

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
OCTOBER 17, 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
Marjorie Chambers

Absent: Jack Bacci
Sharon Dumas

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

II. Approval of Minutes

MOTION – Ms. Chambers moved, and Mayor Alai seconded, to approve the Minutes of the October 3, 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 that on October 1st, NEORS held its annual Service Awards at Windows on the River. The event recognizes career milestones for NEORS employees as well as the work of the DE&I Advisory Committee, Employee Resource Group leaders, and Charity Choice Committee. This year NEORS paid tribute to 118 honorees and acknowledged the service of 14 retirees, as well as welcomed back 20 former employees who joined the celebration. Ms. Dreyfuss-Wells congratulated Frank Foley, Director of Operation and Maintenance, for receiving the Lifetime Achievement Award. Ms. Dreyfuss-Wells thanked Angie Smith, Employee Engagement Specialist, and the Service Awards Committee for their work on this successful event.

Ms. Dreyfuss-Wells invited Ken Duplay, Chief Financial Officer, to discuss the 2024 bond transaction.

Mr. Duplay explained that on October 2nd, NEORSD priced its 2024 bond issue. It is a two-part refinancing opportunity which involves refunding NEORSD's 2010 Build America Bonds and a tender refunding of all other outstanding bonds.

The 2010 Build America Bonds were taxable bonds that came with a federal subsidy to offset the interest cost. In the time since, the interest subsidy has been reduced which has allowed those bonds to become callable. NEORSD was able to execute a refunding transaction of those bonds for savings and thus eliminate future risk of further reduction of that subsidy.

NEORSD offered all of its other outstanding bonds for tender refunding and received relatively strong participation, with approximately 13% of offered bonds accepted, resulting in \$71.3 million in refunded bonds. The combination of the two transactions resulted in a new bond transaction of \$135.8 million. The net result in terms of savings for the transaction was \$4.1 million in net present value savings, about 2.6% net present value in terms of percentage savings. Mr. Duplay and Ms. Dreyfuss-Wells thanked NEORSD staff who supported this transaction.

Ms. Dreyfuss-Wells congratulated President Brown for being the recipient of the Public Officials Award at the annual Water Environment Federation's Technical Exhibition and Conference (WEFTEC) on October 7th. The award recognizes individuals who have made outstanding contributions to the sustainability of water resources and have had a profound impact on the future of the water profession. President Brown thanked Ms. Dreyfuss-Wells and added that he has been attending WEFTEC since 1988.

V. Action Items

Authorization to Advertise

Resolution No. 249-24 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for a 12-month requirement contract for the delivery of up to 1,050,000 dry pounds of ferric chloride solution for all District wastewater treatment plants with an estimated probable cost of \$675,000.00.

MOTION – Mr. Sulik moved, and Ms. Chambers seconded to adopt Resolution No. 249-24. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposal (RFP)

- Resolution No. 250-24 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for the services of a Curtailment Service provider under the Curtailment Service Provider for Demand Response Programs project.
- Resolution No. 251-24 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for software and professional services for the Water Quality & Industrial Surveillance Department's Pretreatment Information Management System Solution and Implementation project for management of the Industrial Pretreatment Program, the Pollution Prevention Program, and Business Programs.
- Resolution No. 252-24 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for professional services and, if necessary, software, for the integration of the District's Oracle Enterprise Business Suite with the District's bill payment software Paymentus, and the District's single sign-on application.

MOTION – Ms. Chambers moved, and Mr. Sulik seconded to adopt Resolution Nos. 250-24 through 252-24. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that, regarding Resolution No. 250-24, the project has been ongoing for some time and has been a great investment for NEORSD. President Brown asked if there is additional information about the project. Jim Bunsey, Chief Operating Officer, explained that the Curtailment Services provider supports NEORSD's Electric Demand Response Program. There are three subprograms within the overall program, which has netted approximately \$1 million in electrical cost savings over the past 4.5 years. The current service provider contract expires in May of 2025.

The most obvious benefit of the services is reduced electricity costs. Less obvious benefits include more robust generator operation. By having the staff operate generators more often, NEORSD is able to ensure that the generators are in good working order and staff is able to activate them quickly in an emergency where there is no grid power available. Additionally, it provides more grid reliability and sustainability in the grid. When NEORSD transitions to generator power, it allows the grid to meet high demand peak periods. President Brown added that high demand peak periods result in higher costs. Mr. Bunsey agreed and added that is one part of the three subprograms.

President Brown requested additional information regarding Resolution No. 251-24. Mohan Kurup, Director of Information Technology, explained that the NEORSD has a robust industrial pretreatment program with over 1,000 customers. Resolution No. 251-24 relates to the

Pretreatment Information Management System (PIMS), which is used to track the user inventory, compliance determinations, the history surcharge calculations which are based on laboratory testing of samples, and to manage the inspections as well as the results of the inspections.

Included in this project is the addition of a PIMS portal in order to allow customers to self-report more frequently. It is currently a paper reporting process that occurs twice a year and has to be manually entered by NEORSD staff. With over 1,000 customers, there is a great potential for error. The portal will streamline the process by improving workflows, system reliability, access to data analysis, and the ability to monitor compliance.

Authorization to Enter Into Agreement

- Resolution No. 253-24 Authorization to enter into a reimbursement agreement with Jordan Community Residential Center (JCRC) to reimburse JCRC for pavement restoration and landscaping costs up to \$150,000.00 at the Regulator S-44B construction site on JCRC's property and necessary for the District's Kinsman and East 149th Regulator and Relief Sewers (KERRS) project and Control Measure 21 of the Consent Decree, and to provide \$10,000.00 for escalation and remobilization costs incurred by JCRC for delays of its District Green Infrastructure Grant-funded The Oasis in the City "Serenity Healing Garden" Mt. Pleasant project due to the District's KERRS project, for a total reimbursement amount to JCRC not-to-exceed \$160,000.00.
- Resolution No. 254-24 Authorization to enter into a cooperative agreement with United States Geological Survey for the operation and maintenance of 11 rain gages and 32 stream gages in the District's Regional Stormwater Service Area and other ancillary technical support services, for a 12-month period, in an amount not-to-exceed \$447,720.00.
- Resolution No. 255-24 Authorization to enter into a Letter of Commitment with the United States Army Corps of Engineers (USACE) and United States Environmental Protection Agency (USEPA) assuming the operation, maintenance, and ownership of the Euclid Creek Spillway Fishway Structure project to be constructed by the USACE with \$4.5M in funding from the USEPA's Great Lakes Restoration Initiative, with anticipated operation and maintenance costs for the District exceeding \$75,000.00 over the 50-year design life of the Fishway.

MOTION – Mayor Alai moved, and Ms. Chambers seconded to adopt Resolution Nos. 253-24 through 255-24. After the following discussion, without objection, the motion carried unanimously.

President Brown requested additional information regarding the project related to Resolution No. 255-24. Matt Scharver, Director of Watershed Programs, explained that the project will address one of the last beneficial use impairments under the Cuyahoga River Area of Concern. Mr. Scharver provided photographs of the project area near the East 185th Street spillway where the fish ladder will be installed. This will allow fish to access up to 18 miles of Euclid Creek upstream of the spillway.

The \$4.5 million cost of the fish ladder will be funded by the USEPA's Great Lakes Restoration Initiative, then NEORSD will assume responsibility for the operation and maintenance over the anticipated 50-year design life of the fishway.

Mr. Scharver explained that the project will benefit various species of shiner fish, small mouth bass, rainbow trout, and other fish, remedying the beneficial use impairment under the fish and wildlife category in the area.

Authorization to Enter Into Contract

Resolution No. 256-24 Authorization to enter into a 12-month requirement contract with Polydyne, Inc. for liquid emulsion polymer solution required for sludge dewatering at the Southerly Renewable Energy Facility, sludge dewatering at the Westerly Wastewater Treatment Center, and final clarification at the Easterly Wastewater Treatment Plant in an amount not-to-exceed \$1,543,440.00.

Resolution No. 257-24 Authorization to enter into six-month requirement contracts with Spisak's Outdoor Creations, LLC for snow removal services for GJM (Bid Group 1) and pump stations and outlying facilities (Bid Group 3) in an amount not-to-exceed \$55,200.00, and with H&M Snow Pros for snow removal services at EMSC (Bid Group 2) in an amount not-to-exceed \$33,142.00, for a total amount not-to-exceed \$88,342.00 for both contracts.

MOTION – Mr. Sulik moved, and Ms. Chambers seconded to adopt Resolution Nos. 256-24 through 257-24. Without objection, the motion carried unanimously.

Authorization to Exercise Option to Renew Agreement

- Resolution No. 258-24 Authorization to exercise the second one-year option to renew the Employee Benefits agreements for Year 2025, as follows:
- MedMutual Life Insurance Co. for group life, accidental death & dismemberment, and short-term disability insurance in an additional amount not-to-exceed \$850,000.00;
 - Medical Mutual of Ohio for administrative fees and stop-loss coverage in an additional amount not-to-exceed \$1,955,000.00;
 - Medical Mutual Services, LLC for incurred medical, prescription, vision & hearing claims projection in an additional amount not-to-exceed \$14,000,000.00;
 - Delta Dental for incurred dental claims and administration fees projection in an additional amount not-to-exceed \$490,000.00.
- For a total amount, for all agreements combined, not-to-exceed \$17,295,000.00.

MOTION – Mayor Alai moved, and Ms. Chambers seconded to adopt Resolution No. 258-24. After the following discussion, without objection, the motion carried unanimously.

President Brown requested additional information regarding the agreement renewals. Jeremy Short, Director of Human Resources, explained that this request is to renew NEORSD employee primary benefit offerings and is for the administrative fee projections for 2025. Mr. Short invited Anne O’Donnell of Willis Towers Watson (WTW), NEORSD’s insurance broker, to discuss the renewal.

Ms. O’Donnell provided a graphic providing a summary of by-line coverage for 2025 and explained that the increase in costs from 2024 equals \$614,000. This is the third year of the three-year agreement for the rate guarantee for the fixed costs. The stop-loss policy renews annually, and WTW’s team of actuaries perform the cost projection.

Ms. O’Donnell explained that there is an anticipated increase in medical costs of 6% to 10% and increased prescription costs of 10% to 12%. The total increase for medical, prescription, vision and hearing all together was 2.6%.

The stop-loss renewal was negotiated down to an increase of \$110,000 with an increase of the threshold to \$250,000, resulting in \$137,000 in savings, with a premium slightly less than current. Additionally, Medical Mutual’s Total Health Program is being introduced. The program offers chronic condition management, preventative health campaigns, maternity programs, musculoskeletal programs, and palliative care.

The requested amount of \$1.955 million includes the stop-loss for prescription, administration, medical and vision and hearing claims, and that includes a 10% buffer from projected. The requested \$14 million for claims also includes a 10% buffer, as does the \$490,000 requested for Delta Dental.

In 2025, an RFP will be issued to attempt to lock in fees for multiple years, as the costs of renewals increase annually.

VI. Information Items

Devona Marshall, Director of Engineering and Construction, provided the monthly update for the Capital Improvement Program for September 2024, beginning with cashflow. September ended at 102% of planned, primarily because the construction of the Southerly Storage Tunnel is ahead of schedule. A subcontractor on the project is working extended hours in order to complete their portion of the project quickly, resulting in earlier spending but not increased spending.

As for key performance indicators (KPIs), substantial completion was achieved on the District-Wide Electrical Repair and Easterly Service Improvements projects, outside of the 90 days from planned, missing that KPI. This is due to a fire in the air handling unit at the Easterly Tunnel Dewatering Pump Station which required emergency modification of the contract and included a 360-day time extension to complete the work.

Ms. Marshall then provided the progress and performance update regarding the Consent Decree. The Consent Decree has three primary objectives: reducing combined sewer overflow from multiple outfalls; eliminating or reducing the number of internal plant bypasses at the wastewater treatment plants; and to reduce surcharging and increase capacity in the combined sewer system specifically targeting the five-year, six-hour storm event.

The estimated \$3 billion (2009 dollars) program is to be completed over 25 years, under 79 different projects, within 25 Control Measures. Of those, 73 projects are completed or active and 14 of the Control Measures have achieved full operation to date. Thus far, \$2.31 billion has been spent or awarded equating to \$1.79 billion in 2009 dollars and the value engineering savings are tracking at \$573 million in 2009 dollars. The estimated remaining costs in 2024 dollars is \$688 million equating to \$498 million in 2009 dollars which brings the updated total estimated cost to under \$2.3 billion in 2009 dollars.

When NEORSD first began its CSO reduction efforts without a mandate, there was an estimated 9 billion gallons of annual CSO overflow, and when NEORSD entered into the Consent Decree in 2011, there was an estimated 4.6 billion gallons of annual CSO overflow remaining. As of today, there are 2.6 billion gallons of annual CSO overflow remaining and it is estimated that when all projects are completed, there will be 200 million gallons of remaining CSO overflow. It is

anticipated that the 200 million gallons will be reduced further with optimization of the Big Creek Tunnel system design.

The second Consent Decree objective is to eliminate or reduce internal plant bypasses. Internal plant bypasses, which happen during wet weather, are a result of secondary treatment capacity being less than primary treatment capacity. All internal bypasses at the Easterly Wastewater Treatment Plant have been eliminated with the completion of Control Measure 1. It was determined not feasible to completely eliminate bypasses at the Southerly Wastewater Treatment Center; however, the Consent Decree requires them to be reduced. NEORSD is achieving that by increasing the secondary capacity from 400 MGD to 480 MGD. Additionally, the NEORSD is enhancing the treatment within the primary system so that when bypasses do occur, the quality of the water being discharged will be better than what it is currently.

Ms. Marshall reminded the Board that Control Measure 5, reduction of Southerly Wastewater Treatment Center internal plant bypasses, is part of a major modification wherein NEORSD was able to identify a better way to achieve the requirements of the Control Measure and save \$50 million in capital spending.

Three of the 25 Control Measures specifically target the objective of reducing system surcharging by increasing capacity. One of those Control Measures focused on the Stickney Creek area and has been completed; the requirements of the other two Control Measures focused on the Easterly district area have been combined into one project, which is in the early process of procuring design services.

There has been significant work done by NEORSD parallel to the Consent Decree projects to address Clean Water Act issues, such as the \$40 million Local Sewer System Evaluation Studies (LSES). Additionally, since its inception in 2017, the Member Community Infrastructure Program has awarded \$102 million with \$104 million in community match funding to address issues identified under the LSES.

NEORSD continues to work with local communities, USEPA and Ohio EPA to obtain funding from the Infrastructure Investment and Jobs Act to assist local communities in funding projects and in some cases assist with designing projects.

NEORSD is also performing the Mill Creek Tunnel Interceptor Capacity Evaluation, a planning level evaluation which is focused specifically on NEORSD's infrastructure in the Mill Creek area to identify capacity issues and eliminate potential bottlenecks within the system.

President Brown reflected on his time at WEFTEC and discussing NEORSD's work with people from around the country and added that while he received the award, the award was really in recognition of the great work performed by NEORSD over the years.

President Brown noted that in doing the work every day, one may take for granted the accomplishments of meeting regulatory requirements and making positive environmental and fiscal impacts for ratepayers. President Brown commended NEORS D staff for the scale of the projects being performed.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

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

The Board returned to open session at 1:42 p.m.

X. Approval of Items from Executive Session

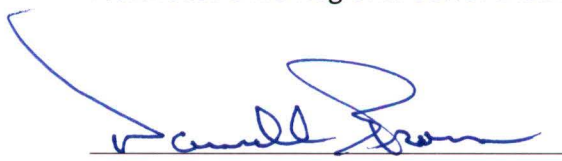
There were no items.

XI. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Alai moved, and Ms. Chambers seconded the motion to adjourn at 1:42 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