

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
SEPTEMBER 19, 2024

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District (NEORS) was called to order at 12:30 p.m. by Darnell Brown.

I. Roll Call

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

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Ms. Chambers seconded, to approve the Minutes of the September 5, 2024 Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

Kyle Dreyfuss-Wells, Chief Executive Officer, advised the Board that a new pilot program called Drain Keepers launched in August in partnership with the Cities of Maple Heights and Brook Park as part of NEORS's ongoing efforts to connect people to stormwater management and water quality. The program provides opportunities for interested residents to take an active role in stormwater management by enrolling to adopt catch basins in their neighborhoods and commit to keeping curb drains clear of debris. The cities have hosted kickoff events with mayors, service directors, county representatives, and partners. Each Drain Keeper participant is issued a kit containing cleaning supplies made possible by a grant from Cuyahoga County and community partners Alpha Lambda Sigma, the alumni chapter of the Sigma Gamma Rho Sorority Incorporated, Cuyahoga County Council, and Cuyahoga Soil and Water Conservation District. Ms. Dreyfuss-Wells thanked Constance Haqq, Chief Administrative Officer; Jacqueline Mohammad, Director of

Government and Customer Relations; and Charley Cicco, Government Affairs Specialist, for advancing the initiative.

On Monday September 9th the U.S. District Court for the Northern District of Ohio approved and entered the Fifth Amendment to the Consent Decree, meaning that NEORSD has finalized work that began in 2018 to implement better solutions for Combined Sewer Overflow (CSO) control. This Amendment allows NEORSD to implement solutions that achieve equal or better CSO control, including the elimination of seven CSOs, the elimination of approximately \$115 million in unnecessary capital expenditures, and reductions in operational and maintenance costs. Ms. Dreyfuss-Wells thanked Devona Marshall, Director of Engineering and Construction, and Eric Luckage, Chief Legal Officer, for their leadership of this effort.

On September 13th NEORSD hosted Congressman Max Miller, his staff, and Mayor DeGeeter for a tour of the Southerly Wastewater Treatment Center (SWWTC) and the laboratory. Tracey Phelps, Deputy Director of Operation and Maintenance, provided an overview of SWWTC, and Brian Flanagan, Renewable Energy Facility (REF) Superintendent, showed the REF Control Room and took the group to experience the Southerly incinerators. Plant Operations Instructors John McGinnis and Jacob Hooks described how NEORSD provides skilled trades training, which is an area for interest for Congressman Miller. The tour concluded at the effluent discharge location where Kelly Valek, Unit Process Manager, showed how the treated wastewater leaves SWWTC and flows to the Cuyahoga River. From Southerly, the tour group went to the Environmental and Maintenance Services Center (EMSC) facility where Scott Broski, Superintendent of Environmental Services, and Cheryl Soltis-Muth, Manager of Analytical Services, showed NEORSD's nationally certified lab.

Ms. Dreyfuss-Wells offered a reminder that Clean Water Fest will be held on Saturday, September 21st from 9 a.m. to 4:00 p.m. Ms. Dreyfuss-Wells thanked Mayor Bacci for hosting the event in the Village of Cuyahoga Heights.

V. Action Items

Authorization to Purchase

Resolution No. 233-24 Authorization to purchase internet access services from AT&T Corporation for the period September 2024 to September 2029 in an amount not-to-exceed \$500,304.00.

MOTION – Mr. Sulik moved, and Ms. Dumas seconded to adopt Resolution No. 233-24. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 234-24 Authorization to enter into a one-year requirement contract with Bonded Chemicals, Inc. for the delivery of up to 7,350,000 wet pounds of sodium hypochlorite solution to the District's wastewater treatment plants in an amount not-to-exceed \$1,139,263.95.

MOTION – Ms. Chambers moved, and Mayor Alai seconded to adopt Resolution No. 234-24. Without objection, the motion carried unanimously.

Authorization to Pay Dues

Resolution No. 235-24 Authorization to renew the District's Water Research Foundation subscription for 2024-2025 and to pay dues in the amount of \$114,537.00.

MOTION – Mr. Sulik moved, and Ms. Chambers seconded to adopt Resolution No. 235-24. Without objection, the motion carried unanimously.

Property Related Transaction

Resolution No. 236-24 Authorization to acquire one parcel in fee simple known as PPN 020-14-147, located at 11929 Carrington Avenue, in the City of Cleveland, owned by Linda and James Paquette, necessary for the construction and maintenance of the Big Creek West Branch Problem Area 8 project, and to enter into an Assignment and Assumption Agreement with the Western Reserve Land Conservancy, and to enter into a six-month no-cost lease agreement with the Paquettes, and to allow for the entirety of the payment to be disbursed to Ohio Real Title Agency, LLC, with total consideration of \$180,000.00 plus closing costs.

Resolution No. 237-24 Authorization to acquire one permanent stormwater easement and one permanent sewer easement at the property known as PPN 762-06-001, located at 4440 Warrensville Center Road, in the City of Warrensville Heights, owned by Cleveland Warrensville Center, LLC, necessary for the construction and maintenance of the Mill Creek Restoration near Cricket Lane in Warrensville Heights project, with total consideration of \$81,700.00.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 236-24 through 237-24. Without objection, the motion carried unanimously.

Hearing Officer Findings and Recommendations

Resolution No. 238-24 Authorization to adopt the findings and recommendations of the Hearing Officer with regard to the sewer account of the Cathedral Church of God in Christ ending in 0005, Sewer District Hearing No. 24-008, that no further adjustments be made.

MOTION – Mr. Sulik moved, and Mayor Alai seconded to adopt Resolution No. 238-24. Without objection, the motion carried unanimously.

VI. Information Items

Regarding the Certification of Delinquent Sewer and Stormwater Accounts to the Cuyahoga and Summit Counties Fiscal Officers for the 2024 second half certification or the Certification of Direct Bill Delinquent Sewer and Stormwater Accounts to Cuyahoga and Lorain Counties Fiscal Officers for the 2024 second half certification, Mr. Brown inquired if there was anything different about the current certifications and if NEORSD is continuing to work with the County to ensure that the certification actions will not result in people losing property. Mr. Luckage answered in the affirmative that the Cuyahoga County Prosecutor's Office this week affirmed to him that the Prosecutor's policy has not changed, and they will not initiate a foreclosure action when the only liens on a property are delinquent water and sewer charges.

Devona Marshall, Director of Engineering and Construction, provided the monthly Capital Improvement Program Update for August 2024, beginning with cash flow. The top seven projects account for 78% of planned cash flow in 2024. Through August, those projects are tracking at 94% of planned, which is well above the Key Performance Indicator (KPI) of 85% of planned. For Design, the construction contract for the CSO-249-McCracken-East-112th Sewer Improvements project was awarded within 60 days of planned, meeting that KPI, as well as meeting the KPI for the engineer's estimate. There was only one bid for this project for which the engineer's estimate was \$5 Million, and it was awarded for just under \$5.4 Million. The construction contract for the Kinsman and East 149th Regulator Relief Sewers project was awarded within 60 days of planned, meeting that KPI. The KPI for the engineer's estimate was not met for this project, as the average of the three lowest bids was not within 10% of the estimate of \$5.5 Million and it was awarded to the low bidder for just under \$4.6 Million.

The construction contract for the District-wide HVAC Equipment and System Upgrade project was closed out, but did not meet the KPI of within 95% of the original contract amount. However, the Business Opportunity Program (BOP) goals of 15% MBE/WBE and 5% SBE were far exceeded, with actuals of 94% MBE/WBE and 5.82% SBE. The total work orders as a percent of construction were 9.99%, equating to just over \$700,000, with the majority of those changes being owner-requested changes.

The construction contract for the Southerly Building Demo project closed out, but did not meet the KPI of within 95% of the original contract amount. However, that project also exceeded the BOP goals of 15% MBE/WBE and 5% SBE, with actuals of 21.03% MBE/WBE and 13.73% SBE. The total work orders on the project as a percent of construction were 6.1%, which equate to just over \$1 Million, the majority due to owner-requested changes and significant differing or unforeseen site conditions on this project.

Regarding construction updates, there are six projects scheduled to achieve substantial completion by the end of the year, with the total contract value of those projects being approximately \$120 Million. Four of the six projects are Consent Decree projects. The Pearl Jennings Road Storage Tanks and Pump Station Upgrade project is Control Measure 23 of the Consent Decree, which controls 25 million gallons of annual CSO control. The construction aspect is complete, and the startup of equipment has commenced and will be followed by the operational demonstration period, with substantial completion anticipated in November.

The Westerly Tunnel Dewatering Pump Station project is part of the larger Westerly Storage Tunnel, Control Measure 14, which will control 285 million gallons of annual CSO. The operational demonstration is complete, and the Operation and Maintenance staff training has commenced, followed by substantial completion anticipated in October.

The Shoreline Consolidation Sewer project, part of the larger Shoreline Storage Tunnel system, Control Measure 7, will control 350 million gallons of CSO. For this project, construction is nearly complete, with the focus on site and road restoration and substantial completion anticipated in October.

The Southerly Secondary Effluent Capacity Improvements project is part of Control Measure 5.1, which requires NEORS D to increase the secondary capacity of the SWWTC from 400 million gallons per day (MGD) to 480 MGD, is also expected to achieve substantial completion in October.

Finally, the two non-Consent Decree projects are the District-wide Electrical Repair and Easterly Service Improvements project, on track to achieve substantial completion before the end of the year, and the Easterly PLC Replacement project, which is also expected to achieve substantial completion by the end of the year.

Mr. Brown noted that heading into 2025, NEORS D will be ten years out from completion of the Consent Decree and inquired if there was a way to obtain an understanding of the impact of the level of service that has been accomplished to date in terms of overall strategy, as well as the impact on the member communities. Ms. Marshall indicated that the next Engineering and Construction monthly update will focus on the dollar spend and the levels of control achieved.

VII. Open Session

Mr. Sulik provided the Audit Committee report, as the Board representative on the Committee, in addition to independent Committee members Mr. Bill Chorba and Mr. Ken Koncilja. The purpose of the Audit Committee is to maintain the integrity of NEORSD's financial statements, the compliance with the legal and regulatory requirements, and to review the independent auditors' qualifications and independence, and to review the performance of the independent auditors and NEORSD's internal audit function.

The independent auditors, Ciuni and Panichi, conducted NEORSD's audit and believe that the audit evidence obtained is sufficient and appropriate to provide a basis for their opinion that the financial statements of NEORSD present fairly in all material aspects the respective financial position of the business type activities of NEORSD as of December 31, 2023 and the respective changes in financial position and cash flows for the year ended in accordance with accounting principles accepted in the United States. The auditors stated that they encountered no difficulties in dealing with management and performing and completing the audit. The committee reviewed internal audit plans and reports and determined that the management and internal audit staff has worked closely in resolving issues highlighted in internal audit reports. Management and internal audit are continuing to work on security and priority rating measures to maintain the integrity of all departments, internally and externally.

Mr. Sulik reported that the Audit Committee has reviewed its charter and asked the Board of Trustees to adopt the changes requested by the Committee at a future date. Mayor Bacci made a motion to accept the Audit Committee report, seconded by Ms. Dumas.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

Mayor Bacci, pursuant to Ohio Revised Code Section 121.22(G)(3), moved, and Mr. Sulik seconded, to enter into executive session to consult with the District's legal counsel concerning disputes involving the District that are the subject of pending and/or imminent court action. By roll call vote, the Board voted unanimously to enter into executive session at 12:58 p.m.

The Board returned to open session at 1:30 p.m.

X. Approval of Items from Executive Session

Resolution No. 239-24

Authorizing the Chief Legal Officer to enter into a Settlement Agreement on behalf of the District with AMAC Enterprises, Inc. (AMAC) under such terms and conditions as are approved by the Chief Executive Officer and acceptable to the Chief Legal Officer, including an Assessed Civil Penalty against AMAC of \$335,140.00 for Discharge Permit violations, subject to a setoff of \$214,837.43 for AMAC's upgrades to its pretreatment equipment, for a total payment to NEORSD, after setoff, of \$120,302.57, and including weekly sampling of the AMAC pretreatment system for one year by an independent laboratory.

MOTION – Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 239-24. Without objection, the motion carried unanimously.

XI. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Ms. Chambers moved, and Mayor Bacci seconded the motion to adjourn at 1:32 p.m. Without objection, the motion carried unanimously.



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



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