

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
AUGUST 21, 2008

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:31 p.m. by Mr. Brown.

I. Roll Call

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

ABSENT: A. Liberatore

The Secretary informed the President a quorum was in attendance.

Add-On

Resolution No. 204-08

Resolution of Acknowledgement in honor of Congresswoman Stephanie Tubbs Jones for her more than three decades of public service and outstanding contributions to the State of Ohio.

Mr. Brown stated that he would stray from the formal agenda in order to address the Resolution No. 204-08 acknowledging and honoring the late Congresswoman Stephanie Tubbs Jones. Mr. Brown expressed that Congresswoman Tubbs Jones did a fine job on behalf of the State of Ohio, Northeast Ohio and the country. Mr. Brown indicated that Congresswoman Tubbs Jones was a friend and neighbor. He recalled her continuously discussing the interests of the community and initiatives needed in order for the State of Ohio to be successful at the national level. Mr. Brown stated that Congresswoman Tubbs Jones was of a very humble beginning and was always modest. She always engaged individuals whether she knew them personally or not. Mr. Brown stated that it was with deep regret and sadness that the Board presented the resolution.

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Congresswoman Tubbs Jones was born and raised in Cleveland, Ohio, a leader for our community and a major advocate on behalf of the District. She served as Assistant General Counsel for the District from 1974 – 1976. Mr. Brown stated that she assisted with providing many funding opportunities for the District. Congresswoman Tubbs Jones succeeded Congressman Louis Stokes and was instrumental in obtaining funding for the District for the Doan Brook project. Mr. Brown stressed that Congresswoman Tubbs Jones was very accessible to the Board and staff and that her untimely passing is a great tragedy, especially for this community.

Mr. Brown informed the Board that a resolution was prepared acknowledging Congresswoman Tubbs Jones' achievements and demonstrating the District's appreciation for her dedication as a congresswoman and spokeswoman for the District and this region. The District offers its best wishes and support to Congresswoman Tubbs Jones' entire family.

Mr. Brown requested everyone take a moment of silence in honor of Congresswoman Tubbs Jones.

Mayor Longo stated he knew Congresswoman Tubbs Jones for many years and that she was larger than life. This region cannot imagine the impact of her loss and that what she has accomplished for this community will be revealed as time passes. The loss of Congresswoman Tubbs Jones is very tragic and her family will feel this pain for many years to come. Mayor Longo stated that he offers his thoughts and prayers to Congresswoman Tubbs Jones' family at this time.

MOTION – Mayor Longo moved to add and adopt Resolution No. 204-08 in honor of Congresswoman Stephanie Tubbs Jones and Ms. Kelly seconded. Without objection, the motion carried unanimously.

II. Approval of Minutes

MOTION – Mayor DePiero moved and Ms. Kelly seconded that the minutes of the August 7, 2008 Board meeting be approved. Without objection, the motion carried unanimously.

III. Public Session (no one registered to speak at public session)

IV. Executive Director's Report

Executive Director Ciaccia began his report and advised the Board that the District has continued to comply with the four (4) subpoenas issued by the federal government and has completed part of the process. Subsequent to the resolution passed at the August 7,

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2008 Board meeting, all documents for which the Board's privilege was waived were turned over last week to the federal government.

All documents that are going to remain privileged were reviewed, Bates stamped and placed on the privileged document log. Executive Director Ciaccia explained that the privileged document log now becomes public record and was turned over to the Board and federal government. Out of 189,000 documents, 410 documents will remain privileged and confidential. The federal government will review the privileged log and determine if there are any documents on which it desires to engage the District further.

Executive Director Ciaccia moved to the next report item regarding Ohio Revised Code (hereinafter "ORC") §6119, and that the District continues to review its authority set forth by this section. Staff will continue its review and work with the Governance Committee regarding potential changes under ORC §6119 or any additional state laws that may need to be addressed.

Executive Director Ciaccia moved to his next report item and informed Board members that the District continues its stormwater efforts. District staff will meet with the Cuyahoga County Law Director's Association on Thursday, September 11, 2008, to inform them of the Stormwater Management Program (hereinafter "SMP"). The Law Department is drafting a Code of Regulations for the SMP. The District met with the County Engineer's office and Northeast Ohio Areawide Coordinating Agency (hereinafter "NOACA"). District representatives visited Philadelphia Water, Denver Urban Drainage and Flood Control District and Louisville, Kentucky. District representatives plan to visit Charlotte, North Carolina to examine its stormwater facility as well. Furthermore, Executive Director Ciaccia advised that the Stormwater Advisory Committee (hereinafter "SWAC") held a productive meeting on August 20th.

Executive Director Ciaccia moved to the next report item regarding the District's Combined Sewer Overflow Long-term Control Plan (hereinafter "CSO LTCP"). Executive Director Ciaccia wanted to clarify discussions held at the August 7th Board meeting as it relates to the potential rate increase of 15% to 18% from 2012 through 2016. Executive Director Ciaccia emphasized that these are estimated rate increases and will be verified as the District moves forward with its rate study. Customers can anticipate an 18% rate increase for the twenty (20) year program and a 15% rate increase for the thirty (30) year program. The estimated rate increase for the thirty year program is lower, but customers will pay more long-term for the thirty (30) year program due to construction costs and inflation. This issue has not been factored into previous CSO LTCP discussions, and the District is not conceding to the twenty (20) year plan, but from an economic standpoint, the thirty (30) year CSO LTCP will not necessarily be more cost effective or beneficial to the customer.

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Executive Director Ciaccia pointed out another outstanding issue as it relates to the CSO LTCP which is whether the District should pay as it goes or use debt financing. He pointed out that the less debt financing the District does, the more cash it will have to raise, so that will impact proposed rates.

Executive Director Ciaccia explained that the Board passed rate increases effective through 2011, and the District will continue to operate within this authorization. The District will begin its rate study process in 2010, and the Board will be requested to address and enact rate increases in 2011 for rates effective 2012 through 2016. Executive Director Ciaccia stated that he will continue to apprise the Board of these discussions. In an effort to offset costs, the District will attempt to obtain federal and additional funding, but the loss of Congresswoman Stephanie Tubbs Jones will make this process difficult because she was such a prominent member of Congress and advocate for the District.

Mr. Brown stated that it is important that the District continue to provide information as to why financial relief is needed for this unfunded mandate because, regardless of whether this becomes a 15% or 18% rate increase; it will be a significant economic impact on the ratepayers, for a long period of time. The District must strategize on how to advocate, influence and deliver on this project. Mr. Brown stated that he believes the planning and management portions of this program will take care of themselves; however, his critical concern is ratepayers having the ability to manage higher rates as well as an overall increase in the cost of living. Mr. Brown stressed that the District should explore rate relief opportunities for the ratepayers. The Board will support the staff in an effort to ensure this message is clear.

Executive Director Ciaccia moved to the next report item concerning the Residuals Study and Biosolids Incineration Project and the need to replace the District's multiple hearth incinerators. The Board authorized contracting with Malcolm Pirnie for the engineering design of fluidized bed incinerators which are more efficient and modernized. Executive Director Ciaccia and Director of Engineering and Construction, Kellie Rotunno, wanted to determine if fluidized bed incinerators are the most efficient technology and what possible enhancements will be made in the near future as it relates to this technology.

The District assembled a panel, including national experts, who spent a week with staff to discuss possible alternatives. A presentation was made by a German company named Schmack, referred to the District by Kurtz Brothers, to explain a proposed process of digestion.

The District has decided to recommend moving forward with the fluidized bed incineration project to include energy recovery, which will enhance the total capital costs of the project, but has a relatively short rate of return. Conservatively, this investment may take eleven (11) years for the rate of return. However, if electric rates increase, as

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anticipated, this will result in a shorter rate of return. Executive Director Ciaccia stated that the District, from an economic and progressive management standpoint, will benefit from this project because the District has already invested \$3 million of design work for the project. Furthermore, due to the age and condition of the existing multiple hearths, the District would lose time if it changed direction at this point. Executive Director Ciaccia stated that the biggest supporting factor in moving forward with the fluidized bed incinerator process is that with the energy recovery component, the District will substantially reduce its carbon footprint.

Executive Director Ciaccia stated that he is planning to recommend a resolution, at the next Board meeting, for the pre-purchase of the incinerators, which will be a \$45 million endeavor, and the total cost of this project will exceed \$100 million. Executive Director Ciaccia stated that he wanted to update the Board on this issue and advised that an informational article was also printed in *The Plain Dealer* regarding the District's proposed fluidized bed incinerators.

Executive Director Ciaccia moved to the next report item regarding Asset Management (hereinafter "AM") Implementation Phase I, and advised the Board that he will be recommending the Board award the contract to Camp Dresser McKee (hereinafter "CDM"). Executive Director Ciaccia advised that the District accepted the proposals for AM a while ago, but as it moved forward with Program Management (hereinafter "PM"), staff wanted to ensure that there would be no overlap between the two (2) projects.

Executive Director Ciaccia moved to the next report item and stated that the District is currently ahead of its projected revenues and below its expenses. The District reached its 58% benchmark and is operating at 53.67%, which is a good sign. Executive Director Ciaccia stated that included in the Finance report is a comparison of metrics used for the rate study. The District is ahead because total revenues identified by the rate study were \$99 million and the District is currently at \$108 million. Expenses were below, debt services were at par, but in net the District is in a favorable position at \$12 million. Executive Director Ciaccia stated that this gives him confidence that the District can continue to manage its operation at the rates approved by the Board through 2011.

Executive Director Ciaccia moved to his next report item and advised Board members that the District participated in Cleveland's Youth Opportunities Program (hereinafter "Y.O.U."). Several high school children from Cleveland schools worked in conjunction with the District on the Adopt-A-Beach Program. Executive Director Ciaccia recognized District Chemist, Denise Crison, from the Analytical Services Department, for her involvement in working with children to obtain and test beach water samples. He also recognized District Biologist, Linda Mayer-Mack for her involvement and for providing the opportunity for the children to participate in planting rain gardens at Willard Park and Kerraish Park in Cleveland.

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Executive Director Ciaccia informed Board members that on September 13, 2008, the District will be holding a public tour at the Southerly Wastewater Treatment Plant. Notices will be circulated and the District is putting together a nice program and he encouraged Board members to invite their friends, families and residents.

Executive Director Ciaccia stated that the Big Creek Interceptor-3D (BCI-3D) project has halted and he reminded Board members that during implementation of the project, the polyuria coating in 1600 feet of piping blistered. Litigation is pending between the District, the contractor KM&M and the engineering design firm. Executive Director Ciaccia stated that during the week of August 18th, he sent a letter to KM&M declaring them in default of their contract. A shaft located on Ardoyn in Cleveland is sitting idle and obstructing the citizenry. Executive Director Ciaccia stated that this job must be completed and the District may need to hire another contractor to complete this job if KM&M continues to not fulfill its contract obligations. The District can then incorporate this into the litigation. Executive Director Ciaccia stated that staff will be scheduling a meeting with its litigation attorneys at the next Board meeting to discuss the BCI-3D and Mill Creek Interceptor (MCI) projects in Executive Session.

V. Consent Agenda

Sewer Use Code Matters

No discussion ensued on Resolution No. 194-08.

Resolution No. 194-08

Authorizing SSCBOUTS Application No. 1349 for Virgil E. Brown Building, 1520 E. 17th Street, Cleveland, Ohio 44114, referenced account: 01-444-859-001. Estimated savings to customer is \$14,758.00.

MOTION – Mayor Longo moved and Mr. Sulik seconded to adopt Resolution No. 194-08. Without objection, the motion carried unanimously.

Authorization of District In-Kind Support

No discussion ensued on Resolution Nos. 195-08 and 196-08.

Resolution No. 195-08

Cuyahoga River Flooding Study in Independence. Cost is \$50,600.00.

Resolution No. 196-08

Cuyahoga River Flooding Study in Valley View. Cost is \$49,000.00.

MOTION – Mayor Starr moved and Mayor Longo seconded to adopt Resolution Nos. 194-08 through 196-08. Without objection, the motion carried unanimously.

VII. Action Items

Authorization to Award

Resolution No. 197-08

**Contract to Camp Dresser McKee (CDM)
for professional services associated with
the Asset Management Phase I Project.
Cost not to exceed \$3,000,000.00.**

Mayor Starr questioned if the District's past practice included programs such as AM. Executive Director Ciaccia stated that to some extent, but not as an enterprise-wide effort. The District previously authorized a study for AM which was conducted by CDM, but that the current AM study is District-wide and a holistic approach.

Mayor Starr questioned if AM will enable the District to have better control on change orders and construction project costs. Executive Director Ciaccia stated that the District will maintain better management of its construction contracts through PM as opposed to AM. Executive Director Ciaccia explained that AM will classify assets and risk assessments will be used to determine when assets should be replaced or maintained. AM includes maintenance and capital decisions.

Mr. Brown questioned if Ms. Rotunno had the opportunity to review AM's scope of services. He wanted to know if the original scope was adequate or if these should be modified. Ms. Rotunno stated that, as the new Director of Engineering and Construction, she wanted to review the scope of services which were decided prior to her joining the District. She explained that over the past few months she and her staff reconciled some scope items with the intent of the District being able to administer its AM program after five (5) years with minimal assistance from consultants, and the contract was modified to support this goal. Ms. Rotunno explained that AM is also incorporated in the District's proposed strategic plan.

Resolution No. 198-08

**Contract to Jay Dee Contractors, Inc. for
the construction of the Valley Belt
Gravity Sewer. Cost not to exceed
\$6,055,560.00.**

Mayor DePiero questioned if Jay Dee Contractors, Inc. is a local contracting firm to which Executive Director Ciaccia replied that it was not. The engineer's estimate was

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\$5,800,000 and Jay Dee Contractors, Inc.'s bid slightly exceeded this amount. However, all other bids surpassed the engineer's estimate by at least 10%. If the District did not receive Jay Dee Contractors, Inc.'s bid, this project would need to be re-bid. Executive Director Ciaccia researched the District's prior history with Jay Dee Contractors, Inc., and discovered that the company had bid on past projects, but was not awarded any contracts; therefore, he was pleased that this construction firm submitted a bid.

In response to Executive Director Ciaccia's comments regarding Jay Dee Contractors, Inc., Mr. Brown stated that it is very important for the District to communicate the message that it is "open for business" and that its bid process is equitable for all contractors that have the ability to deliver and provide the levels of service needed on District projects. This should result in a broader penetration of the market and increase the amount of competitive bids received on projects.

Mayor Starr stated that Jay Dee Contractors, Inc.'s bid lists four (4) minority business enterprises (hereinafter "MBE") and women's business enterprises (hereinafter "WBE") firms including Lott Construction, Collinwood Shale, R. A. Cole, and Able Contracting Group. He questioned if the District verified that these subcontractors are legitimate. Executive Director Ciaccia responded that these companies are certified with District as MBE or WBE firms and were engaged on prior District jobs. He ensured that staff will audit this project as it moves forward with project implementation.

MOTION – Mr. Sulik moved and Mayor Longo seconded to adopt Resolution Nos. 197-08 and 198-08. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposals

No discussion ensued on Resolution No. 199-08.

Resolution No. 199-08

Procurement of storage area network hardware, software and professional services.

MOTION – Ms. Kelly moved and Mayor Starr seconded to adopt Resolution No. 199-08. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 200-08

Two-Year contract with the Fedeli Group to perform services related to the analysis, design, modification, implementation and communication of a comprehensive benefits program. Cost not to exceed \$100,000.00.

Mr. Sulik asked Human Resources Director, Douglas Dykes, if he reviewed The Fedeli Group contract, and questioned if he was pleased with the scope of services. Mr. Dykes stated that he reviewed the contract and spoke with representatives from The Fedeli Group, and stated that he was satisfied with the scope of services of this contract.

Mr. Sulik asked Mr. Dykes if this contract was an advisable endeavor for the District to which Mr. Dykes replied "absolutely".

Mr. Brown questioned if the contract with The Fedeli Group will include the integration of wellness programs or preventative care for District employees to reduce the amount of medical claims. Mr. Dykes explained that the services include a wellness program, preventative program and also an analysis of the health benefits provided to ensure that employees' needs are fulfilled.

Executive Director Ciaccia stated that in the past, the District utilized the same broker for many years. The District issued requests for proposals (hereinafter "RFP") and three (3) proposals were submitted and then evaluated by a team.

Mr. Brown thanked Executive Director Ciaccia for his explanation and stated that he is hopeful that this will also assist with upcoming labor negotiations.

Mayor Starr questioned if employee benefits will be expanded or reduced. Mr. Dykes explained after the District completes the analytical process, he will be better equipped to explain how the benefits will be impacted.

Mayor Starr questioned how benefits provided to union personnel differ from non-union personnel. Executive Director Ciaccia stated that non-union employees' health benefits packages are identical to union employees; however, this could change in the future. There is a possibility that the District is not currently maximizing its health benefits, and the analysis will assist in identifying what is being provided.

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Mayor Starr questioned if the staff will also be reviewing its sick leave and longevity policies. Executive Director Ciaccia stated that sick leave and longevity are negotiable issues, not connected to the healthcare benefits. The District intends to include sick leave and longevity into its union negotiation packets.

Ms. Kelly questioned if the District is completing its analysis to ensure that the most comprehensive benefits package is being offered, or were there issues with regard to the District's healthcare plan. Mr. Dykes stated that he unaware of any issues and that the District is completing its analysis to ensure that the District is providing the most comprehensive healthcare package for employees.

Mayor Starr stated that the second sentence of the resolution request states that the "District offers comprehensive benefits package to all active and benefit eligible employees". He requested clarification as to whether this is specific to "health" benefits only. Executive Director Ciaccia affirmed.

Mayor DePiero advised Board members that The Fedeli Group has been a client of the law firm McDonald Hopkins, LLC, where he is Of Counsel; therefore, he abstained from the vote.

MOTION – Mayor Longo moved and Mr. Sulik seconded to adopt Resolution No. 200-08. The motion carried with one (1) abstention vote by Mayor DePiero.

Resolution No. 201-08

One-Year audio/visual maintenance agreement with SmartAV for all District locations. Cost not to exceed \$65,295.00.

No discussion ensued on resolution No. 201-08.

MOTION – Mayor Longo moved and Mr. Sulik seconded to adopt Resolution No. 201-08. Without objection, the motion carried unanimously.

Authorization for Payment

No discussion ensued on Resolution No. 202-08.

Resolution No. 202-08

Buckeye Pumps, Inc. for repairs to the second of two (2) pumps at the Big Creek Interceptor Pump Station. Cost is \$33,195.00.

MOTION – Ms. Kelly moved and Mayor Longo seconded to adopt Resolution No. 202-08. Without objection, the motion carried unanimously.

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Authorization to Enter Into Service Agreement and Amended Service Agreement

Resolution No. 203-08

Inclusion of the Village of Moreland Hills in the District; Entering into a Service Agreement with the Village of Moreland Hills and an amended Service Agreement with the City of Pepper Pike.

Mayor Starr stated that this is good news for the District and questioned if staff had a preliminary estimate of revenue resulting from these service agreements. Deputy Director F. Michael Bucci stated that this will bring approximately 900 customers initially and eventually 1,500 customers. Moreland Hills and Pepper Pike will be responsible for running a force main across SOM Center Road. The District will pay approximately \$2 million to extend its Mayfield Heights sewer on SOM Center Road and make necessary repairs to the SOM Center Road sewer. Based on 2009 rates, the District will bring in revenue of approximately \$450,000 for 900 customers and \$700,000 for 1,500 customers; therefore, payback will be five (5) years or less.

Ms. Kelly questioned why the District will be servicing only a portion of Pepper Pike. Mr. Bucci explained that parts of Pepper Pike still use septic tanks.

Mayor Longo stated that the District is sometimes credited with promoting urban sprawl by enabling outward migration and development opportunities in areas that would otherwise stay rural. He questioned if this could become a potential issue for the District as it moves forward with service agreements with the Village of Moreland Hills and Pepper Pike.

Mr. Bucci stated that the District will decommission three (3) out four (4) of Moreland Hills' wastewater treatment plants. He stated that Moreland Hills has, for the most part, built out. The District will decommission one (1) wastewater treatment plant in Pepper Pike that is out of compliance and at full capacity. After the District's sewer ties in, there is an area for future development in Pepper Pike, which will result in additional customers for the District.

Mayor Longo questioned the zoning of this undeveloped area in Pepper Pike. Mr. Bucci stated that it is zoned for residential use.

Mayor Starr questioned if there is potential growth for the District if Pepper Pike residents still using septic tanks tie into the District's sanitary system. Mr. Bucci stated that this could result in an increase of customers for the District if residents decide to tie into the sanitary system when their septic tanks exhaust their useful life, or by a County

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Health Department mandate. Furthermore, sewer lines run down Fairmount and Cedar Roads, and all side streets are septic. These issues were discussed with Mayor Akers of Pepper Pike.

MOTION – Mayor Starr moved and Mr. Sulik seconded to adopt Resolution No. 203-08. Without objection, the motion carried unanimously.

VII. Information Items

1. Annual Audit Results as of December 31, 2007.

Director of Finance, Jennifer Demmerle, advised that included in the Board members' agenda packets is the 2007 annual audit report from Ciuni and Panichi. The auditors are required to report to the Board any findings identified during the Financial Statement Audit. Ms. Demmerle was pleased to report that, during the audit, there were no material misstatements or weaknesses or findings for recovery.

Mayor Starr questioned if an agenda will be provided to the Audit Committee including any goals and information to be discussed at the committee meeting. Mr. Bucci advised that staff will provide the committee with an agenda, draft Audit Committee Charter and Internal Audit Charter for review by the committee members. The charters are intended to develop the relationship between the Audit Committee and the District's internal audit department. Mr. Bucci explained that the Audit Committee will be involved with the selection of the external auditor and that the external audit report will be presented to the Audit Committee prior to review by the entire Board.

2. Strategic Plan 2009-2013.

Executive Director Ciaccia presented to the Board the District's draft Strategic Plan for 2009-2013. He informed Board members that the District's vision for the future is to be a preeminent environmental agency, not just a sewer agency. The District should be viewed as environmentalists with progressive ideas striving to move forward. The District is an agency with a broader perspective including sustainability and watersheds.

Senior staff formed a leadership team that collaborated on the District's draft Strategic Plan, and hired URS to help facilitate in its development. The contract amount was \$25,000, and Executive Director Ciaccia assured that URS booked more than \$25,000 worth of expenses but they have not asked for additional compensation from the District for those costs. Gary Hribar, Dave Coyle and Tony Blanc, [along with Jacqueline McLemore, of McLemore Consulting] were the facilitators through this process and did a great job. Executive Director Ciaccia stated that he is sure URS facilitators enjoyed the process as much as the District's Strategic Planning Team (hereinafter "Team").

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The Team consisted of senior staff including directors, deputy directors, and superintendents Ron Czerski and Frank Foley. Executive Director Ciaccia pointed out that Ms. Rotunno's first name is misspelled as "K-E-L-L-Y" in the draft Strategic Plan rather than "K-E-L-L-I-E" and this correction will be made.

Executive Director Ciaccia informed Board members that the strategic planning process began in February, 2008, and the Team attended four retreats that were held offsite. The Team has reached the stage of presenting its results to the Board, and encourages Board members to provide any input at its earliest opportunity. The Team is desirous of incorporating proposed programs indicated in the Strategic Plan into the 2009 budget, and this process will begin soon.

Executive Director Ciaccia stated that the Strategic Plan framework includes the mission, vision, values, goals, strategic initiatives, performance metrics, and projects and programs.

The Team referred to the 1999 – 2003 and 2004 – 2008 Strategic Plans. Although these plans were good, Executive Director Ciaccia was desirous of having more substance that could be measured. He felt that the draft Strategic Plan fulfills this goal.

URS scanned different types of strategic plans throughout the country, and the Team discovered that the Orange County, California plan met the District's needs, and the Team chose to model its strategic plan after Orange County's.

Executive Director Ciaccia discussed the Strategic Plan's core principles. He informed Board members that customer focus is a key principle, and that the District is desirous of moving away from using the term "ratepayers". Since the District provides a service, it would like to refer to ratepayers as "customers" and to focus more on what the District provides and receives and ensure that the "customer is always right". The District is desirous of being accountable to itself, the Board and its customers. Executive Director Ciaccia explained that the District is water quality driven to include wastewater and stormwater, and will strive to continue developing strategic partnerships with communities, watershed groups and local businesses. The District wishes to take a watershed approach with its member communities and to broaden its involvement to include the three rivers: Cuyahoga, Chagrin and Rocky Rivers. The District is desirous of being green and investing in its employees.

Mayor Longo was interested in the strategic plan integrating an "education component" to include schools (private and public) and colleges. He stated that institutions such as University Hospitals and Cleveland Clinic place tremendous emphasis on health and wellness. He stated that bringing these two (2) components together will strengthen the

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region's knowledge and build a more sustainable foundation for many decades. Executive Director Ciaccia agreed and stated that Mayor Longo's suggestion was excellent, and as the programs develop, the Team will integrate these components into the Strategic Plan. Furthermore, this will be reviewed by Director of Administration and External Affairs, Constance Haqq.

Executive Director Ciaccia read the District's proposed mission statement:

***To serve our customers by leading effective
wastewater and stormwater management
that protects the health and environment of our region
while enhancing quality of life.***

Executive Director Ciaccia read the District's proposed vision:

***To be the leading environmental organization
that sustainably manages our region's water resources
to protect public health and promote economic development.***

Executive Director Ciaccia stated that the District is desirous of being the leading environmental organization in the region and promote economic development. He explained that the District is more than a health-based organization, and does impact economic development.

Executive Director Ciaccia stated the values included environmental stewardship, ethics, honesty and transparency, balanced and informed decision-making, customer focus, progressiveness and accountability.

Executive Director Ciaccia stated that the key elements to the strategic plan are its six (6) goals, eighteen (18) strategic initiatives, and seventy-four (74) metrics associated with the initiatives and goals. Furthermore, there are twenty-seven (27) programs anticipated for implementation over the next five (5) years so long as the budget supports it.

Goal #1 – *We will strive to understand, inform and meet our customers' water quality expectations.* Executive Director Ciaccia stated that this goal is very important to the District, and it affords the opportunity for the District to impact the culture of this organization and meet the customers' expectations. All goals, strategic initiatives and metrics are linked to the customer.

Goal #2 – *We will expand services and service area based upon economic drivers and opportunities to enhance water quality and watershed protection.* Executive Director Ciaccia pointed out that by adding communities such as Moreland Hills and Pepper Pike,

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a resolution adopted by the Board earlier in the meeting, integrating stormwater management, and moving forward with the fluidized bed incineration project supports this goal.

Goal #3 – *Sustain our strong financial position balancing our commitment to water quality and customer expectations.* Executive Director Ciaccia stated that the District will need to create a balance between its financial wherewithal and meeting the customers' expectations and water quality needs.

Goal #4 – *We will cost effectively execute and manage our Capital Improvement Program.* Executive Director Ciaccia explained that given the large magnitude of the District's upcoming capital investments, it was decided this be included as goal because of the impact it will have on the customers. The Capital Improvement Program will include on-time and on-budget metrics.

Goal #5 – *We will align, build upon and sustain our key assets, resources, people and technology to meet our vision.* Executive Director Ciaccia stated that this goal supports the mission, and that the right balance of people and technology will be required to implement the various programs.

Goal #6 – *We will become an organization whose culture is progressive and embraces environmental sustainability.* Executive Director Ciaccia advised that the District wants to move forward with sustainability as it relates to green initiatives, sustainability and technology, which he believes will have an impact on changing the culture of the District. He stressed that as the District moves forward it does not want to continue to use old ways of doing business.

Executive Director Ciaccia advised that of the eighteen (18) strategic initiatives, nine (9) are management improvements; five (5) are efficiency improvements; and, four (4) are water quality improvements. Executive Director Ciaccia referred back to Goals #1 and #3 and stated that the District is responsible creating a balance between the scales of economy and water quality.

Executive Director Ciaccia referred to the strategic initiatives and stated that there are: three (3) for Goal #1 – customer water quality; three (3) for Goal #2 – expansion of services; three (3) for Goal #3 – financial; two (2) for Goal #4 – CIP; three (3) for Goal #5 – people and technology; and, four (4) for Goal #6 – progressive.

Executive Director Ciaccia reiterated that the District is responsible for balancing these initiatives and programs for the strategic plan against its available resources. Rate increases were passed through 2011 and the District must continue to operate within its means.

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Executive Director Ciaccia showed the Board various metric categories and stated that of the seventy-four (74) metrics, ten (10) are customer focused; fourteen (14) involve water quality; nine (9) are geared towards CIP; six (6) are AM based; eight (8) are finance based; ten (10) are employee related; seven (7) are sustainability related; and, ten (10) involve strategic partnerships. Executive Director Ciaccia advised that the Team will consider additional metrics based on Mayor Longo's comments regarding strategic partnerships.

Twenty-two (22) of the metrics are quantitative, and the District will strive to meet certain numbers such as with water quality. Fifty-two (52) metrics will be "go/no-go", which means the District will either pass or fail a particular metric. Executive Director Ciaccia explained that being able to measure its progress enables the staff to inform the Board of its development. The metrics also provide accountability, uses a scoring system or report card, links programs to its goals, and drives each program.

Executive Director Ciaccia informed Board members that there are twenty-seven (27) programs, and leads have been assigned to each. The timetable and budget will factor into program development and this information is forthcoming.

Executive Director Ciaccia closed his presentation by informing Board members that he is accountable to the Board and that the Team is accountable to the Executive Director. He encouraged Board members to provide any input within the next couple of weeks because staff is desirous of integrating the Strategic Plan and its programs into the 2009 budget.

Mr. Brown thanked Executive Director Ciaccia for his efforts in updating the District's strategic plan, and referred to it as the "roadmap to the future". He questioned what benchmarks will be used by staff to determine its progress. Mr. Brown referred to Executive Director Ciaccia's preference of the word "customer", and questioned if staff utilized customer focus groups to obtain input from the community. Executive Director Ciaccia stated that it did not because the strategic plan is a staff-driven business plan based upon the assumption of what the customers' expectations should be. Furthermore, staff intends to conduct outreach in order to determine the customers' needs and expectations. Mr. Brown suggested staff validate the customers' expectations. Executive Director Ciaccia replied that this will be developed as it pertains to the scorecard, and he recommended the Board receive progress updates annually.

Mayor Longo recommended benchmarks be established. He stressed his support for the District integrating education and health and wellness components into the strategic plan. Mayor Longo explained that this may spark interest amongst students to become more

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involved with environmental issues or to pursue careers within this industry. Executive Director Ciaccia stated that they will definitely incorporate this into the plan.

In response to Mr. Brown's comments regarding focus groups, Executive Director Ciaccia explained that the District engaged focus groups for the development of its stormwater management program, which proved to be very useful, and this may be a consideration as the District moves forward with its strategic plan.

Mayor Starr referred to the proposed 15% to 18% rate increase and stated that this will result in a 90% increase over five (5) years compounded. He questioned if there was a cost estimate for implementation of the projects identified in the strategic plan and inquired if the 15% to 18% rate increases had already been considered. Executive Director Ciaccia replied that the staff has yet to determine the cost estimates, and this will be the next step in this process. Executive Director Ciaccia stressed that he is aware that the District must operate within the current rate schedule. The 2012 through 2016 rate increase has not yet been approved, and the District will strive to keep the strategic plan within the current rate structure. However, this could change drastically due to the outcome of the negotiations between the District and federal government regarding capital improvements required by CSO LTCP. Executive Director Ciaccia assured that any modifications to the strategic plan will be brought to the Board.

Mayor Starr questioned if the contracting issues are adopted within the strategic plan, and Executive Director Ciaccia affirmed.

Mr. Brown thanked Executive Director Ciaccia for his presentation and stated it was very insightful. In order to determine whether objectives are being met, he stressed the importance of measuring progress and incorporating timelines. Executive Director Ciaccia stated that he and his staff will incorporate this into their annual performance plans, and this information will be provided to the Board. Furthermore, he suggested presenting annual reports to the Board as to an update on the metrics of the plan.

VIII. Open Session

Mr. Brown stated that the District is required by the Ohio Revised Code (ORC) to designate a Records Commission (hereinafter "Commission"). The Commission will review the changes in the schedule for disposal of obsolete records and the overall records retention policy and schedules. At a minimum, the Commission must include the Chairman of the Board, the fiscal representative, and a legal representative from the staff. The Commission will meet once annually, and a meeting must be scheduled before September 29, 2008. Mr. Brown advised Board members that the Commission is being assembled, and the meeting will be scheduled with the appropriate staff present. Each

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Board member was provided a copy of the ORC section pertaining to Records Commissions for review.

IX. Public Session

Executive Director Ciaccia informed Board members that four (4) individuals registered to speak at public session including Mr. Norman Edwards, Mr. Ken Bender, Mr. Perry Edwards and Mr. Richard Jones.

Mr. Edwards stated "You know what? I was thrown off a little bit but I had a couple questions when he was talking about the 18% increase," and asked if the "monies on overcharges, on things that happened before here, can that money be recouped?" He then stated that he was asking this question to Executive Director Ciaccia, and Executive Director Ciaccia replied that he has to direct his comments through the Board.

Mr. Edwards then restated his question and asked if the District had "\$30 to \$40 million in excess" and the District recouped "overages from the contractors that overcharged the Sewer District, would there still be the need for a tax hike?" Mr. Brown requested Executive Director Ciaccia respond to Mr. Edwards' question.

Executive Director Ciaccia reminded all public speakers that questions must directed through the Chair.

In response to Mr. Edwards' question, Executive Director Ciaccia stated that he cannot deal in generalities, but that certain dollars are in contention and the District is undergoing litigation to recover these monies. Five (5) lawsuits are pending and four (4) are construction related, and the District is seeking reimbursement on each matter. Executive Director Ciaccia reminded Mr. Edwards of the District's financial obligation to fulfill the requirements set forth by the federal government to mitigate a CSO LTCP and he did not believe the so-called overcharges would have much effect on rates going forward. Mr. Brown added that the estimated cost of the District's CSO LTCP is in excess of \$1.6 billion, and the District is not aware of overages that could be recouped.

Mr. Brown requested that if any member of the public has information identifying overages or charges that the District is not aware of, then please bring this information to the Board so they can investigate these matters. The District is currently involved with litigation pertaining matters involving reimbursement.

Mayor Starr stated that Mr. Edwards raised a valid question, and in his opinion, the rates could be reduced to a lesser amount if the District audited more contracts. The District audited only a small amount of contracts that it suspected may have resulted in overages, cost overruns, or overly charged for work not performed. Mayor Starr stated that the

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accounting firm, Jefferson Wells, conducted a small audit, which was well documented. He recalled that the Mill Creek Interceptor, Phase II, project was audited. Mr. Bucci advised that it was Mill Creek, Phase III. Mayor Starr questioned why the District did not audit all phases of the Mill Creek Interceptor project, or why it has not been aggressive in auditing past overruns.

Mr. Edwards commented that the District should audit contracts over the past twenty (20) years. Mayor Starr agreed and stated that he went back six (6) years and discovered \$27 million. Mr. Edwards stated that this money could be put into a trust fund and could "reach that billion-plus dollars" previously discussed. Mr. Edwards then commented that "the monies that have been out there that we haven't been able to share in."

Mr. Edwards was hopeful that the Board will request that records through Mr. Schatz's term be audited. This is "the root of the problem." Mr. Edwards stated that he and his construction workers "tried to deal with Schatz in the past." He was skeptical as to what the "difference is going to be...from the [strategic] plan presented just now from the same plan that I heard from Mr. Schatz over the years." Mr. Edwards expressed his distrust of the District and the Board and stated that "we've had monies stolen from taxpayers' pockets" and "for the Sewer District to ask us for anything is insane, if they ever do ask us for a tax increase."

Mr. Brown reminded Mr. Edwards that there are additional members from the public desirous of speaking at Public Session. Mr. Brown informed Mr. Edwards that he will be limiting his response time to five (5) minutes to make his case.

Mr. Edwards stated that he sent a letter on August 4th to the Board members to advise them of what the MBE department "was going to be trying to put together." Mr. Edwards mentioned Tiffany Jordan and Adrian Maldonado, and stated that "Mr. Maldonado has had a construction company for the last four years...doing work as he worked for the county." He then spelled L-O-G-I-K and stated that this was the name of Mr. Maldonado's company. Mr. Edwards stated that he gave this information to Tiffany Jordan when she was employed by the County.

Mr. Edwards explained that the County changed its subcontracting process since he started going to Board meetings. He stated that "minorities are working over there...20-something percent." He stated that he is "tired of this wheel going around and around" and that "these people [Tiffany Jordan and Adrian Maldonado] hurt black contractors...minority contractors, and also construction workers."

Mr. Edwards stated that the County deals with "front companies." He stated that they begged the County not to "sign Ozanne Construction, one of the largest minority contracts in the nation. He averages \$70 to \$100 million a year." Mr. Edwards claimed

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that he gave the County documentation, audit reports, and tax records, but they still certified him. He claimed that this is not being looked into by the County. Mr. Edwards alleged that Adrian Maldonado and Tiffany Jordan "had that information a year-and-a-half ago" and that he tried working with them. The District retained Ms. Jordan and Mr. Maldonado for its SBE program, and Mr. Edwards stated that "we're tired of being slapped like that...and if you [the District] hires them, you [the District] disrespects us."

Mr. Brown interjected and advised Mr. Brown that his complaints were addressed at the previous Board meeting; he then turned the discussion over to Executive Director Ciaccia to respond to Mr. Edwards' allegations.

Executive Director Ciaccia stated that "trust is a two-way street" and stated that at the previous Board meeting, he debunked most of Mr. Edwards' allegations and provided supporting documentation. Mr. Edwards was not present at the August 7th Board meeting, and Executive Director Ciaccia suggested Mr. Edwards review the meeting minutes. Mr. Edwards interjected and asked Executive Director Ciaccia, "what do you mean debunked? What are you doing debunking?" Executive Director Ciaccia reminded Mr. Edwards that he had the floor.

In response to Mr. Edwards' comments about Ozanne Construction, Executive Director Ciaccia stated that he was in possession of documentation confirming that Ozanne Construction withdrew from the County's Small Business Enterprise (hereinafter "SBE") program in 2006. Mr. Edwards interjected and stated that it was in 2007. Executive Director Ciaccia stated that he had the letter.... Edwards interrupted and stated that "Mr. Ciaccia is lying...he's doing his usual...just like the City of Cleveland...he's lying...You're doing your usual, Ciaccia...You're doing your usual, Mr. Ciaccia...You're lying...again."

Mr. Brown repeatedly advised Mr. Edwards that he was out of order. Mr. Edwards stated that Executive Director Ciaccia "denied us with the City of Cleveland...you sit there and you denied us...you're denying black people and you come over here." Mr. Brown asked Mr. Edwards to leave the room. Mr. Edwards stated that Mr. Brown "approved the stuff when Schatz was here...so you're part of the problem too." Mr. Brown requested Mr. Edwards be removed from the meeting. Mr. Edwards exclaimed that "any Board member that was here is a part of the problem if you've signed off on documents and you've taken...you've taken away from black people... You know Mr. Ciaccia, it's a sad, sad day...Sad, sad day... You're not kidding nobody's black...". Mr. Brown asked to have Mr. Edwards removed. Mr. Edwards stated "Ms. Haqq, you should—we know—we know...it's a tough—wait a minute, wait a minute." Mr. Brown informed Mr. Edwards that his time was up. Security began to escort Mr. Edwards out of the Board room and he made his way back to the podium to retrieve his paperwork. Security advised Mr. Edwards that he was asked to leave. Mr. Edwards exclaimed "I said let me

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get my paperwork!" Mr. Brown requested security allow Mr. Edwards to retrieve his paperwork.

As Mr. Edwards was escorted out of the Board meeting he stated, "Mr. Longo, no blacks worked on your project." Mayor Longo asked which project. Mr. Edwards stated "Garfield Heights with Panzica." Mayor Longo asked, "what are you talking about...where did you get that from?" Mr. Edwards replied "from my camera and my report...you all don't want no black people....I understand...I'm going...I'm going."

[Mr. Edwards was escorted from the meeting.]

Executive Director Ciaccia advised the Board that he was in possession of correspondence from Adrian Maldonado accepting Ozanne's withdrawal from the SBE program prior to the Juvenile Justice Center contract going out for proposal.

Mr. Bender introduced himself as Vice President of the Black Contractors Group. He questioned who the longest-standing member of the Board is. Mayor Longo replied that he is. Mr. Bender asked Mayor Longo if he could identify how many contracts were awarded to African-Americans over the last ten (10) years. Mayor Longo stated that he would need to research his question. Mr. Bender questioned if the District has staff "substantiating the awarding of contracts to African-Americans?" Mayor Longo stated that he did not say that and that he would need to research his question. Mr. Bender questioned if this information could be provided at a later date. Mr. Brown suggested Mr. Bender make a public records request and the District would be happy to provide Mr. Bender with this documentation.

Mr. Bender stated that "African-Americans are profusely denied opportunities to work at the Regional Sewer District...African-Americans deserve the right to work not only in the city of Cleveland but in Cuyahoga County, and the region...tax dollars are being misused...African-Americans are profusely being denied opportunities, not only at the Regional Sewer District but all types, RTA, the whole nine yards."

Mr. Bender stated that he was "not concerned with minorities because minorities is a watered down process that...if your throw some whites, some blacks, some Italians, all of them in the bowl and the blacks are always at the bottom of the bowl."

Mr. Bender stated that the District should provide a successful bidding process to African-Americans. He alleged that he applied for MBE certification through the District five (5) years ago, and to date, continues to submit documentation to obtain certification.

Mr. Bender stated that, "Stephanie Tubbs Jones, I take my hat off to her...and I say this...Stephanie Tubbs Jones, I'm sorry, and my condolences goes out to her family, but

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the reality is Stephanie did the same thing that everybody else has done in this room, absolutely nothing...It's a shame...do you understand that people – when God put us in a position of notoriety...he expects us to do what he has conditioned...what he has assigned us to do...but oftentimes we hold that position of notoriety and we forget about the purpose in which God has put us in a position of notoriety.”

Mr. Brown stated that he appreciates and respects Mr. Bender's comments, but he is concerned with statements that are broad and lack facts, and that it is disingenuous to make statements alleging that city governments and counties do not implement programs designed to provide opportunities for all community members, inclusive of African-Americans and minorities. He explained that the Board spent a lot of time over the past three (3) years discussing how to ensure that the District's procurement process is inclusive of the entire community. The District implemented programs and retained staff to assist in this process, and Executive Director Ciaccia must address inclusion of MBE/WBE for the District's procurement process during his annual review. The Board is aware of past practice but cannot relegate in the past. The Board is committed to moving forward. The Board, new Executive Director and his staff will be held accountable to ensure all citizens within the region are provided an equitable opportunity to participate in the procurement process. Mr. Brown encouraged the public to observe the changes being implemented by the District.

Mr. Bender responded by stating that Cleveland Board of Education wanted residents to support and pass a tax levy, and as new schools were built, less than 1% of the workers who participated and benefitted from these jobs were from the neighborhoods that passed the levy. He stated that “a vast majority of the schools being built in our neighborhood are not being built by us.”

Mr. Brown advised that the school district must comply with state law requirements because the state provides the funding for these projects. Mr. Bender stated that “laws have never been in favor of African-Americans...but our tax dollars are profusely used and we're absolutely denied the opportunity...the State of Ohio laws have never been in favor of African-Americans ever since the beginning of time.” Mr. Brown redirected Mr. Bender to discuss issues that involve the District.

Mr. Brown stated that the District is implementing an SBE program and is willing to work with the Black Contractors Group. The District should be held accountable for its new program, and contractors wanting to work must be qualified and certified. The District is willing to ensure that contractors understand the certification process and that contracting opportunities are available. Mr. Bender stated that he appreciated Mr. Brown's comments, but that God puts individuals in certain position for one reason “and that's to reach back and help the people that are less than us...Stephanie Tubbs Jones...she probably did a great job but she forgot about the work...she forgot about the

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purpose in which God has put her in that position in the first place, and that's to reach back... and when we move, we move in a direction that's not favorable to me but favorable to all people."

Mayor Starr asked Mr. Bender if he was affiliated with the same group as Mr. Edwards. Mr. Bender replied that he is the vice president of Black Contractors Group.

Mayor Starr requested that Mr. Bender clarify whether he was referring to general contracts assigned to minorities or if he was questioning the MBE/WBE program. Mr. Bender clarified that he wanted to know how many District contracts were awarded to African-American contractors, and if the District ensured that these companies actually employ African-American workers. Mayor Starr assured that the District can obtain that information.

Mayor Starr stated that the District has a new director, administration and a new beginning, but for a three (3) to five (5) year period, the District's MBE/WBE program was not overseen by a compliance officer. Mayor Starr stated that the first step to reform is to admit that sometimes you are wrong. The District has new leadership and hopefully MBEs "will receive 15% of the action...15% of the profit and money." He stated that these goals are realistic. Mayor Starr stated that Board members are part-time and it is important to receive feedback from the public so the Board can address any concerns or issues.

Mayor Starr questioned why Mr. Bender's company was denied MBE certification for five (5) years. Mr. Bender stated that he employs twenty-five (25) African-American employees and the name of his company is Ken and Terry Enterprises. It is a national demolition contracting company. Mr. Bender stated that some of his employees have felonies. He stated that he has "three killers on my squad now." He stated that he employs them for one reason because "what I did yesterday cannot feed me today, so I have to make sure that I keep this guy that's a felon next to me."

Mayor Starr asked Mr. Bender if he was denied MBE certification because he employs felons. Mr. Bender replied that he was denied because he needed to submit additional paperwork. He submitted the information to his accountant and "they told me this was wrong...then ultimately two years later they sent me a letter saying that I was ineligible...how do you become ineligible as a certified minority business?" Mr. Bender stated that he does employ felons because "no matter what they did yesterday, they still have to eat today...if I don't hire them...they're going to rob me or they're going to rob one of us." Mr. Bender explained that God has given him a gift "and that gift is to pass my gift on to somebody else...to make sure they're able to eat and be a man of their family."

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The next member of the public to address the Board was Mr. Richard Jones. Mr. Jones informed Board members that he is the Midwest representative for Reverend Al Sharpton, and that he is based in Solon, Ohio and Chicago, Illinois. He explained that Rev. Sharpton advised him to appear at the Board meeting to address a few concerns. He stated that there were some concerns about the District doing away with its affirmative action program. He stated that by the FBI becoming involved reinforces that the "playing field has not been level in the past, and that is a concern of ours."

Mr. Jones stated that they researched the certification program within the City of Cleveland and the counties, and these programs lack credibility. The District modeling its program and employing people involved with the City of Cleveland and county programs is of great concern to his organization.

Mr. Jones stated that he delivered the same message to Solon City Council, Chicago, Indianapolis, and New Orleans, and this message was "why is Camp Dresser allowed to continue to receive taxpayer dollars if they already defrauded some of the very entities that belong to this Board...and they have done it across the country, in New Orleans and other places." Mr. Jones felt that with the new leadership within the District, it is a "huge conflict for Camp Dresser to receive a single tax dollar going forward...and the Reverend and national staff want to know why." Mr. Brown turned the discussion over to Executive Director Ciaccia.

In response to Mr. Jones' comments, Executive Director Ciaccia advised that Camp Dresser McKee (hereinafter "CDM") proposed a bid and were chosen as the best qualified firm. Executive Director Ciaccia advised that CDM has not been indicted or convicted and is unclear as to what the basis would be for the District not to consider this firm at this point. Executive Director Ciaccia stated that he was aware of the issues involving members of the firm, and it was his understanding that CDM, like the District, fully cooperated with the government and its investigations. The full firm should not be indicted based on the actions of a handful of individuals involved with the organization. CDM continues to conduct business throughout the nation and is one of the leading environmental firms within the world. CDM submitted a legitimate proposal and it was determined to be the best.

Mr. Jones questioned "how many public servants would have to go to jail before they're no longer allowed to bid on public contracts?" Mr. Jones stated that these are not one-time occurrences and has become a pattern in larger municipalities and cities across the United States and these matters should be investigated.

Executive Director Ciaccia requested that Mr. Jones identify the communities and individuals involved in his allegations so that the District may address these concerns prior to entering into contract with CDM. Mr. Jones replied New Orleans, Louisiana and

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Houston, Texas. Executive Director Ciaccia advised that those cities are involved in the same investigation. Mr. Jones then identified Tampa, Florida, and Executive Director Ciaccia questioned that if he researched Tampa, Florida, would he discover that some officials got indicted based on involvement with CDM. Mr. Jones advised that Executive Director Ciaccia also research Afghanistan's water rights and water ways as well.

Mayor Starr asked Mr. Jones if he could supply the Board with written documentation supporting his claims. Mr. Jones affirmed.

Executive Director Ciaccia moved discussion back to Norman Edwards and to a letter he now physically had in his possession from Dominic Ozanne of Ozanne Construction dated June 27, 2006, not 2007. Executive Director Ciaccia stated that Mr. Edwards alleged that there was a current ongoing investigation pertaining to Ozanne Construction's involvement with the County's SBE program, and Executive Director Ciaccia advised him earlier in this meeting that they withdrew from the program in 2006 and Mr. Edwards interjected that it was 2007. Executive Director Ciaccia was also in physical possession of a letter from Mr. Maldonado accepting Dominic Ozanne's withdrawal from the County's SBE program dated June 20, 2006.

Mr. Perry Roberts stated that some discussions today were positive and that the District needs a "checks and balances system." The public will always scrutinize how public monies are being expended. He observed Executive Director Ciaccia's presentation and noticed that the District will be conducting a disparity study. Mr. Roberts recommended that as the District moves forward with implementation of its new subcontracting program and the disparity study, to consider the *Richmond v. Croson* case.

Mr. Roberts stated that the city of Cleveland's program was questionable and the public received "five (5) different reasons" as to why the plan was not brought to the public including that the program was not complete. However, when he made a public records request, he received a copy of the plan and it was complete. The plan did not include subcontracting data "that showed where the minority firms participated and how much money they made in the contract that were with the City and...a few other entities." Mr. Roberts stated that the City's MBE and EEO departments were not tracking the data. He recommended the District track its data so it may be able to respond immediately when questions are asked or requests are made.

Mr. Roberts stated that questions are looming as to what is going on with public entities and that "you all knew just as well as I do what's going on in the City of Cleveland with county commissioners and a lot of other things with the city." He stated that "black people in general have been denied...not just contractors...construction workers."

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Mr. Roberts advised that he is a member of the Local 18, Operating Engineers. He stated that when sent out on jobs, contractors lay off workers after 30 days on three (3) year projects. According to Mr. Roberts, this happens not because of the "content of your character...it's because of the color of your skin."

Mr. Roberts stated that he had the same instructors as the "white guys" in his apprenticeship program. He completed the same machine and written tests, and had the same amount of OJT hours as set forth by the State of Ohio. He only works two (2) to three (3) months before he gets laid off.

Mr. Roberts stated that, in the City of Cleveland, he witnessed the Rock and Roll Hall of Fame, Gund Arena, the Science Museum, the Browns Stadium, and the Job Corps being constructed over one and a half (1-1/2) to two (2) years, and has never been involved on any of these projects.

Mr. Roberts was born and raised in Cleveland, and in his forty-eight (48) years worked on one (1) job in the City of Cleveland for a Toledo contractor, George Grolan. Mr. Roberts began to state that he never worked on a contract for the City of Cleveland, but then retracted and admitted that he did work at Cleveland Hopkins Airport for two (2) weeks for Independence Excavating. He is usually sent to Ashtabula and Medina because "the contractors in this city do not want black workers working for them...if they do, they only work you a little while and lay you off." Mr. Roberts stated that this must be addressed with the Construction Employers Association and the Ohio General Contractors Organization.

Mr. Roberts advised that the District will need to ensure that when contracts are awarded to African-American contractors that African-American workers must be employed by these companies, or else the funds are being misappropriated due to the lack of minority participation.

Mr. Brown commented that Mr. Roberts seems to know a lot about the process as well as the games that are sometimes played. Developing a program is step one, but on-site monitoring is a necessary and integral component of the program and its success. It is important to hold contractors accountable. Unfortunately, people do try to "trick the system or play games". Mr. Brown explained that the Board stressed that reaching goals is important, however, the District also needs to ensure that the contractors are truly following through with the participation goals established in the bid specifications.

Mr. Brown speculated that the entities mentioned earlier are struggling and trying to build an effective subcontracting program that incorporates goals similar to the District. He stated that he holds a significant position with the City of Cleveland, and is confident that Mayor Jackson is committed to ensuring that business will not be conducted as usual.

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Furthermore, there is a residency requirement in the City of Cleveland, 21% of the individuals working on contracted projects must be residents of the City of Cleveland, and residents come from all different ethnic backgrounds. Mr. Roberts responded that there is no compliance monitoring, and Mr. Brown assured that there was and the City is aware that the monitoring does need improvement. Mr. Brown stated that "everybody is trying to do the right thing" by listening to the public's concerns and reconstructing the process accordingly.

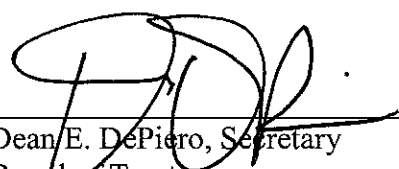
Mr. Brown stated that the District is "turning a page" and providing opportunities to ensure an equitable process to all contractors including the Black Trades Council. Mr. Brown encouraged everyone to hold the District accountable, and he assured that this is not "lip service". Mr. Brown explained that the Board stressed to Executive Director Ciaccia when he was hired that he needed to build a MBE/WBE or SBE inclusion program, the program will need to be supported by a disparity study, and the Board hold both Executive Director Ciaccia and itself accountable to ensure this plan comes into fruition. Mr. Brown stated that each Board member is judged by its word and character.

X. Executive Session


Mr. Brown indicated there were no matters for discussion at Executive Session.

XI. Adjournment

Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. The meeting adjourned at 2:26 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