding swiftly and construction is visible to the south from the Shoreway near Bratenahl.

The mining shaft 1 is down to 195 feet and crews just lowered the road header machine into the shaft last week. This is a massive machine that is 93 tons. They will use that machine to eat into the side wall of the shaft and excavate the rock laterally to make room for the tunnel boring machine when it arrives in the spring.

The Lakeshore Boulevard shaft was excavated to 50 feet. Excavation continues with the Nottingham Road shaft and shoring has been installed. The ECT-5 or St. Clair shaft site is being excavated and a shaft collar was cast. Work is going along well on all sites.

The Renewable Energy Facility's exterior brick masonry is 95% complete and the crew is trying to enclose the building and weather-proof it before bad weather arrives.

Phase 1 of the roofing system and installation of the rooftop HVAC unit is complete.

The refractory in the fluidized bed incinerators 1 and 2 is complete. Major equipment and piping installations still remain on schedule. She noted that a representative from Walsh was in attendance and stated that staff fully anticipates completing the project within the contract value and on time.

VII. Public Session (any subject matter)

No members from the public registered to speak at Public Session.

VIII. Open Session

There were no items for discussion.

IX. Executive Session

Mr. Sulik stated that there was a matter for discussion in Executive Session.

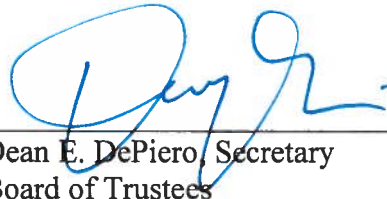
MOTION – Mayor Bacci moved to enter into Executive Session to consult with legal counsel and District administration regarding the stormwater litigation and District settlement proposals. Mayor Bacci stated that discussion of these matters in Executive Session are permitted as specific exceptions to the Public Meetings Act pursuant to Ohio Revised Code §121.22(G)(3) and he specifically designated all matters discussed in Executive Session to be protected from public disclosure in accordance with Ohio Revised Code §121.22(G) and attorney-client privilege. A roll call vote was taken and the motion carried unanimously to adjourn into Executive Session.

The Board met in Executive Session from 1:22 p.m. to 1:54 p.m.

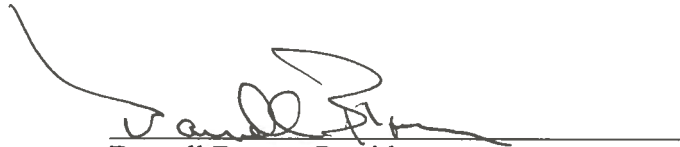
X. Adjournment

MOTION – Mr. Sulik stated business having been concluded, he would entertain a motion to adjourn. Mayor DePiero moved and Mr. O'Malley seconded the motion to adjourn at 1:54 p.m. Without objection, the motion carried unanimously.

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Dean E. DePiero, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



Darnell Brown, President
Board of Trustees
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