

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES
DECEMBER 13, 2007

The meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 P.M. on the above date by President Brown.

A. Roll Call

PRESENT: D. Brown
D. DePiero
S. Kelly
A. Liberatore
T. Longo
G. Starr
R. Sulik

The Secretary informed the President a quorum was in attendance.

B. Working Session

The Secretary reported that the Board met in Working Session on this date beginning at 12:34 P.M. See the Working Session Summary for the December 13, 2007 Board of Trustees meeting (Attachment "1"). The Working Session adjourned at 2:19 P.M.

C. Approval of Minutes

Item 1 – November 15, 2007

Moved by Mr. Sulik and seconded by Mr. Liberatore that the Minutes of December 15, 2007, be approved as circulated. Without objection CARRIED UNANIMOUSLY.

D. Major Projects

1. Mill Creek Project

Item a – Authorizing the Executive Director to enter into a contract with Wade Trim

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Ohio, Inc., 1100 Superior Avenue East, Suite 1400, Cleveland, Ohio 44114, for engineering services during the construction of the Mill Creek Interceptor Vista Branch and Main Branch. Cost: Not to exceed \$1,531,658.29.

Executive Director Ciaccia indicated it is necessary to provide engineering services during construction of the Mill Creek Interceptor Vista Branch and Main Branch.

MOTION - Moved by Mayor Longo and seconded by Mr. Sulik that the resolution be adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 275-07.

2. Intercommunity Relief Sewers Improvement Program

Item a – Authorizing and approving Southerly Contract BR-3 Change Order No. 1, Northeast Ohio Regional Sewer District Contract No. 3283. Cost: A decrease in the total contract price in an amount of \$433,062.67.

Executive Director Ciaccia stated Bid Item Nos. 13, 14, 15, 16, 18, 19, 20, 22, 24, 26, 27, 28, 38A, 44, 45, 46, 48, 59 and 81 were either partially or totally non-performed, thereby entitling the District to a credit. Approval of this change order has been recommended by the District's staff.

MOTION – Moved by Mayor Longo and seconded by Mr. Liberatore that the resolution be adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 276-07.

3. Big Creek Interceptor

Executive Director Ciaccia suggested the next two (2) resolutions be considered together. Without objection SO ORDERED.

Item a – Authorizing and approving Big Creek Interceptor – Contract BCI-3D Change

Order No. 6, Northeast Ohio Regional Sewer District Contract No. 3196. Cost: None, Time Extension.

Executive Director Ciaccia explained it is necessary to extend the contract completion date by 227 consecutive calendar days from November 16, 2007 to June 30, 2008. Approval of this change order has been recommended by the District's staff and by Metcalf & Eddy of Ohio, Inc., the consulting engineer.

Item b – Authorizing the Executive Director to enter into a contract with Metcalf & Eddy of Ohio, Inc., 1300 E. Ninth Street, Suite 1215, Cleveland, Ohio 44114, for consulting services during the construction of the Big Creek Interceptor Trestle No. 2 Replacement Project (BCI-3E). Cost: Not to exceed \$391,669.48.

Executive Director Ciaccia noted it is necessary to provide consulting services during construction of the Big Creek Interceptor Trestle No. 2 Replacement Project (BCI-3E).

MOTION – Moved by Mr. Liberatore and seconded by Ms. Kelly that the foregoing two (2) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 277-07 and 278-07, respectively.

4. Combined Sewer Overflow Improvement Program

Executive Director Ciaccia requested the next two (2) resolutions be considered together. Without objection CARRIED UNANIMOUSLY.

Item a – Authorizing the taking of bids for the rehabilitation of the West 117th CSO 071 Outfall. Estimated cost: \$500,000.00.

Executive Director Ciaccia indicated adoption of this resolution would authorize the

taking of bids for rehabilitation of the West 117th CSO 071 Outfall. Upon receipt of bids, a recommendation will be made to the Board for award to the lowest, responsive, responsible bidder.

Item b – Emergency resolution ratifying and approving the emergency in-progress investigative and design services related to the Huntington Garage Stormwater Outlet repair project and authorizing a partial payment for services expended in said emergency to Montgomery Watson Harza, 1300 East 9th Street, Suite 1100, Cleveland, Ohio 44114. Cost: \$35,225.84.

Executive Director Ciaccia stated an emergency existed in that it was necessary to immediately provide for the emergency in-progress investigative and design services related to the Huntington Garage Stormwater Outlet repair project. Montgomery Watson Harza has performed the necessary services with a portion of the cost being \$35,225.84.

MOTION – Moved by Ms. Kelly and seconded by Mr. Sulik that the foregoing two (2) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 279-07 and 280-07, respectively.

5. Southerly Improvement Program

Executive Director Ciaccia suggested the next two (2) resolutions be considered together. Without objection SO ORDERED.

Item a – Authorizing and approving Southerly Contract OLI-1 Change Order No. 1, Northeast Ohio Regional Sewer District Contract No. 3321. Cost: A decrease in the total contract price in an amount of \$9,189.12.

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Executive Director Ciaccia explained Bid Item Nos. 8 and 9 were partially non-performed, thereby entitling the District to a credit. Approval of this change order has been recommended by the District's staff and by Montgomery Watson, Harza, the consulting engineer.

Item b – Authorizing the taking of bids for improvements to the Southerly Wastewater Treatment Plant – Southerly Contract BR-4 (Bridge Rehabilitation). Estimated cost: \$13,000,000.00.

Executive Director Ciaccia noted adoption of this resolution would authorize the taking of bids for improvements to the Southerly Wastewater Treatment Plant – Southerly Contract BR-4 (Bridge Rehabilitation). Upon receipt of bids, a recommendation will be made to the Board for award to the lowest, responsive, responsible bidder.

MOTION – Moved by Mr. Liberatore and seconded by Mr. Sulik that the foregoing two (2) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 281-07 and 282-07, respectively.

6. Easterly Improvement Program

Item a – Authorizing the taking of bids for improvements to the Easterly Wastewater Treatment Plant – Easterly Contract FCR-4 (Final Clarifier and Aeration Rehabilitation). Estimated cost: \$4,700,000.00.

Executive Director Ciaccia indicated adoption of this resolution would authorize the taking of bids for improvements to the Easterly Wastewater Treatment Plant – Easterly Contract FCR-4 (Final Clarifier and Aeration Rehabilitation). Upon receipt of bids, a recommendation will be made to the Board for award to the lowest, responsive, responsible bidder.

MOTION – Moved by Mayor Longo and seconded by Mr. Liberatore that the resolution be adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 283-07.

7. Westerly Improvement Program

Executive Director Ciaccia suggested the next two (2) resolutions be considered together. Without objection SO ORDERED.

Item a – Authorizing the taking of bids for the replacement of the Primary Effluent Pump and Combined Sewer Overflow Treatment Facility (CSOTF) Dewatering Pump Variable Frequency Drives (VFD) at the Westerly Wastewater Treatment Plant – Contract PEPS-1. Estimated cost: \$650,000.00.

Executive Director Ciaccia stated adoption of this resolution would authorize the taking of bids for the replacement of the Primary Effluent Pump and Combined Sewer Overflow Treatment Facility Dewatering Pump Variable Frequency Drives at the Westerly Wastewater Treatment Plant – Contract PEPS-1. Upon receipt of bids, a recommendation will be made to the Board for award to the lowest, responsive, responsible bidder.

Item b – Determining to reject all bids received pursuant to Resolution No. 211-07, on November 27, 2007, for the Westerly Interceptor Box Culvert Replacement Contract (WIBCR) and authorizing the retaking of bids for the Westerly Box Culvert Replacement Contract (WIBCR). Estimated cost: \$5,500,000.00.

Executive Director Ciaccia explained bids were received and opened on November 27, 2007. Upon evaluation by the staff it was determined it is in the best interest of the District to reject all bids and to readvertise this contract. Upon receipt of bids, a recommendation will be

made to the Board for award to the lowest, responsive, responsible bidder.

MOTION – Moved by Mr. Sulik and seconded by Ms. Kelly that the foregoing two (2) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 284-07 and 285-07, respectively.

8. Stormwater

Item a – Authorizing the Executive Director to enter into a contract with AMEC Earth & Environmental, Inc., 201 S. Capital Avenue, Suite 200, Indianapolis, Indiana 46225, for professional services associated with the Stormwater Management Program Implementation Project. Cost: Not to exceed \$2,998,754.00.

Executive Director Ciaccia noted it is necessary to provide professional services associated with the Stormwater Management Program Implementation Project.

MOTION – Moved by Mr. Liberatore and seconded by Mayor Longo that the resolution be adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 286-07.

9. Easements

Item a - Authorizing the District to purchase in fee simple from the Board of County Commissioners of Cuyahoga County, Ohio, a parcel of land identified as Cuyahoga County Auditor's Permanent Parcel No. 111-04-002, necessary for construction of the Dugway East Interceptor Relief Sewer. Consideration: \$1.00.

Executive Director Ciaccia indicated in order to implement construction of the Dugway East Interceptor Relief Sewer it is necessary to purchase in fee simple Cuyahoga County Auditor's Permanent Parcel No. 111-04-002 from the Board of County Commissioners of

Cuyahoga County, Ohio.

MOTION – Moved by Mayor Longo and seconded by Mayor Starr that the resolution be adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 287-07.

E. Operations

Executive Director Ciaccia suggested the next seventeen (17) resolutions be considered together. Without objection SO ORDERED.

Item 1 – Awarding a two (2) year requirement contract to Marra Constructors, Inc., 31300 Solon Road, Suite 12, Solon, Ohio 44139, to provide maintenance services at the District's ten (10) combined sewer overflow (CSO) floatables control sites. Cost: \$426,100.00.

Executive Director Ciaccia stated bids were received and opened on November 20, 2007. Twenty-two (22) invitations to bid were distributed and four (4) bid packages were returned. Upon evaluation by the Operations Department it was determined the bid submitted by Marra Constructors, Inc., was the lowest, responsive, responsible bid to meet specifications. The Legal Department has determined the bid meets all legal requirements, and the District's Equal Employment Opportunity Policy, Guidelines and Procedures.

Item 2 – Authorizing the direct purchase, without competitive bidding, of Allen Bradley/Rockwell Automation programmable logic controller (PLC) control cabinets, ancillary hardware, software license renewals, updates and support services for the District's wastewater treatment plants and outlying facilities, from Rexel Midland, 5135 Naiman Parkway, Solon, Ohio 44139. Cost: Not to exceed \$120,000.00.

Executive Director Ciaccia explained it is necessary to purchase Allen Bradley/Rockwell

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Automation programmable logic controller (PLC) control cabinets, ancillary hardware, software license renewals, updates and support services for the District's wastewater treatment plants and outlying facilities from Rexel Midland, the sole supplier.

Item 3 – Authorizing the taking of bids for a one (1) year requirement contract for the purchase of 44,000 gallons of liquid sodium hydroxide solution for use at the Easterly, Southerly and Westerly Wastewater Treatment Plants. Estimated cost: \$90,000.00.

Executive Director Ciaccia noted adoption of this resolution would authorize the taking of bids for a one year requirement contract for the purchase of 44,000 gallons of liquid sodium hydroxide solution for use at the Easterly, Southerly and Westerly Wastewater Treatment Plants.

Upon receipt of bids, a recommendation will be made to the Board, for award to the lowest, responsive, responsible bidder.

Item 4 – Authorizing the taking of bids for the repair of a section of the Doan Valley Interceptor. Estimated cost: \$35,425.95.

Executive Director Ciaccia indicated adoption of this resolution would authorize the taking of bids for the repair of a section of the Doan Valley Interceptor. Upon receipt of bids, a recommendation will be made for award to the lowest, responsive, responsible bidder.

Item 5 – Authorizing the taking of bids for a two (2) year requirement contract for the purchase of treatment chemicals and monthly on-site testing and service for the boilers and cooling towers at all District facilities. Estimated cost: \$115,000.00.

Executive Director Ciaccia stated adoption of this resolution would authorize the taking of bids for a two year requirement contract for the purchase of treatment chemicals and monthly

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on-site testing and service for the boilers and cooling towers at all District facilities. Upon receipt of bids, a recommendation will be made for award to the lowest, responsive, responsible bidder.

Item 6 – Authorizing the taking of bids for a two (2) year requirement contract to supply compressed oxygen, high grade liquid argon, tanks and associated equipment for use at the District’s Analytical Services facility. Estimated cost: \$70,000.00.

Executive Director Ciaccia explained adoption of this resolution would authorize the taking of bids for a two year requirement contract to supply compressed oxygen, high grade liquid argon, tanks and associated equipment for use at the District’s Analytical Services facility. Upon receipt of bids, a recommendation will be made for award to the lowest, responsive, responsible bidder.

Item 7 – Amending Resolution No. 19-07, adopted January 18, 2007, which authorized the purchase of lubricating oils, gasoline, diesel fuel and heating oil on the open market in order to meet the District’s requirements for a one (1) year period, by increasing the appropriation therefor. Cost: \$12,693.59.

Executive Director Ciaccia noted it is necessary to increase the appropriation for said resolution in an amount of \$12,693.59 in order to provide for additional lubricating oils, gasoline, diesel fuel and heating oil to meet the District’s requirement for said one year period.

Item 8 – Authorizing the purchase of lubricating oils to operate and maintain mechanical equipment on the open market in order to meet the District’s requirements for a one (1) year period. Cost: Not to exceed \$100,000.00.

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Executive Director Ciaccia indicated because of market conditions it has been determined that open market purchase is the best method of obtaining the District's requirement of lubricating oils to operate and maintain mechanical equipment.

Item 9 – Authorizing the direct purchase without competitive bidding, on an as-needed basis, of replacement parts for the Wemco pumps at the Easterly, Southerly and Westerly Wastewater Treatment Plants from Barefoot & Case, Inc., 30205-A Clemens Road, Westlake, Ohio 44145. Cost: Not to exceed \$50,000.00.

Executive Director Ciaccia stated it is necessary to purchase replacement parts for the Wemco pumps at the Easterly, Southerly and Westerly Wastewater Treatment Plants from Barefoot & Case, Inc., the sole supplier.

Item 10 – Authorizing the purchase of electrical repair and minor construction services on the open market in order to meet the District's requirement for a one (1) year period. Cost: Not to exceed \$60,000.00.

Executive Director Ciaccia explained because of market conditions it has been determined that open market purchase is the best method of obtaining the District's requirement of electrical repair and minor construction services.

Item 11 – Authorizing the purchase of various shapes and sizes of steel and aluminum on the open market in order to meet the District's requirements for a one (1) year period. Cost: Not to exceed \$75,000.00.

Executive Director Ciaccia noted because of market conditions it has been determined that open market purchase is the best method of obtaining the District's requirement of various

shapes and sizes of steel and aluminum.

Item 12 – Authorizing the purchase of automotive parts on the open market in order to meet the District’s requirements for a one (1) year period. Cost: Not to exceed \$195,000.00.

Executive Director Ciaccia indicated because of market conditions it has been determined that open market purchase is the best method of obtaining the District’s requirement of automotive parts.

Item 13 – Authorizing the purchase of outside laboratory analyses on the open market in order to meet the District’s Analytical Services Department requirements for a one (1) year period. Cost: Not to exceed \$115,000.00.

Executive Director Ciaccia stated because of market conditions it has been determined that open market purchase is the best method of obtaining the District’s requirement of outside laboratory analyses.

Item 14 – Authorizing the purchase of materials and supplies on the open market in order to meet the District’s Building Maintenance Department’s requirement for a one (1) year period. Cost: Not to exceed \$175,000.00.

Executive Director Ciaccia explained because of market conditions it has been determined that open market purchase is the best method of obtaining the District’s requirement of building maintenance materials and supplies.

Item 15 – Authorizing the purchase of electric motor repair on the open market in order to meet the District’s requirements for a one (1) year period. Cost: Not to exceed \$75,000.00.

Executive Director Ciaccia noted because of market conditions it has been determined

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that open market purchase is the best method of obtaining the District's requirement of electric motor repair.

Item 16 – Authorizing the purchase of tree and vegetation maintenance services on the open market in order to meet the District's requirement for a one (1) year period. Cost: Not to exceed \$35,000.00.

Executive Director Ciaccia indicated because of market conditions it has been determined that open market purchase is the best method of obtaining the District's requirement of tree and vegetation maintenance service.

Item 17 – Ratifying and authorizing the purchase of laboratory quality gases for the District's Analytical Services Department under the State of Ohio Cooperative Purchasing Program. Cost: Not to exceed \$76,600.00.

Executive Director Ciaccia stated adoption of this resolution would ratify and authorize the purchase of laboratory gases for the District's Analytical Services Department under the State of Ohio Cooperative Purchasing Program.

MOTION - Moved by Mr. Sulik and seconded by Mr. Liberatore that the foregoing seventeen (17) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 288-07 through 304-07, respectively.

F. Administration

Executive Director Ciaccia suggested the next eleven (11) resolutions be considered together. Without objection SO ORDERED.

Item 1 – Adopting the recommendation of the Executive Director regarding the

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application for Billing Errors/Adjustments of Halley McDonald, 17495 Shelburne Road, Cleveland Heights, Ohio 44118, Account Number 1055950-00. Adjustment: \$1,471.39.

Executive Director Ciaccia explained he has reviewed said application, has determined it meets the requirements of the Sewer Use Code and recommends its acceptance.

Item 2 – Adopting the recommendation of the Executive Director regarding the application for Billing Errors/Adjustments of Danica Rogonjic, 1394 East 40th Street, Cleveland, Ohio 44103, Account Number 01-000-458-008. Adjustment: \$221.99.

Executive Director Ciaccia noted he has reviewed said application, has determined it meets the requirements of the Sewer Use Code and recommends its acceptance.

Item 3 – Rescinding Resolution No. 323-88, adopted on August 18, 1988, as St. Joseph Church, Account No. 34-382-224-003, is no longer eligible for a Sewer Service Charge Based on Usage of the System.

Executive Director Ciaccia indicated St. Joseph Church no longer desires to participate in the program and pursuant to Section 1.0811 of the Sewer Use Code no longer meets the requirements of Chapter 8 of the Sewer Use Code for a Sewer Service Charge Based on Usage of the System.

Item 4 – Authorizing an increase in the appropriation for Northeast Ohio Regional Sewer District Contract No. 2956 with Oracle USA, Inc., for maintenance support of the SPL/Synergen software for the period January 1, 2008 through December 31, 2008. Cost: Not to exceed \$64,748.01.

Executive Director Ciaccia stated it is necessary to increase the appropriation for the

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existing agreement with Oracle USA, Inc., in order to provide sufficient funds for the continuation of maintenance support for the SPL/Synergen software.

Item 5 – Authorizing the purchase of software user licenses for the distribution of electronic budget, financial and other management reports from Noetix Corporation, 5810 148th Avenue, NE, Suite 100, Redmond, Washington 98052. Cost: Not to exceed \$58,938.00.

Executive Director Ciaccia explained it is necessary to provide for the purchase of software user licenses for the distribution of electronic budget, financial and other management reports from Noetix Corporation.

Item 6 – Authorizing the provision of offsite electronic media; inactive hard copy records storage services and in-house document shredding services for the District during calendar year 2008 with five (5) one-year options to renew under the State of Ohio Cooperative Purchasing Program. Cost: Not to exceed \$32,025.00 for year 2008.

Executive Director Ciaccia noted adoption of this resolution would authorize the provision of offsite electronic media; inactive hard copy records storage services and in-house document shredding services for the District during calendar year 2008 with five (5) one-year options to renew under the State of Ohio Cooperative Purchasing Program.

Item 7 – Exercising the second two (2) year option to renew District Contract No. 3102 with Sarcom, Inc., for outsourcing of Information Technology Infrastructure services. Cost: Not to exceed \$697,750.00.

Executive Director Ciaccia indicated the second two-year option is available on the existing contract with Sarcom, Inc., for outsourcing of Information Technology infrastructure

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services. The two-year option is favorable to the District and the staff recommends the District renew Contract 3102.

Item 8 – Authorizing the Executive Director to enter into a three (3) year contract with AT&T Global Services, P.O. Box 660688, Dallas, Texas 75266, for the District's telecommunication services. Cost: Not to exceed \$862,934.40.

Executive Director Ciaccia stated it is necessary to provide for a three (3) year contract for the District's telecommunication services consisting of Gigaman, Opt-E-man, Managed Internet Services, measured business lines and PBX trunks services from AT&T Global Services.

Item 9 – Authorizing the direct purchase without competitive bidding of a three (3) year service, support and preventative maintenance agreement for specified telecommunication systems located throughout the District from Laketec Communications, Inc., 27881 Lorain Road, North Olmsted, Ohio 44070. Cost: Not to exceed \$149,286.00.

Executive Director Ciaccia explained it is necessary to purchase a three (3) year service, support and preventative maintenance agreement for specified telecommunication systems located throughout the District from Laketec Communications, Inc.

Item 10 – Designating and approving the Executive Director of the Northeast Ohio Regional Sewer District, Julius Ciaccia, or Acting Executive Director authorized to serve in his stead, as the representative of the Northeast Ohio Regional Sewer District with regard to all aspects of Water Pollution Control Loan Fund (WPCLF) assistance applications, assurances, acceptances, etc.

Executive Director Ciaccia noted the Ohio Environmental Protection Agency requires the

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District to specifically designate its representative with regard to all aspects of Water Pollution Control Loan Fund (WPCLF) assistance, applications, assurances, acceptances, etc.

Item 11 – Rescinding Resolution Nos. 399-06 adopted December 7, 2006 and 161-07 adopted June 21, 2007; and establishing new classifications and levels of compensation for non-collective bargaining unit employees, effective on or about December 31, 2007.

Executive Director Ciaccia indicated adoption of this resolution would rescind Resolution Nos. 399-06 and 161-07, and provide new classifications and levels of compensation for non-collective bargaining unit employees.

MOTION – Moved by Ms. Kelly and seconded by Mr. Liberatore that the foregoing eleven (11) resolutions be adopted. Without objection CARRIED UNANIMOUSLY. Resolution Nos. 305-07 through 315-07, respectively.

G. Other Matters as May Properly Come Before the Board of Trustees

Executive Director Ciaccia stated there was one (1) additional item to be considered by the Board. Without objection SO ORDERED.

Item 1 – Rescinding Resolution No. 120-07, adopted by the Board of Trustees on May 3, 2007, and establishing a Board Agenda and order of business and additional rules of conducting meetings of the Board of Trustees of the Northeast Ohio Regional Sewer District.

Executive Director Ciaccia stated the Board now desires to establish a new Board Agenda and order of business of the meeting of the Board of Trustees of the District and restate the rules of conduct of such meetings and the keeping of minutes.

MOTION – Moved by Mayor Longo and seconded by Ms. Kelly that the foregoing

resolution be added and adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 316-07.

H. Executive Session

Mayor Longo stated that he understood that matters discussed in Executive Session are protected from disclosure pursuant to the Ohio Public Records Act. However, he moved to specifically designate the discussion regarding the *KMM&K v. Northeast Ohio Regional Sewer District* and *Northeast Ohio Regional Sewer District v. 3320 Woodland Avenue Ltd., et al* litigation as confidential pursuant to Ohio Revised Code Section 102.03(B). The motion was seconded by Mr. Liberatore. Without objection CARRIED UNANIMOUSLY.

Moved by Ms. Kelly and seconded by Mr. Liberatore that the Board meet in Executive Session to discuss one (1) personnel matter and two (2) litigation matters, *KMM&K Joint Venture v. Northeast Ohio Regional Sewer District* and *Northeast Ohio Regional Sewer District v. 3320 Woodland Avenue Ltd., et al*. Without objection CARRIED UNANIMOUSLY.

Thereafter the Board met in Executive Session from 2:25 P.M. until 3:39 P.M.

I. Additional Matters as May Properly Come Before the Board of Trustees

Executive Director Ciaccia stated there was one (1) additional item to be considered by the Board. Without objection SO ORDERED.

Item 1 – Engaging Benesch, Friedlander, Coplan & Aronoff, 2300 BP Tower, 200 Public Square, Cleveland, Ohio 44114, as special counsel to provide legal and other related expert services to the Northeast Ohio Regional Sewer District in the matter of *KMM&K v. Northeast Ohio Regional Sewer District*, Cuyahoga County Common Pleas Case No. CV-07-641132.

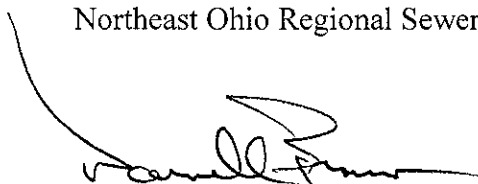
Executive Director Ciaccia explained adoption of this resolution would authorize the District to engage Benesch, Friedlander, Coplan & Aronoff to provide legal and other related expert services to the District in the above-captioned matter.

MOTION – Moved by Mayor Longo and seconded by Mr. Liberatore that the foregoing resolution be added and adopted. Without objection CARRIED UNANIMOUSLY. Resolution No. 317-07.

Stated business having been concluded, President Brown adjourned the Business Meeting at 3:41 P.M. The January 3, 2008 Regular Meeting has been canceled. The next Regular Meeting is scheduled for January 17, 2008, with the Business Session beginning at 12:30 P.M.



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



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

**NEORSD Board of Trustees Working Session Summary
December 13, 2007**

Item 1 – Public Participation

Mr. Brown asked Executive Director Ciaccia whether the District had been notified of public participation requests. Executive Director Ciaccia responded that the District had not.

Item 2 – Executive Director's Monthly Report

Executive Director Ciaccia reminded the Board that the report would be included in one of the two Board meeting packets monthly. The report will represent key issues addressed in the previous month.

For this report, Executive Director Ciaccia highlighted under Legal, the Minority and Female Business Enterprise Program. He indicated that staff is compiling a personnel request to hire a manager for the program and that Law Director Sundheimer is working to strengthen the current program considering alternative programs for the future.

Mr. Brown agreed and asked whether this effort will include data that reflects not only what the goals were but to what extent the goals were accomplished and if so when an initial report would be ready.

Executive Director Ciaccia responded that the dollars are generally captured through use of the Oracle system. He then asked Finance Director Jennifer Demmerle to report further. Ms. Demmerle stated that starting in October, Finance began tracking the subcontractors, the MBE/WBE goals and how much the District paid for each. Currently it exists as an Excel spreadsheet and can be reported out at the end of the year what has been tracked since October. A historical look back was not incorporated into the spreadsheet.

Regarding stormwater management Executive Director Ciaccia highlighted that presentations have been made to representatives of various communities. He added that he thought those were going well.

Regarding Combined Sewer Overflow, Executive Director Ciaccia highlighted that a meeting was convened among the District, the Federal government and Ohio EPA last month. They have finally approved the District's method of controlling CSOs, that being a storage tunnel system. He elaborated that many issues remain on the table including a response to the District's affordability analysis and other issues. Some CSOs were identified that they want to see at a zero discharge and staff will go back and analyze them. Executive Director Ciaccia further stated that a more detailed summary will be presented at the next Board meeting, including what the issues are, what can be expected in the future and a full picture of costs to date.

Some discussion was had regarding the assistance being provided by Squire Sanders and Dempsey and outside engineering efforts to support the report and overall effort.

Regarding Operations, Executive Director Ciaccia highlighted that the numbers were from October and that in the future there would be a month lag in the numbers reported.

Executive Director Ciaccia highlighted that key financial metrics, personnel transactions community relations, IT and technology efforts were also included. He advised the Board that he would welcome suggestions on additional items to include or format changes desired.

Mr. Brown commented on behalf of the Board that the effort was very much appreciated. He asked for questions from the Board.

Mayor Longo stated that regarding NPDES permits it is not necessary to fax the reports if they will be reported on in the monthly report. Executive Director Ciaccia agreed and stated they would discontinue the practice of faxing the reports.

Mayor Starr stated that he also appreciated the monthly reports. He asked how the MBE/WBE program was operated without a director and why. Director of Engineering Charles Vasulka responded that the work was done out of the Legal Department under Bill Schatz. Once there was no compliance manager, Mr. Schatz did not fill the position. Mr. Vasulka elaborated that records have still been maintained. Mayor Starr highlighted that for whatever amount of years this position has not been filled.

Mayor Starr described the next item in Engineering, Program Management Request for Proposals and asked for more information. Executive Director Ciaccia responded that this effort would assist in wrapping the District's various individual projects into a singular program management contract from a management standpoint to promote consistency to the projects. Mayor Starr asked whether this would include tracking the legitimacy of change orders.

Executive Director Ciaccia responded that from his experience in the Division of Water, a program manager is used to manage change orders. Mayor Starr responded that he was confused and asked whether this report addresses projects that have had problems in the past. Executive Director Ciaccia responded that the initial scope includes how proposals should be compiled and projects managed. There has also been discussion about the Calfee audit and incorporating the recommendations contained therein.

Board President Brown stated that he thinks priority should be given to developing a long-term view of a process, to assess the skill levels of the existing engineering staff, determine the future needs, and developing a curriculum to assist and enhance the knowledge of the District staff. There was a brief discussion of the City of Cleveland Division of Water model and what facets could be incorporated to enhance the District's work.

There were no additional questions from the Board.

Item 3 -- Change Orders

Executive Director Ciaccia stated that there were three Change Orders to be discussed. The first change order related to the Southerly Wastewater Treatment Plant for the second stage settling tank performed by Nerone and Sons, Inc. The item is a deduction of \$433,062.67. Various materials or services were not used as itemized in the contract.

Executive Director Ciaccia stated that the second Change Order related to a time extension for the Big Creek Interceptor – BCI-3D Project. The contract is with KM&M and was originally scheduled to last 730 or so days from November 17, 2004 to November 16, 2006. Significant issues have arisen to cause delays, one of them being 2,000 feet of grout found in the interceptor that had to be resolved. There were also design changes. An additional 227 days are estimated necessary to complete the job.

Executive Director Ciaccia elaborated that another issue of merit on the project is the blistering of the epoxy of 2,110 feet of the sewer lining. The District is engaging the contractor on the issue, and a lawsuit has been filed by the manufacturer of the coating against the contractor. The District has been named a party in the lawsuit. The contract could go on for a longer period and cost the District \$3 million to resolve.

Executive Director Ciaccia stated that the Staff would be prepared to discuss the matter in greater detail at the next Board meeting. The District's position regarding the lawsuit would be discussed in Executive Session.

Mayor Starr requested a copy of the lawsuit and asked for the demand amount. Executive Director Ciaccia asked Assistant Director of Law Lisa Mack to respond further. Ms. Mack responded that the District is a third-party defendant and the amount of controversy is in excess of \$200,000.00.

Executive Director Ciaccia stated that the third Change Order relates to the Southerly Wastewater Treatment Plant and an installation of a lighting system installed by Doan Pyramid. It is a deduct change order and finalizing out the contract. The deduction from the contract is \$9,189.12. Originally there were going to be two 60-ft. light standards installed, but now there will be three 20-ft. poles. This change is less expensive.

There were no additional questions from the Board.

Item 4 – Sewer Use Code Matters

Executive Director Ciaccia stated that there were three sewer use code matters. The first related to Mr. Halley McDonald in Cleveland Heights who experienced an outside leak in an irrigation system. A 52.4 mcf adjustment is recommended. The second related to Danica Rogonjic in Cleveland. The City of Cleveland granted a fifty percent reduction

for an undected leak and staff is recommending the same adjustment. The third related to St. Joseph Church in Strongsville. They had previously qualified for SSCBOUITS discount but no longer meet the 50 MCF threshold. There were no questions from the Board.

There were no additional questions from the Board.

Item 5 – Proposed Contract with Wade Trim for Engineering Services During Construction of the Mill Creek Interceptor Vista Branch and Main Branch Projects

Executive Director Ciaccia stated that this resolution is for modification of a contract with Wade Trim in the amount of \$1,531,658.29. This is for continuing work related to two remediation projects resulting from the Mill Creek Interceptor collapse, specifically, the Vista Branch sewer that needs to be installed and the Main Branch.

Executive Director Ciaccia elaborated that Wade Trim had initially completed design work on the Vista Branch, which was considered an emergency job. The intention was to hire an emergency contractor to construct the work, but discovering the medical waste and determining that the project would take longer, necessitates a different approach. Staff is recommending retaining Wade Trim for various reasons, including continuity and the sensitivity issues of the related lawsuit.

Board President Brown asked about the costs of the services provided, which he stated were in excess of \$1.5 million. Executive Director Ciaccia responded that the services were more than exploratory initially and included design and additional services. The amount is closer to \$2.4 million.

Board President Brown stated that the matter will be discussed in greater detail during Executive Session. He also stated that the issue of cost recovery is a priority for the Board.

There was additional discussion regarding the demolition debris landfill. Mayor Starr asked how deep the pipe is. Sewer Design Manager Rick Switalski responded that the Mill Creek Interceptor, where the most damage is present is right at grade next to I-77. As it goes through the landfill it is varying depths, 20, 30, 50 feet. The landfill climbs and the valley climbs. Mayor Starr asked for the depth of the collapsed sewer. Mr. Switalski responded that it is at grade. When it comes under I-77 it is at grade.

Finally there was a discussion about value engineering and how it is utilized when completing projects.

Item 6 – Proposed Contract – Proposed Contract with Metcalf and Eddy for Consulting Services During Construction of the Big Creek Interceptor Trestle No. 2 Rehabilitation Project (BCI-3E)

Executive Director Ciaccia stated that this resolution is for authorization of a contract modification with Metcalf and Eddy for services during construction for the Big Creek Interceptor Trestle No. 2 in the amount of \$391,669.48. This job will be competitively bid in the upcoming year and consists of a \$3million capital investment for the District. Metcalf and Eddy performed the design. The contract modification would allow Metcalf and Eddy to provide construction, administration and resident engineering services. There were no questions from the Board.

Item 7 – Request to Advertise for Bids for the West 117th CSO-071 Outfall Rehabilitation Project

Executive Director Ciaccia stated that this resolution would allow the District to accept competitive bids for the West 11th Street CSO Outfall Rehabilitation Project. This CSO outfall goes down 117th Street and crosses Harborview. Erosion and other factors need to be dealt with to maintain the integrity of the outfall. The estimate to correct the problem is \$500,000.00.

Frank Greenland, Director of Capital Programs, elaborated that the outfall is down toward the beach that is rather inaccessible on the border of Lakewood and Cleveland. Mr. Sulik asked for clarification of riprap bank protection and Board President Brown asked whether the engineer's estimate includes the actual construction itself. Riprap bank protection was described and it was confirmed that the estimate includes construction costs. There were no additional questions from the Board.

Item 8 – Proposed Progress Payment No.1 to Montgomery Watson Harza for Emergency Engineering Services of the Huntington Garage Stormwater Outlet from Regulators E-20 and E-21

Executive Director Ciaccia stated that this item is a progress payment in the amount of \$35,225.84. Previously the Board authorized a resolution to hire Montgomery Watson on an emergency basis to analyze the problem related to the 48 inch diameter sewer that runs under the fourth floor of the Huntington Park Garage next to the Old Courthouse. The sewer has been inspected and the cause of the problem has been determined. It is estimated that the repairs will cost approximately \$800,000.00. Additional design services will also be required.

Board President Brown asked whether the source of the problem could be determined. Executive Director Ciaccia responded that the engraving business that most likely caused the problem has long gone out of business.

Mayor Starr asked who the sewer was owned by. Director of Engineering Charles Vasulka responded that Cuyahoga County discovered the problem while conducting an

inspection, but the sewer belongs to the District. Board President Brown elaborated that the County owns and operates the garage, which is why they were conducting the inspection. There were no additional questions from the Board.

Item 9 – Request to Advertise Bids for the Southerly Wastewater Treatment Plant Bridge Rehabilitation Contract BR-4

Executive Director Ciaccia stated that this resolution request is for authorization to go out for competitive bids for the Southerly Bridge Rehabilitation Contract BR-4. This is the Second State Settling Tanks 1, 2, 5, 9 and 10. Executive Director Ciaccia elaborated that the estimate for the project is \$13 million, and that it was designed by the in-house engineers. There were no questions from the Board.

Item 10 – Request to Advertise for Bids for the Easterly Wastewater Treatment Plant Final Clarifier and Aeration Rehabilitation Contract FCR-4

Executive Director Ciaccia stated that this resolution request is for authorization to go out for competitive bids for Easterly Final Clarifier and Aeration Rehabilitation. It is the fourth in a series of five projects related to the final clarifiers and aeration. The estimate is \$4.7 million and was designed by the in-house engineers. Board President Brown stated that since these projects have long been contemplated he wanted to make sure that the estimates reflect current values. Executive Director Ciaccia stated that at this point staff believes the estimates are good.

Ms. Kelly added her concern that these projects should be necessary and not just desired by staff. Executive Director Ciaccia stated that the projects are necessary. As the CSO projects are factored in the prioritization will be even more critical. Director of Operations Tim Tigue elaborated that the projects are structural needs of a base process of the structure of the steel and concrete. The materials have been in place for thirty years on this project as well as the previous resolution request.

Item 11 – Request to Advertise for Bids for the Westerly Wastewater Treatment Plant Primary Effluent Pump and Combined Sewer Overflow Treatment Facility Dewatering Pump Variable Frequency Drive Replacement Contract PEPS-1

Executive Director Ciaccia stated that this resolution is for authorization to go out for bids to rebuild some of the District's dewatering pump variable frequency drives. This project is at the Westerly Wastewater Treatment Plant, specifically on the primary effluent pumps and CSOTF pumps. The project is estimated at \$650,000 and is critical to assure that the plant operates in a manner to allow flexibility to replace the box culvert along the west Shoreway or across the west Shoreway and through the yacht club property and under the railroad tracks. There were no questions from the Board.

Item 12 – Request to Reject and Retake Bids for the Westerly Interceptor Box Culvert Repair/Replacement Contract (WIBCR)

Executive Director Ciaccia stated that this resolution is for authorization to rebid the project. There were four bidders. At \$4.89 million, Marra Constructors, the lowest bidder, was more than ten percent over the engineer's estimate of \$3.96 million. State law requires that if the bids for a project are more than ten percent over the estimate the project must be rebid. Executive Director Ciaccia elaborated that the estimate would have to be revised and it will be reset at \$5.5 million.

Board President Brown asked whether the scope was part of the problem and whether it would be revised. Executive Director Ciaccia responded that the scope was part of the issue. As an example, some of the requirements for materials will include more options. There were no additional questions from the Board.

Item 13 – Proposed Contract with AMEC for the Stormwater Management Program Implementation Project

Executive Director Ciaccia stated that this resolution is for award of a contract to AMEC in the amount of \$2,998,754 for consulting services in the implementation of the District's stormwater management program. Executive Director Ciaccia elaborated that the District requested proposals for these services and received two proposals. The proposals were reviewed by an internal team, followed by interviews. AMEC was determined to be the best team and thereafter were engaged in fee negotiations.

Board President Brown commented that the Board appreciates the level of expertise that AMEC has brought to the initiative in addition to the national and local engineering firms who will also be associated with this effort. He further commented that the Board should expect to see additional requests for work and or engagement once we get to implementation, which will require the expenditure of additional funds.

Executive Director Ciaccia stated that was an important point. Discussion with the consultant has included the importance of early action construction projects to garner support from the communities. The additional costs will include design of improvement projects and stream restoration. Executive Director Ciaccia also stressed that while AMEC is out of Nashville, they are establishing a local office here and the team will be seventy percent local.

Mayor Longo asked if any of the team members were present. Executive Director Ciaccia stated that Andy Reese of AMEC was present and Board President Brown asked if Mr. Reese wanted to introduce himself and other members of the team.

Mr. Reese stated that he was the senior project manager and introduced George Remias as a long-time local civil engineering practitioner and the newest AMEC team member. Further introductions were made of Shirley Schluchter of Water Resources, Randy

Krizmanich of Brown and Caldwell, Steve Benton of Metcalf and Eddy, Tom Kikavek of CH2M Hill and Andy Raftelis of KS Associates.

There were no additional questions from the Board.

Item 14 – Proposed Contract with Marra Constructors, Inc. for Maintenance Services at the District’s CSO Floatables Control Sites

Executive Director Ciaccia stated that this resolution is for authorization to award a contract to Marra Constructors in the amount of \$426,000. Marra was the lowest of three bidders to provide maintenance for the ten combined sewer overflow floatables control sites within the system.

Mayor Starr asked whether twelve bid packages were sent out and only three responded. Director of Operations Tigue responded that was correct. Mayor Starr probed whether this was low. Mr. Tigue responded that there normally are not a lot of bidders.

Mayor Starr asked whether there was an engineer’s estimate on this project. Mr. Tigue responded that there was not because this is operation and maintenance. Executive Director Ciaccia elaborated that there is not an engineer’s estimate because this is a maintenance job and that this amount was consistent with past year costs.

Board President Brown asked whether there is a schedule that is required based on rain events or a certain size storm. Mr. Tigue responded that storm size is a factor and to make sure that the process is working, the SSMO crews go out and review the area and if they determine that additional cleaning is needed they call the contractor.

There were no additional questions from the Board.

Item 15 – Request to Take Bids for the Non-Emergency Repair of the Doan Valley Interceptor

Executive Director Ciaccia stated that this resolution is for authorization to request bids for repair of a section of the Doan Valley Interceptor. The project is estimated at \$35,425.96. Specifically the circumstances are that a portion of the sewer collapsed on Baldwin Road by Stokes Boulevard near the Baldwin Water Treatment Plant. The Operations Department previously engaged emergency contractors to perform this as an emergency job, but the quotes all exceeded the \$25,000 limit. This is the lowest bid received from the emergency contractors. There were no questions from the Board.

Item 16 – Proposed IT Outsourcing Contract with Sarcom, Inc.

Executive Director Ciaccia stated that this resolution relates to a second renewal of a contract that exists between the District and Sarcom Inc., for provision of IT support for the PC desktop server and network infrastructure support services at all of the District locations. The contract provides for two renewals. District staff believes that some of

these services could be provided in-house and an individual has been identified to help in that regard. Consequently, this renewal would be at a lesser amount. There were no questions from the Board.

Item 17 – Proposed Contract Renewal with Laketec Communications for Telecommunications Systems Maintenance

Executive Director Ciaccia stated that this resolution relates to renewal of an IT contract with Laketec Communications who provides support for the District's telecommunications systems. A chart was displayed and Executive Director Ciaccia elaborated that the renewal is for a three-year period with an increase in 2008 and 2009 and no increase in the final year. There were no questions from the Board.

Item 18 – Proposed 2008 Salary Resolution

Executive Director Ciaccia stated that this resolution relates to salary increases. Deputy Director Bucci elaborated that last month the Board passed a three percent wage increase for non-union employees. The union also receives a three percent wage increase for 2008. This resolution adjusts the pay bands and the job classifications.

Mayor DePiero asked whether the resolution represented the creation of any new positions. Deputy Executive Director Bucci responded that there were several new positions and a full report would be presented to the Board in January detailing some reorganization across several areas. Mayor DePiero followed this by asking whether after the Board is given the report will they be asked to approve the positions. Deputy Executive Director Bucci responded yes. There were no additional questions.

Item 19 – Report on Sewer Pipe Users Group

Executive Director Ciaccia stated that this item is a report regarding the District's membership in the Sewer Pipe Users Group, commonly known as SPUG. Director of Operations Tigue introduced Bob Gow, Superintendent of Maintenance Services who is currently the president of SPUG. Mr. Gow highlighted the goals and activities of the organization, which meets bi-monthly at EMSC and provides contact hours to attendees. The annual equipment show is the major event of the nonprofit organization.

Item 20 – Report on Proposed Asset Management Implementation Program – Phase 1

Executive Director Ciaccia stated that this item is a presentation of the status of the asset management project. Currently the District applies asset management in pockets of the Operations. The goal is to utilize asset management more widely and develop it as a tool in planning maintenance and capital improvements. Executive Director Ciaccia asked Andrea Remias to report further on the status.

Ms. Remias, an engineer in the planning department defined asset management, the project drivers, the steps taken to date including a GAP analysis, the scope of the project

and the consultants that are contemplated to receive a request for proposal. The first phase of the program, evaluating the over \$1 billion worth of assets will take place over the next four years and cost an estimated \$3 million. A number of initiatives to improve consistency will be developed to improve transparency and documentation of decision-making. The consultants to whom the request for proposal will be sent include Brown and Caldwell, Camp, Dresser and McKee, CH2M Hill, GHD, HDR Engineering, MWH Americas and Malcolm Pirnie.

Item 21 – Report on Engagement of Consultant for Detailed Review of Electrical Power Proposals

Executive Director Ciaccia stated that this item was specifically put on the agenda instead of merely in the report because of its significance. Currently the District's electrical providers are Cleveland Public Power (CPP) at Easterly and Westerly and CEI at Southerly. Several years ago CPP endeavored to negotiate new contracts for Easterly and Westerly. At that time it was determined that in order to negotiate with CPP, competitive bids were required to be sought. Hiring a consultant to develop an RFP for electrical service was contemplated, however Executive Director Ciaccia related that he did not think it was prudent to engage a consultant for that purpose.

CPP then forwarded a proposal to provide service to the District for all three plants. They are planning to expand their capacity to service Southerly. Executive Director Ciaccia advised the President of CEI that CPP had proposed to provide service to the District's three plants and asked whether CEI intended to propose to do the same. Executive Director Ciaccia elaborated that in order to analyze these proposals a consultant, Glen Krassen has been engaged for under \$25,000.

Mayor Longo asked what the status of the backup generators program is. Director of Operations Tighe responded that all of the generators are up and running. He elaborated that the generators cannot be run to generate electricity, but only during a power failure. Mayor Starr asked about the process, whether the two bids would be submitted simultaneously and compared and then negotiated. Executive Director Ciaccia responded that the process will essentially be as Mayor Starr described.

Item 22 – Comprehensive Annual Financial Report

Executive Director Ciaccia asked Director of Finance Demmerle to report on this item. Ms. Demmerle stated that in June the District submitted the Comprehensive Annual Finance Report to the Government Finance Officers Association. The District met certain reporting standards and for the twelfth year, received the Certificate of Achievement for Excellence in Financial Reporting. There were no questions from the Board.

Item 23 – Open Session

Board President Brown reminded the Board to maintain its confidentiality and integrity while conducting its affairs.

Executive Director Ciaccia described a resolution to add on regarding changing the structure of the Board meeting. He elaborated that the business session would be merged with the working session to produce one meeting. There will be one executive session and one public session, as opposed to two. The order would be roll call, approval of minutes, public session on specific agenda topics, potential executive session, Executive Director's Report, consent agenda, action items, information items, open session, public session and approval of items from executive session, if necessary. Executive Director Ciaccia stated that this is how we would like to run the January meeting.

Board President Brown stated that this recommendation came out of discussion during the Board Process Committee meetings. The Governance Committee has also reviewed it. The thought was to put it before the entire Board for discussion and consideration.

Mayor Starr asked whether if a member of the public is only limited to speak on specific agenda topics. Board President Brown responded that there is another opportunity under item ten for a member of the public to air a grievance, or if the Executive Director was approached and was asked for consideration. It was agreed that the item should be considered an add-on item and considered appropriately.

The Working Session of the Board of Trustees was concluded at 2:19 P.M.