

Sewer district gets high marks for eliminating cost overruns

DAVE DAVIS
Plain Dealer Reporter

Regional sewer district officials have eliminated costly construction project overruns that had been common for nearly 30 years.

A state audit released Thursday praised the Northeast Ohio Regional Sewer District for its "strong internal controls" and found "no significant issues" involving construction project change orders since 2008.

That's a vast turnaround from earlier years when district officials routinely approved change orders on projects and found themselves caught up in 2007 in a federal corruption investigation centering on the issue.

Since then, the district has hired a new executive director, Julius Ciaccia, former Cleveland public utilities director, who with the seven-member board, has overhauled the agency and its practices.

The audit released Thursday was requested by the district and it scrutinized slightly more than half of the 104 construction contracts awarded since Ciaccia took over late in 2007. Auditors also reviewed the district's consulting contracts.

A spokeswoman for Ohio Auditor Dave Yost declined to comment on the audit beyond what was in the 27-page document.

"You always have room for improvement," said Michael Bucci, the district's deputy executive director.

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"But I think if you take where we were a few years ago and where we are today, we've shifted 180 degrees," Bucci said.

Kellie Rotunno, director of engineering and construction since March 2008, said the district has adopted private-sector practices for its bidding, awarding and monitoring of construction projects. In pri-

vate business, she added, the numbers have to be tightly controlled and on the mark because, "You're dealing with profit margins."

"We haven't had any construction cost overruns that have had to go back to the board," Rotunno added. And the 30 construction projects completed in the last 18 months actually came in under budget by \$8.5 million. The budget for those projects was \$85 million.

State officials recommended that district officials develop a rating system for consultants and begin formally evaluating contractors' performance at the end of projects so that they could use that

information when considering them for later work.

And auditors dinged district staff and board members for discussing public business at private luncheons that are held before each twice-monthly board meeting. State officials said the district should ensure that it is in compliance with the state Sunshine Law, which requires that deliberations of public boards such as the sewer district be conducted at public meetings.

"The media is not notified of these luncheons, and they are not open to the public," auditors noted.