

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
DECEMBER 15, 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: D. Brown  
R. Sulik  
D. DePiero  
J. Bacci  
S. Kelly  
G. Starr

ABSENT: W. O'Malley

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

II. Approval of Minutes

**MOTION** – Ms. Kelly moved and Mayor Bacci seconded that the minutes of the December 15, 2011 Board meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

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

IV. Executive Director's Report

Executive Director Ciaccia moved to the first report item and he advised that today is the last day of the stormwater litigation. The District's counsel concluded closing arguments this morning and the opposing counsel is currently engaged in their closing arguments.

Executive Director Ciaccia advised that prior to re-commencing trial on December 14<sup>th</sup>, the parties attempted to mediate the terms, which were presented to the Board during

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Executive Session at the December 1<sup>st</sup> meeting. Although there was moderate success in those negotiations, the main parties were unable to reach agreement and therefore trial recommenced on December 14<sup>th</sup>.

The expert witness on behalf of the communities in opposition to the Stormwater Management Program (hereinafter "SMP") as well as Mayor Perciak of Strongsville provided their testimonies followed by closing arguments. In the meantime, the District will await Judge Pokorny's ruling. Executive Director Ciaccia anticipates that further discussions will be held with some of the parties.

Executive Director Ciaccia moved to the next report item regarding the approval of the National Pollutant Discharge Elimination System (hereinafter "NPDES") permits for the District's Wastewater Treatment Plants (hereinafter "WWTPs"). The Ohio Environmental Protection Agency (hereinafter "OEPA") sent the District a draft of their permits in September which began the 30 day public comment period. The District requested an additional 30 days to provide comments.

Executive Director Ciaccia advised that there were two additional agencies that provided comments. The United States Environmental Protection Agency (hereinafter "USEPA") commented that they would like for the OEPA to include the District's Combined Sewer Overflow (hereinafter "CSO") permits and have those negotiated concurrently since the District is currently operating under a consent order. Comments were also provided by Alliance for the Great Lakes which requested more stringent limits placed on the permits. The OEPA will respond to those comments.

Executive Director Ciaccia moved to the next report item and advised that he traveled to Washington D.C. to meet with USEPA officials. The USEPA engaged the various utilities and cities about the new regulating approach called "Integrated Planning." This approach will consider the various issues facing a region, prioritize those issues and move away from a "one-size-fits-all" approach. Executive Director Ciaccia indicated that since the USEPA forced the District to place all of its "apples into the CSO barrel" it is no longer in a position to effectively manage issues such as nutrients.

Executive Director Ciaccia advised that while in Washington D.C. he attended various NACWA (National Association of Clean Water Agencies) meetings. They met in the offices of Senator Sherrod Brown to discuss various ongoing legislative efforts and visited the offices of Senator Rob Portman to thank him for supporting the sewer incineration issue. They met with Congressman Robert Gibbs who sits on the Transportation and Infrastructure Committee and is chairman of the Water Resources and Environment subcommittee. Congressman Gibbs scheduled a hearing for Wednesday, December 14<sup>th</sup> and summonsed various stakeholders as well as EPA representatives to discuss the integrated planning approach. Executive Director Ciaccia indicated that it

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was their intent to encourage Congressman Gibbs to support the EPA's integrated planning method rather than discourage this agency which could result in the EPA recoiling on its proposed approach. Executive Director Ciaccia noted that he was unsure of the final outcome of said meeting.

Executive Director Ciaccia advised that he attended a meeting on December 13<sup>th</sup> with representatives from the EPA, various stakeholders from utilities, state administrators, environmental groups and the National League of Cities. The EPA presented its proposed integrated planning approach at said meeting. Although Executive Director Ciaccia was unsure as to the timeframe of implementation of the integrated planning, he indicated that good dialogue transpired during this meeting. Executive Director Ciaccia noted that parties in attendance at the meeting represented some of the largest wastewater districts throughout the country.

Executive Director Ciaccia advised that he had inquired about the possibility of re-opening the consent orders should the integrated planning approach merit that opportunity. The EPA representatives indicated that they would be open to this option. Executive Director Ciaccia noted that this could potentially become an issue for the District depending on the outcome of the nutrient issue.

Another option would be for the member communities and the District to approach the EPA in a unified manner and present the various issues facing the service area. The District's situation is unique because its service area is fragmented. The District operates the WWTPs and large pipes and the communities handle SSOs and stormwater issues. If the District and communities collectively approached the EPA it may be prudent at that time for the District to inquire about re-opening the consent order. Executive Director Ciaccia stated that the District will continue to explore the various options.

Mr. Brown stated that it would be helpful if "integrated approach" was clearly defined and he agreed that the EPA cannot apply a "one-size-fits-all" method. The District's service area has rules promulgated for CSOs and a different set of rules for stormwater and there may be some overlap. There is one standard for communities in the CSO district and it is difficult trying to achieve outcomes in separate sewer communities when different marching orders are established. Mr. Brown suggested that the member communities complete annual compliance checklists and that a convergence strategy be implemented to help keep the communities focused on the key compliance issues.

Mr. Brown referred to an EPA document that cited the District's recent consent order as an example of an integrated approach. Executive Director Ciaccia advised that during the meeting with the stakeholders the EPA indicated that that the District's consent order "was a movement towards integrated planning" with adaptive ability as it relates to

bypasses at the WWTPs, the option of high rate treatment and the green for gray infrastructure approach.

Executive Director Ciaccia advised that it would be beneficial if the member communities consensually agreed on a unified strategy that not only addresses the District's issues but also the problems facing those communities, but this is not an easy task as indicated by the current stormwater management effort.

Executive Director Ciaccia advised that the nutrients issue could potentially be incorporated into the integrated planning approach and ultimately be substituted in for something the District is currently required to comply with as it relates to CSOs.

Executive Director Ciaccia advised that the integrated planning approach is still in its infancy stage and that the meeting held on December 13<sup>th</sup> facilitated discussions. Future regional meetings will take place. Lisa Hollander and Kellie Rotunno will be attending one in Chicago, Illinois in February.

Mr. Brown commented that "people follow leadership and as we're able to provide guidance then we get more people in step." Therefore, the District should facilitate a process that results in a strategic outcome.

Executive Director Ciaccia agreed and he stated that the District will be a leader. Lake Erie is severely impaired with algae and there will more issues impacting this region in addition to the CSOs.

Executive Director Ciaccia moved to the next report and he advised that the pretrial for the KMM&K litigation on the MCT-3 project was postponed for the reason that the judge is in trial. Executive Director Ciaccia was unaware as to when this matter will be rescheduled. He noted that this case has been ongoing for five years.

Executive Director Ciaccia advised that there will be an add-on emergency resolution.

Executive Director Ciaccia turned discussion over to Director of Operations, Dave McNeeley, to address concerns raised by Ms. Kelly at the previous Board meeting regarding contractors being qualified under the Minority Business Enterprise (hereinafter "MBE"), Women Business Enterprise (hereinafter "WBE") and Small Business Enterprise (hereinafter "SBE") programs.

Mr. McNeeley referred to the MBE, WBE and SBE matrix which was provided to the Board. He explained that of 35 contractors, three qualified under the MBE/WBE program. Eight qualified as MBEs and 11 qualified as SBEs and MBEs. Mr. McNeeley

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inquired if his explanation responded to Ms. Kelly's concerns. Ms. Kelly replied that it did.

Ms. Kelly explained that she was concerned because since the District implemented the new program, it appeared that the contractors were simply categorized as "SBE" and there was no clear indication or breakdown of the contractors' participation.

Executive Director Ciaccia advised that it will be difficult to clarify MBE, WBE or SBE participation on some of the projects bid under the old program versus the new program. Contract Compliance Manager, Tiffany Jordan, will update the Board at the next meeting as to the annual status of the MBE, WBE and SBE participation. Hopefully this will clarify the MBE, WBE and SBE participation on District projects.

Executive Director Ciaccia requested that Director of Administration and External Affairs, Constance Haqq, address concerns raised by Mr. Sulik at the previous Board meeting.

Ms. Haqq referred to a report provided to the Board which chronicled the District's outreach efforts made to inform the public of the upcoming rate increases and affordability programs. The District attended various venues and hosted numerous outreach activities to "get the word out."

Mr. Sulik commented that a broad spectrum is being used to educate the customers about the various programs instituted by the District and that the District is "doing a good job of getting the message out."

V. Action Items

Authorization to Advertise

Resolution No. 287-11	District security uniforms. Anticipated expenditure: \$30,000.00.
Resolution No. 288-11	Elevator maintenance service at all District facilities. Anticipated expenditure: \$296,000.00.
Resolution No. 289-11 <b>AMENDED</b>	Fuel management services at all District facilities. Anticipated expenditure: \$938,000.00.

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Resolution No. 290-11

Sodium bisulfite replacement tanks at the Westerly Wastewater Treatment Plant. Anticipated expenditure: \$40,000.00.

Resolution No. 291-11

Easterly Wastewater Treatment Plant EFPI-2 Code and Safety Project. Probable Construction Cost: \$7,866,000.00.

**MOTION** – Mayor DePiero moved and Ms. Kelly seconded to adopt Resolution Nos. 287-11 through 291-11. Without objection, the motion carried unanimously.

Mr. Brown asked the staff to expound on Resolution No. 291-11 and inquired if it was only in reference to the Easterly plant.

Ms. Rotunno explained that the project is the Easterly Code and Safety Project and was born from the Easterly facilities planning effort conducted in 2007 that identified deficiencies at the plant in the areas of OSHA, ADA, NFPA and other shortfalls with respect to code and safety.

The design was recently completed and Resolution No. 291-11 is the bid of that design. The bid includes \$2.3 million in elevator improvements and repairs because many elevators are original and need to be updated to meet present day code.

Ms. Rotunno advised that about \$2.8 million in fire alarm, smoke detector and egress improvements are necessary to facilitate fire egress. Additionally, there are \$760,000 in American with Disabilities Act (hereinafter “ADA”) improvements including access to the administrative building, which currently has no ADA access. She further explained that improvements were necessary including electrical code improvements in the amount of \$375,000, ventilation improvements in the amount of \$116,000, and lighting improvements for safety purposes in the amount of \$700,000.

Mr. Brown stated that he hoped that much of the improvements might be deferred maintenance and the Board may see similar large-volume projects for the other plants.

Ms. Rotunno advised that this resolution is the only code and safety improvement project in which those types of deficiencies were identified. Deficiencies at other plants would be handled in a different manner, if uncovered. This is a full-fledged package to perform maintenance that was deferred over a long period of time to bring it into compliance with present-day regulations.

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Dave McNeeley, Director of Operations & Maintenance, advised that some maintenance and capital improvements were deferred at the Easterly WWTP and as Ms. Rotunno indicated, this is a “catch-up” project.

Executive Director Ciaccia stated that it is important to note that in the past the WWTPs ran more independently regarding their philosophies on capital investment and maintenance. That ceased some time ago and since then they have been more consolidated.

F. Michael Bucci, Deputy Executive Director, stated that the Westerly plant was rebuilt in the mid-1990s and construction is ongoing at Southerly.

Mayor Starr stated that it is a very good project. He inquired if security was an issue, such as cameras and securing the building. Ms. Rotunno advised that security will not be addressed specifically with respect to this project other than fire safety, fire alarming and bringing it to a central location. She deferred to Deputy Executive Director Bucci in regards to security and cameras.

Deputy Executive Director Bucci advised that a work group including the Departments of Safety & Security, Engineering & Construction and Operations & Maintenance are developing plant standards. Much of the security work was done with cameras at the Renewable Energy Facility. The perimeter was secured and the fencing met code requirements. Staff is developing standards and that will be incorporated into future construction projects.

Mr. McNeeley indicated that Resolution No. 289-11 must be amended; the resolution currently reflects three years and should reflect a two-year requirement contract.

Mr. Brown questioned if the dollar amount is the same, which Mr. McNeeley confirmed. He explained that the previous contract was two-year duration and the “three-year” wording was inadvertent. The current contract is two years and another two-year contract was advertised.

**MOTION** – Mayor DePiero moved and Ms. Kelly seconded to amend Resolution No. 289-11. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 292-11

RFPs for a two (2) year contract for court reporter services. Cost not-to-exceed \$40,000.00.

**MOTION** – Mr. Sulik moved and Mayor Starr seconded to adopt Resolution No. 292-11. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

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| Resolution No. 293-11 | One (1) year contract with Boyd Watterson Asset Management, LLC for investment advisory services. Cost not-to-exceed \$40,000.00 for year one with the annual option to renew for four one-year terms at the same amount.          |
| Resolution No. 294-11 | Contract with The Cleveland Clinic Foundation for 2012 Executive Physical Program. Cost not to exceed \$75,000.00.   |
| Resolution No. 295-11 | Second year of the three (3) year contract with Consumer Life Insurance Company for Short-Term Disability and Group Life/AD&D Insurance. 2012 projected cost not to exceed \$655,000.00.   |
| Resolution No. 296-11 | Contract renewal with Kaiser Permanente for 2012 medical insurance coverage. Projected cost not to exceed \$1,000,000.00.  |
| Resolution No. 297-11 | Contract renewal with Medical Mutual of Ohio for 2012 medical insurance coverage. Projected cost not to exceed \$6,500,000.00.   |
| Resolution No. 298-11 | Two (2) year contract with Sterling Infosystems, Inc. to provide background investigation services with an option to cancel after one year. Cost not to exceed \$35,000.00 per year for a total not to exceed cost of \$70,000.00. |
| Resolution No. 299-11 | Contract with Cleveland Public Power to lease or transfer ownership of Nine Mile Creek Electrical Substation. Cost to be negotiated.   |



- Resolution No. 300-11                      One (1) year requirement contract with Polydyne, Inc. for centrifuge polymer for use at the Southerly Wastewater Treatment Plant. Cost: \$228,600.00.
- Resolution No. 301-11                      Contract with URS for the General Engineering Services II Project. Contract amount: \$3,000,000.00.
- Resolution No. 302-11                      One (1) year contract with Altura Communications, LLC for Avaya phone system maintenance services. Cost not to exceed \$41,124.00.
- Resolution No. 303-11                      Three (3) year contract with AT&T for the provision of cellular phone equipment and service (voice and data). Cost not to exceed \$306,654.00.
- Resolution No. 304-11                      One (1) year contract with Sprint/Nextel for the provision of direct connect mobile phone equipment and service. Cost not to exceed \$30,600.00.

**MOTION** – Mr. Sulik moved and Mayor DePiero seconded to adopt Resolution Nos. 293-11 through 304-11.

Mr. Brown requested a roll call for Resolution No. 299-11. The motion carried with one abstention by Mr. Brown.

Without objection, the motion to adopt Resolution Nos. 293-11 through 298-11 and 300-11 through 304-11 carried unanimously.

Mayor DePiero referenced the contract with Medical Mutual and commended the staff for the decrease in the medical costs. He stated that the healthcare bill in Parma is about \$5 million and seems to always increase.

Mr. Brown asked the staff to elaborate about healthcare and the negotiations in general.

Douglas Dykes, Director of Human Resources, explained that about three years ago District staff took a proactive approach to controlling healthcare costs. At the time, healthcare costs were increasing by double digit percentages annually, and it continues to be the case for most organizations.

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Mr. Dykes indicated that he and his staff identified priorities over the following three years and beyond as it relates to healthcare. The two top priorities were ensuring a healthier workforce and containing costs without depleting the actual plan design.

District staff began building relationships with vendors and establishing “positive contacts” including meeting with vendors, bringing them into wellness events and coming into the organization and making recommendations on improving healthcare and keeping costs down.

The HR Department has had over 120 positive contacts to date in 2011 with primary providers Kaiser and Medical Mutual and 320 positive contacts with the consultant. That translates into ensuring the brokers and vendors are involved in everyday District issues as it relates to healthcare.

Mr. Dykes advised that the District initiated a wellness program over two and a half years ago. Over the last year about 73 major wellness events were held, ranging from education, group and physical events such as the walking program and “Lunch and Learn” programs. More than half of all District employees participated in at least one wellness event.

Mr. Dykes advised that the District’s weight loss initiative has had a significant positive effect, as the employees participating have lost a combined 985 pounds.

Mr. Dykes stated that he believes staff has been able to manage and contain the cost of healthcare. He asked the District’s benefits provider, Fedeli to provide background on the average renewal rates for other organizations for 2012. Fedeli’s client base averaged between 11% and 13%. The District’s Medical Mutual renewal rate is flat and the Kaiser rate decreased by 10.4%. The Northeast Ohio average renewal rate is between 9% and 12%.

A month ago Mr. Dykes indicated that he made a presentation to a benefit group with a peer from a comparable public organization with around 600 employees. Their renewal cost for 2012 was 21%.

Mr. Dykes gave a special acknowledgement to Benefits Analyst Linda Cox, who manages the wellness program and consistently interacts with the District’s vendors. He also acknowledged Jan Gyevat, Manager of Benefits and Compensation.

Mayor DePiero reiterated that staff had done an extraordinary job and stated that very few public or private entities have done that kind of work. Deputy Executive Director Bucci also thanked the Wellness Committee.

Mr. Sulik moved discussion to Resolution No. 299-11 and asked for a summary.

Mr. McNeeley advised that the substation was required for the Nine Mile tunneling project and the Tunnel Dewatering Pump Station. The substation is connected to the North American Electric Reliability Corporation (hereinafter "NERC"), which is not one of the District's core services. The District was required to become a member of NERC in order to take it over as an asset and continue to operate and maintain it. Additional costs of an estimated \$1 million per year would be incurred to operate and maintain that asset because of the stringent regulatory requirements.

District staff is working with Cleveland Public Power (hereinafter "CPP") to reach an agreement to either transfer or lease the asset. Mr. McNeeley advised that this Resolution 299-11 authorizes reaching an agreement once details in the District's best interest are satisfied.

Mr. Sulik inquired if this is due to the size of the pump station. Mr. McNeeley advised that it is because of the size of the pump station, its location and the need to bring in power from the distribution system.

Mr. Sulik questioned if staff was aware of the additional costs prior to constructing the pump station. Mr. McNeeley advised that staff knew the substation was necessary, but were not fully aware of the regulatory and operational requirements of the substation.

Executive Director Ciaccia explained that it moved fast once the District began construction and needed to operate the tunnel boring machine. At that point, the District became aware of the necessary regulatory requirements.

The District does not normally construct substations of this magnitude and therefore the regulatory requirements were a surprise. The District then decided to meet with CPP in order to obtain its expertise and knowledge and to develop the best strategy for handling this situation. CPP was selected to supply power to the facility during the design phase. CPP provided its expertise and the District ultimately found that the best arrangement may be to lease rather than a straight asset transfer, but the District is still making this determination.

Mr. Sulik inquired if other tunnels requiring pump stations of this magnitude will be constructed. Ms. Rotunno advised that every tunnel the District constructs when using the tunnel-boring machine will need electricity; therefore, the question of electricity and from whom it will be provided will be an ongoing issue. Some tunnels will drain by gravity and will not require pump stations.

Ms. Rotunno explained that the Nine Mile site has the largest pump station and with two tunnels using this site the need for a tunnel-boring machine to be electrified was exacerbated. Therefore, the District “took the reins” to move forward with construction of the substation prior to the arrival of the tunnel boring machine to ensure that power is available to the contactor when the tunnel boring machine arrives on site.

The substation will have high voltage that is not within the District’s standard realm of operation and maintenance. Therefore, it was decided that it would be within the best interest of the District to allow an entity that has the knowledge and expertise such as CPP to manage this substation.

Mr. Sulik inquired if the substation is needed to operate the pump. Ms. Rotunno advised that the substation will ultimately provide power to the Tunnel Dewatering Pump Station.

Authorization of Contract Modification

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|-----------------------|---|
| Resolution No. 305-11 | Modify contract with PNC institutional investments for investment custodian services. A cost increase in the amount of \$60,000.00, bringing the total contract cost not to exceed \$120,000.00.  |
| Resolution No. 306-11 | Modify Contract No. 2061 with Cuyahoga County Board of Health for the Bear Creek Restoration Project. Cost: A time extension of 182 days with no change in the contract amount.   |
| Resolution No. 307-11 | Final adjustment deduct order for Contract No. 10001965 with Trax Construction Co. for the SOM Center Relief Sewer-Pepper Pike Project. A cost decrease in the amount of \$28,186.47, bringing the total contract cost to \$592,087.53. |
| Resolution No. 308-11 | Modify Contract No. 10002041 with URS Corporation – Ohio for the Green Infrastructure Feasibility Study. Cost: A time extension of 91 days with no change in the contract amount.   |

Resolution No. 309-11

Modify Contract No. 10002268 with Strand Associates, Inc. for the Doan Valley Tunnel Green Infrastructure Alternatives Evaluation project. Cost: A time extension of 121 days with no change in the contract amount.

**MOTION** – Mayor Starr moved and Mayor Bacci seconded to adopt Resolution Nos. 305-11 through 309-11. Without objection, the motion carried unanimously.

Authorization to Ratify Contract

Resolution No. 310-11

Emergency contract with Triad Engineering, Inc. for the 18” sewer and vertical drop pipe repair at East 26<sup>th</sup> Street and Lakeside Avenue. Cost not to exceed \$100,000.00.

**MOTION** – Mayor DePiero moved and Mayor Bacci seconded to add and adopt Resolution No. 310-11. Without objection, the motion carried unanimously.

Executive Director Ciaccia explained that a portion of land caved in at the intersection of East 26th Street and Lakeside Avenue last week. He asked Wilson Rivera, Supervisor of SSMO Operations, to discuss the outcome of this situation.

Mr. Rivera advised that the sinkhole is located just downstream from the regulator. The area of concern is located between the regulator and the Easterly interceptor. One of the major concerns was that a significant number of utilities were located in the area.

Mr. Rivera explained that the multitude of utilities located near railroad tracks usually use the railroad right-of-ways to install the utilities. District staff’s main concern was the utilities located within the sinkhole itself. There was a significant amount of earth washed underneath the utility pole. A fiberoptics line also ran directly underneath the sinkhole.

The sinkhole was stabilized by adding LSM, which also allowed access for an investigation. During the investigation staff performed a video inspection of the 18-inch sewer downstream from the regulator. The findings were that the vertical drop had collapsed.

Mr. Rivera advised that staff walked inside the Easterly interceptor and checked the connection from the vertical drop. A significant amount of about 12 feet of debris was

found within the interceptor and the line had definitively collapsed. Staff did not want to cause problems to utilities within the area.

Mayor Starr inquired if the interceptor belongs to the District, which Mr. Rivera confirmed.

Mayor Starr questioned who is responsible for the East 26<sup>th</sup> Street sewer. Mr. Rivera advised that it is a local line but the District is responsible from the regulator to the first downstream manhole.

Mayor Starr inquired if that responsibility is outlined per agreement or custom. Mr. Rivera indicated it is by agreement.

VI. Information Item

There were no information items.

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. Brown stated that there were no matters for discussion in Executive Session.

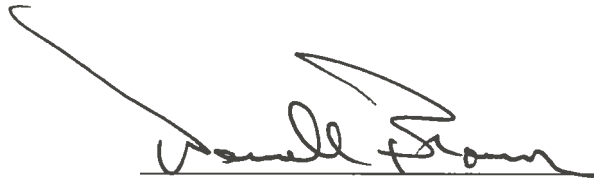
X. Adjournment

**MOTION** – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mr. Sulik seconded the motion to adjourn at 1:20 p.m. Without objection, the motion carried unanimously.



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



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