



once gray. now green.



2008 popular annual
financial report

**northeast ohio
regional sewer district**





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September 22, 2009

**LETTER
FROM THE
EXECUTIVE
DIRECTOR**

The information in this unaudited Popular Annual Financial Report (PAFR) has been compiled from our 2008 Comprehensive Annual Financial Report (CAFR). This and other financial reports can also be found online at neorsd.org.

We have presented this information in several formats to further our commitment to financial responsibility and transparency, which is especially important during these economically challenging times.

On June 22, 1969, the Cuyahoga River caught fire and sparked national attention to the state of our environment. In the 40 years since, we have been proud of the role the Sewer District has played in the environmental rebirth of the river and Lake Erie, as we have seen a transformation from that gray and bleak outlook to a future of life and sustainability.

So it was fitting that last year was also the first of our new Strategic Plan, which outlines our commitment to transparency, accountability and environmental stewardship through 2013. We are dedicated six goals over this five years, all of which will advance our mission—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*. You can learn more about us and download a copy of our Strategic Plan at neorsd.org/about.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance department. I would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report, including the Communications team responsible for its design.

Credit must also be given to the Board of Trustees for its unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.



A handwritten signature in black ink, appearing to read "Julius Ciaccia". The signature is stylized and cursive.

Julius Ciaccia
Executive Director

PROFILE OF THE DISTRICT



The Northeast Ohio Regional Sewer District is an independent political subdivision of and organized under the laws of the State of Ohio, specifically Chapter 6119 of the Ohio Revised Code. Originally named the Cleveland Regional Sewer District, it was created in 1972 for the purpose of assuming the operation and management of certain wastewater collection, treatment, and disposal facilities serving the Cleveland metropolitan area. Prior to 1972, these facilities were owned and operated by the City of Cleveland.



The District's service area covers approximately 350 square miles. It encompasses 97% of the City of Cleveland and all or portions of 60 suburban communities in Cuyahoga and Summit Counties. The area contains a residential service population in excess of one million persons and includes a diverse group of service, information, biotechnology, manufacturing, and processing industries. The District treats more wastewater than any other wastewater treatment system in the State of Ohio.



CREDIT: John Gonzalez

2008 Board of Trustees



(l. to r.) Mayor Gary W. Starr Anthony D. Liberatore, Jr. Mayor Dean E. DePiero, Secretary Darnell Brown, President
Mayor Thomas J. Longo, Vice President Ronald D. Sulik Sheila J. Kelly

See our 2009 Board members and profiles at neorsd.org/board

Senior Staff



Julius Ciaccia
Executive Director



F. Michael Bucci
Deputy
Executive Director



Jennifer Demmerle
Director of Finance



Marlene Sundheimer
Director of Law



Constance Haqq
Director of
Administration
& External Affairs



Frank Greenland
Director of
Watershed
Programs



Kellie Rotunno
Director of
Engineering
& Construction



David McNeeley
Director of Operations
& Maintenance



Douglas Dykes
Director of
Human Resources



Humberto Sanchez
Director of
Information Technology

MAJOR ACHIEVEMENTS AND INITIATIVES for the year 2008

Safety, performance, reporting earn awards in 2008

During 2008 and 2009, the District's three treatment plants received awards for the previous years' performance from the National Association of Clean Water Agencies. Our Southerly, Easterly, and Westerly plants earned back-to-back (2007, 2008) **Peak Performance Silver Awards**, recognizing facilities with one or fewer National Pollutant Discharge Elimination System permit violations in a year.

The Ohio Water Environment Association (OWEA) presented two **Safety Awards** to District departments—our Easterly facility, and our Collection Systems staff—in 2008 for their high safety standards and sound practices.

For the 13th consecutive year, the Government Finance Officers Association of the United States and Canada awarded a **Certificate of Achievement for Excellence in Financial Reporting** for our 2007 Comprehensive Annual Financial Report. The GFOA also awarded its **Distinguished Budget Presentation Award** to the District for the second year in a row.

2009-2013 Strategic Plan aligns priorities with new vision

In 2008, Executive Director Julius Ciaccia, along with the District's leadership team, developed a plan to chart the organization's direction for the next five years. **The 2009-2013 Strategic Plan focuses the organization on greater service to our customers, stressing accountability, transparency, and environmental stewardship.**

As we declare in our mission statement: *We will serve our customers by leading effective wastewater and stormwater management that protects the health and environment of our region while enhancing quality of life.* Our vision is to be the leading environmental organization that sustainably manages our region's water resources to protect public health and promote economic development. The full five-year plan can be downloaded online at www.neorsd.org/about.

New program aimed at improving management of Capital Improvement Plan's data, resources

During 2008, the District initiated a project to procure the services of a professional program manager to implement the 2009-2013 Capital Plan. Program Management will help the District manage and implement its nearly \$1 billion capital improvement program and the associated available funds. The primary goal of Program Management is to **improve the District's efforts in providing an efficient and cost-effective management of information, data, and resources to better manage and implement its Capital Improvement Program.** You can download the complete Capital Improvement Plan from our website at www.neorsd.org/cip.

Proposed 30-Year Combined Sewer Overflow (CSO) Program

To date, the District has invested approximately \$415 million on capital improvement projects for CSO control. Additional investments at District wastewater treatment plants and the construction of interceptors and associated intercommunity relief sewers projects, at a cost of approximately \$475 million, have resulted in further reductions of CSO volume. In March 2005, the District Board approved a 30-year schedule to design and construct a \$1.6 billion CSO Long Term Control Plan (LTCP) to limit pollution caused by CSOs. The CSO LTCP calls for the construction of 103 miles of tunnels and connecting sewers throughout 65 construction projects and is designed to **reduce targeted annual CSO discharges by 88 percent within 20 years after construction.** As of December 2008, the District estimates the CSO LTCP to cost \$2.3 billion considering escalation.

ENVIRONMENTAL STEWARDSHIP | FISCAL RESPONSIBILITY

Community outreach, meetings increase as stormwater management program evolves

In 2008, the District procured services to help develop a Stormwater Management Program. The District's Court Order required the District to "develop a detailed integrated capital improvement plan for regional management of wastewater collection and storm drainage". The District has focused on the regional wastewater portion of this mandate, investing more than \$2.3 billion since its inception on wastewater-related projects.

To address the regional stormwater portion of this mandate, the District is currently engaged in a Regional Stormwater Management Implementation Project. This project is **designed to outline the steps necessary for the District to assume responsibility for regional stormwater management, which will help the region better manage stormwater-related problems such as flooding, erosion, and nonpoint source pollution.** The District is currently discussing the details of the proposed regional stormwater management program with its member communities. Pending Board of Trustee approval of the proposed program, implementation is currently planned for mid-2010.

Renewable-energy facility will reduce emissions, conserve resources ►

Approximately 100,000 wet tons of biosolids (sewage sludge) are removed from the wastewater at the District's three wastewater treatment plants on an annual basis. Of this amount, roughly 90% is burned in the District's six multiple-hearth biosolids incinerators and the balance is hauled to a municipal solid waste landfill for disposal.

A District Residuals Management Study completed in 2005 determined that the District's most cost effective long-term biosolids management option is to continue incineration, with landfilling as a secondary option. As a result, the District is undertaking a program to replace four existing incinerators located at the Southerly Wastewater Treatment Plant with three new state-of-the-art fluid bed incinerators. The final design of the project included a facility to house waste heat boilers and a turbine generator to **create a Renewable Energy Facility (REF) that will supply power generated by the incineration process** to the Southerly WWTC. The new REF and incinerator facility should be in service in 2013 and has a current total project cost estimate of approximately \$197 million.



CREDIT: Jamie Daneishen

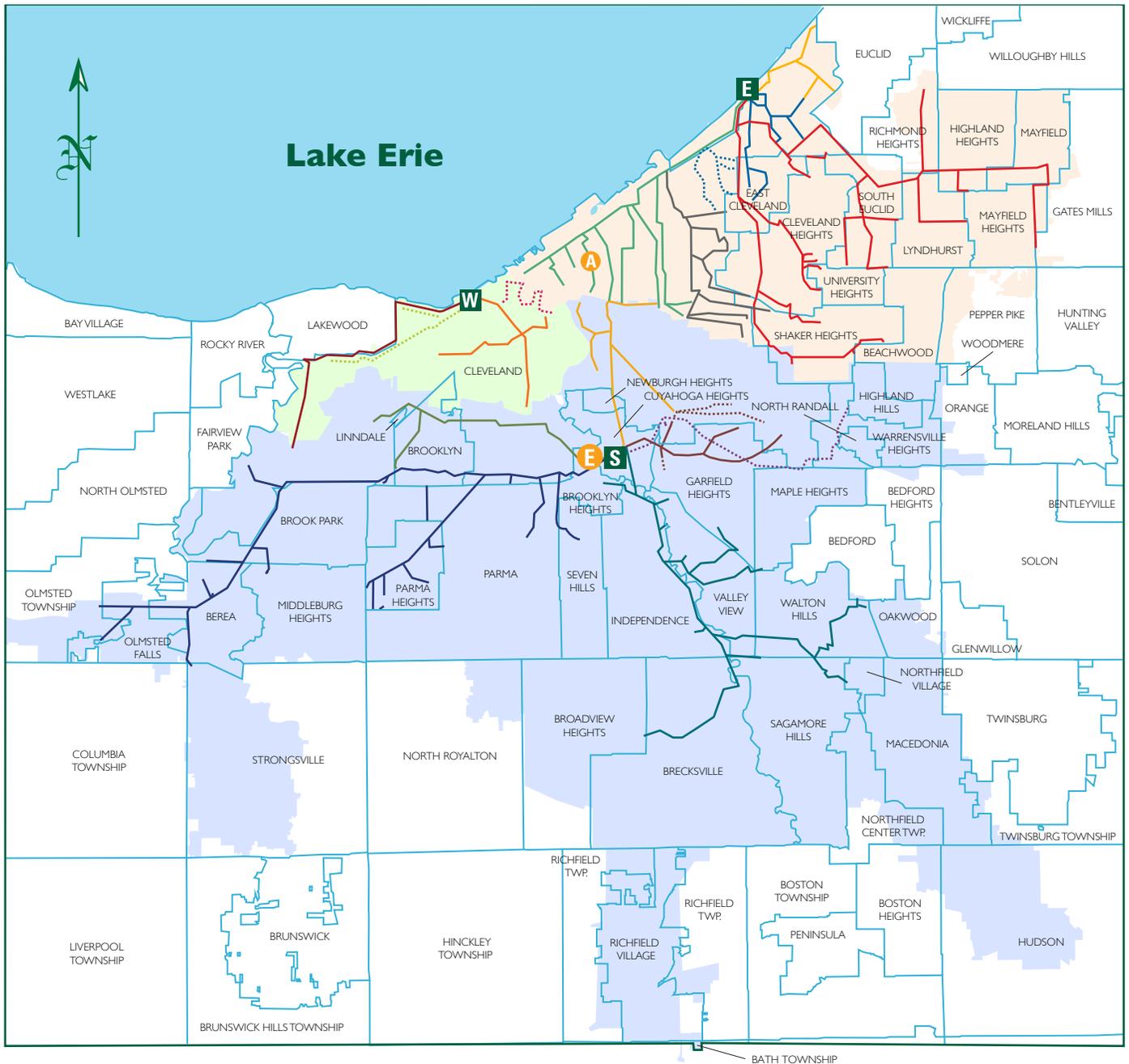
Our Southerly wastewater treatment plant currently operates four incinerators which are more than 35 years old, and are nearing the end of their useful service life. In 2013, they will be replaced by three new energy-efficient incinerators and the heat in the new incinerators' exhaust gases will be used to generate electricity.

COMMUNITIES SERVED BY THE DISTRICT AND ESTIMATED POPULATION SERVED
 December 31, 2008

<u>Municipality</u>	Estimated Service Population (1)	<u>Municipality</u>	Estimated Service Population (1)
SUBDISTRICT 1			
Cleveland	437,047		
SUBDISTRICT 2			
Bath Township	- (3)	Mayfield Village	3,335
Beachwood	13,611	Middleburg Heights	16,149
Bedford	- (3)	Newburgh Heights	2,427
Bedford Heights	- (3)	North Randall	810
Berea	18,494	North Royalton	6,409 (2)
Boston Heights	578 (4)	Northfield	3,810
Bratenahl	1,289	Northfield Center Township	4,380
Brecksville	14,843	Oakwood	3,052 (2)
Broadview Heights	17,869 (2)	Olmsted Falls	8,549 (2)
Brook Park	18,994	Olmsted Township	6,753 (2)
Brooklyn	11,218	Orange	544 (2)
Brooklyn Heights	1,645	Parma	81,480
Cleveland Heights	46,159	Parma Heights	21,448
Columbia Township	939 (3)	Pepper Pike	2,156 (2)
Cuyahoga Heights	497	Richfield Village	3,267 (2)
East Cleveland	20,324	Richfield Township	1,102 (4)
Euclid	1,967 (2)	Richmond Heights	3,694 (2)
Garfield Heights	29,009	Sagamore Hills Township	7,942
Gates Mills	320 (2)	Seven Hills	11,550
Glenwillow	- (4)	Shaker Heights	27,250
Highland Heights	9,981	Solon	162 (2)
Highland Hills	1,244	South Euclid	22,697
Hudson	9,231 (2)	Strongsville	27,713 (2)
Independence	7,636	Twinsburg	- (3)
Lakewood	- (3)	Twinsburg Township	203 (2)
Linndale	99	University Heights	13,155
Lyndhurst	14,201	Valley View	2,181
Macedonia	8,192	Walton Hills	2,383
Maple Heights	24,604	Warrensville Heights	14,107
Mayfield Heights	18,487	Willoughby Hills	- (3)
		Total Subdistrict 2	<u>590,139</u>
Total estimated service population			<u><u>1,027,186</u></u>

- (1) Based on 2000 U.S. Census Block Data as presented in the Northeast Ohio Areawide Coordinating Agency (NOACA) using the NEORS D Service Area Boundary.
- (2) Estimated population for that portion of the municipality within the service area of the District.
- (3) Service population not applicable. District serves commercial properties only.
- (4) Part of the community is not within the District service area. Service population to be determined by ongoing service area verification project.

Source: District administrative records



EASTERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM

- Easterly Interceptor
- Doan Valley Interceptor
- Dugway Interceptor
- Heights-Hilltop Interceptors & ICRS
- E. I 40th-Hayden/E. 152nd-Ivanhoe Interceptors
- Lakeshore-Nottingham Interceptors

SOUTHERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM

- Big Creek Interceptor
- Cuyahoga Valley Interceptor
- Mill Creek Interceptor
- Mill Creek Tunnel *Under construction*
- Southwest, West Leg Interceptors & ICRS
- Southerly Interceptor

WESTERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM

- Low Level Interceptor
- Northwest Interceptor
- Westerly Interceptor
- Walworth Run Interceptor



- A** McMonagle Administration Building – 3900 Euclid Avenue
- E** Environmental & Maintenance Services Center – 4747 E. 49th Street
- E** Easterly Treatment Plant – 14021 Lakeshore Boulevard
- S** Southerly Treatment Plant – 6000 Canal Road
- W** Westerly Treatment Plant – 5800 W. Memorial Shoreway

- Easterly service area
- Southerly service area
- Westerly service area

FOR MORE INFORMATION, VISIT www.NEORS.org / REVISED 6/09

HISTORICAL NUMBER OF CUSTOMER ACCOUNTS

2006-2008

	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Subdistrict 1</u>			
Cleveland (1)	129,428	130,616	128,142
<u>Subdistrict 2</u>			
Master Meter - Suburbs (2)	4	4	3
Direct Service - Suburbs (1)	<u>179,337</u>	<u>187,895</u>	<u>183,792</u>
Subtotal	<u>179,341</u>	<u>187,899</u>	<u>183,795</u>
Total Customers	<u><u>308,769</u></u>	<u><u>318,515</u></u>	<u><u>311,937</u></u>

(1) 2006 excludes inactive accounts.

(2) The Master Meter Suburbs, which bill their customers separately, had approximately 16,624 accounts at the end of 2006. Master Meter communities are East Cleveland, Hudson, Richfield Village and Summit County. The City of Hudson became a Master Meter community in 1998. Commencing January 2008, the City of East Cleveland became a direct service community billed by the City of Cleveland in SubDistrict II.

Source: District accounting records.

ANNUAL METERED BILLING QUANTITIES (in thousands of cubic feet)

2006-2008

	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Subdistrict 1</u>			
Cleveland	2,209,563	2,217,887	2,191,406
<u>Subdistrict 2</u>			
Direct Service - Suburbs	2,215,147	2,250,184	2,237,084
Master Meter - Suburbs (1)	<u>320,559</u>	<u>288,738</u>	<u>195,815</u>
Subtotal	<u>2,535,706</u>	<u>2,538,922</u>	<u>2,432,899</u>
Total Service Area	<u><u>4,745,269</u></u>	<u><u>4,756,809</u></u>	<u><u>4,624,305</u></u>

(1) Consumption of Master Meter Suburbs is presented at 80% of total consumption which is the billing basis. Commencing January 2008, the City of East Cleveland became a direct service community billed by the City of Cleveland in SubDistrict 2.

Source: District accounting records.

LARGEST CUSTOMERS OF THE DISTRICT

December 31, 2008

	CONSUMPTION MCF (1)	AMOUNT BILLED	RANK	PERCENTAGE OF OPERATING REVENUE
SUBDISTRICT 1				
Cuyahoga Metropolitan Housing Agency (2)	86,337.2	\$3,889,068	1	2.3%
University Hospitals (2)	41,748.2	\$1,857,670	2	1.1%
Cleveland Clinic (2)	40,208.8	1,816,683	4	1.1%
Mittal Steel (ISG Cleveland)	27,473.9	1,251,904	5	0.8%
City of Cleveland Water Filtration Plants	28,362.5	1,240,935	6	0.7%
Cleveland Board of Education	26,376.3	1,178,062	8	0.7%
Cuyahoga County (2)	21,458.5	974,237	9	0.6%
Case Western Reserve University	21,074.8	961,903	10	0.6%
Metro Health Medical Centers	18,960.3	848,258	12	0.5%
Ferro Corporation (2)	17,914.9	782,439	13	0.5%
Dominion Cleveland Thermal Energy	15,184.0	705,874	15	0.4%
Cleveland State University (2)	10,786.1	502,674	16	0.3%
Veterans Administration Hospitals (2)	8,355.5	367,737	17	0.2%
Inland Waters of Ohio	4,800.8	299,419	19	0.2%
Property Management Rental	6,630.3	298,996	20	0.2%
Columbus Road Realty	6,546.3	285,268	21	0.2%
Holiday Inn (2)	6,709.4	274,241	22	0.2%
General Electric Company	4,771.8	206,349	26	0.1%
LTV Steel	-	-	-	-
Synthetic Products	-	-	-	-
Sherwin Williams Company	-	-	-	-
Pure Tech Systems / Research Oil Company	-	-	-	-
Clean Harbors of Cleveland Inc.	-	-	-	-
Mt Sinai Medical Center	-	-	-	-
Longwood Apartments Inc.	-	-	-	-
RT Development	-	-	-	-
Total Subdistrict 1	393,699.6	\$17,741,717		10.7%
SUBDISTRICT 2				
Ford Motor Corporation	50,905.1	\$1,823,571	3	1.1%
Aluminum Corporation of America	31,952.4	1,204,973	7	0.7%
NASA John H Glenn Research Center	23,774.1	899,633	11	0.5%
Forest City Management (2)	18,182.1	736,551	14	0.4%
Eaton Estates/ Nagy Park	9,275.9	344,754	18	0.2%
K & D Group	6,707.9	248,945	23	0.1%
Fairhill Towers LLC (Zehman & Wolfe Management)	5,597.5	218,730	24	0.1%
The Pearl Management Company	5,384.0	201,822	25	0.1%
General Motors Corporation	-	-	-	-
Total Subdistrict 2	151,779.0	\$5,678,979		3.4%
Grand Total	545,478.6	\$23,420,696		14.1%

(1) One (1) MCF = one thousand cubic feet = 7,480 gallons.

(2) Amount represents Subdistrict 1 and Subdistrict 2 billings combined.

Customer is listed in the Subdistrict where majority of consumption occurs.

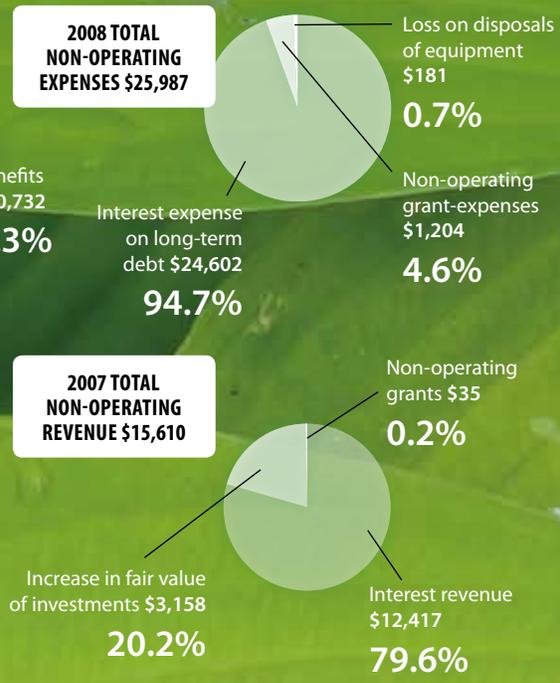
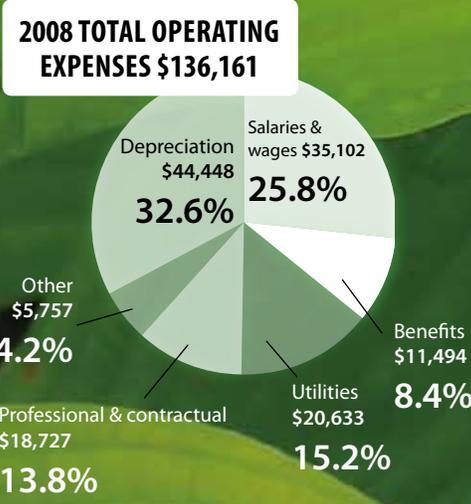
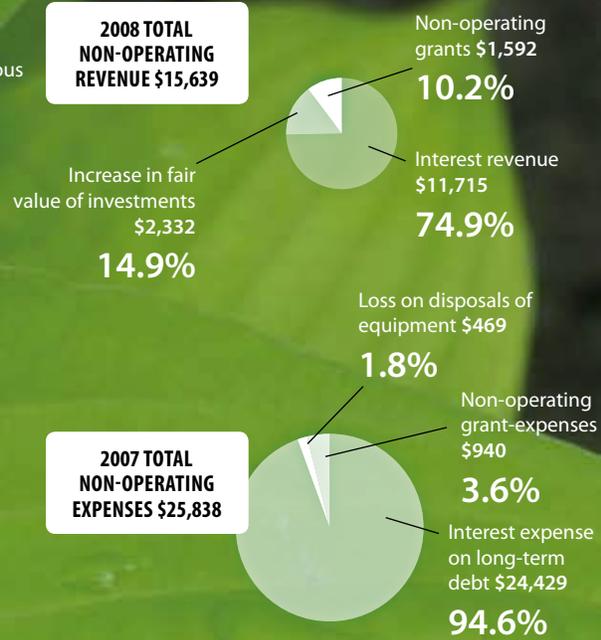
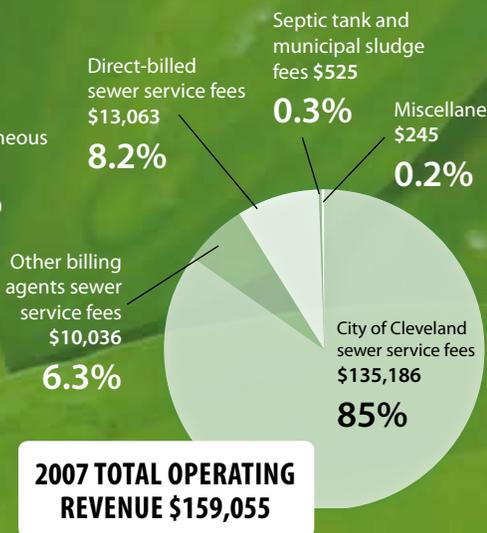
Source: District accounting records and City of Cleveland Division of Water billing records.

REVENUES (in thousands)

- Operating revenue increased by \$7,102,943 (4.5%) compared to 2007. The increase was due mainly to higher billing rates in 2008.
- Non-operating revenue increased by \$29,142 (0.18%). Non-operating revenue consists of interest income, non-operating grants, and the change in fair value of investments. Interest income decreased by \$702,589 (5.7%) due to lower interest rates on available balances for investment. The decrease in fair value of investments for 2008 was \$824,991 (26.2%) lower in 2007. This decrease is expected to continue due to the recession. Non-operating grant revenue increased \$1,556,722 (4,448.6%) due to the receipt of funds for Water Resource Sponsorship program in 2008.

EXPENSES (in thousands)

- Operating expenses increased \$7,695,986 (6.0%) compared to 2007. Main components of operating expenses increased as follows:
 - Salaries and Wages increased \$1,377,736 (4.1%)
 - Utilities increased \$1,739,589 (9.2%) due to increase usage and higher rates.
 - Professional and Contractual expenses increased \$3,918,742 (26.5%) due mainly to an adjustment to construction in progress account related to costs of studies initially capitalized that needed to be reclass to operating expenses in accordance with GASB Statement No. 51.
- Non-operating expenses increased \$149,829 (0.58%). Interest expense increased by \$173,553 (0.8%). Losses on equipment disposals decreased \$287,912 (61.5%) due mainly to disposals of obsolete equipment parts in 2007. Non-operating grant expense increased \$264,188 (28.1%) due to expenses for West Creek Restoration project.



FINANCIAL HIGHLIGHTS
as of 12.31.08

Assets exceeded liabilities by \$1,279,946,551

Retirements of debt principal were \$37,502,945

Operating revenue increased by \$7,102,943

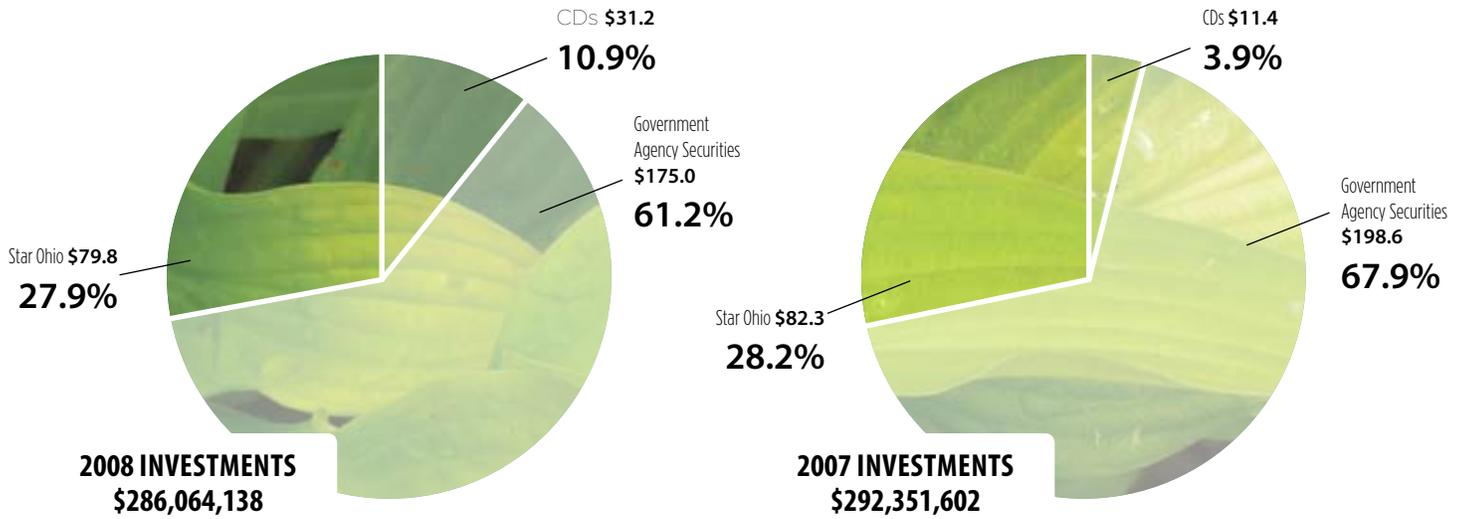
Operating expenses increased by \$7,695,986

INVESTMENT POLICY

The Northeast Ohio Regional Sewer District, giving due regard to the safety and risk of various types of investments, invests the maximum available funds in conformance with the Ohio Revised Code. The District looks to attain the highest interest rates at the time the investments are made. The District pursues to take advantage of investment interest as a significant supplement to the District's basic sources of revenue to meet operational and capital demands. The District's portfolio is designed and managed in a manner responsive to the public trust and consistent with the Ohio Revised Code.

Investments shall be made with the following primary objectives, in order of importance:

- Preservation of capital and protection of principal
- Security of District funds and investments
- Maintenance of sufficient liquidity to meet operating needs
- Reasonable diversification of investments to minimize risk
- Maximization of return on the portfolio



REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (budget to actual)

For the year ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
User Charges:				
Billed	\$ 167,298,635	\$ 167,298,635	\$ 161,494,785	\$ (5,803,850)
Unbilled	-	-	3,828,996	3,828,996
Other Revenues	<u>2,207,217</u>	<u>2,207,217</u>	<u>833,463</u>	<u>(1,373,754)</u>
 Total Revenues	 <u>169,505,852</u>	 <u>169,505,852</u>	 <u>166,157,244</u>	 <u>(3,348,608)</u>
<u>Expenses:</u>				
Salaries and Wages	36,298,076	36,298,076	35,102,015	1,196,061
Benefits	11,709,540	11,709,540	11,493,925	215,615
Power	10,654,010	10,654,010	11,101,067	(447,057)
Materials and Supplies	4,401,097	4,401,097	4,261,239	139,858
Collection Fees	6,000,000	6,000,000	5,435,973	564,027
Gas	7,577,800	7,577,800	7,801,361	(223,561)
Chemicals	1,679,329	1,679,329	1,268,036	411,293
Repairs and Maintenance	3,692,159	3,692,159	3,036,704	655,455
Solids Handling	2,663,426	2,663,426	861,768	1,801,658
Water	1,223,568	1,223,568	1,021,701	201,867
Professional Services	5,343,750	5,343,750	8,991,475	(3,647,725)
Insurance	1,105,000	1,105,000	1,097,763	7,237
Judgments and Awards	100,000	100,000	18,812	81,188
Other Operating Expenses	3,829,043	3,829,043	3,739,637	89,406
Capitalized Construction Costs	(3,494,734)	(3,494,734)	(3,518,438)	23,704
Depreciation	<u>46,000,000</u>	<u>46,000,000</u>	<u>44,448,564</u>	<u>1,551,436</u>
 Total Operating Expenses	 <u>138,782,064</u>	 <u>138,782,064</u>	 <u>136,161,602</u>	 <u>2,620,462</u>
 Excess of Revenues Over Operating Expenses	 <u>\$ 30,723,788</u>	 <u>\$ 30,723,788</u>	 <u>\$ 29,995,642</u>	 <u>\$ (728,146)</u>

CAPITAL ASSETS AND OUTSTANDING DEBT

Capital Assets

At the end of 2008, the District had \$1,493,782,987 invested in capital assets. This amount represents a net increase of approximately \$8.1 million, or 0.6% over 2007. Refer to Notes 2 and 5 to the audited financial statements for more detailed information on capital assets.

Capital Assets at December 31, (Net of Depreciation, in Thousands)

	2008	2007	Change	
			Amount	%
Land	\$8,950	\$8,950	\$0	0%
Construction in Progress	194,457	184,276	10,181	5.6%
Interceptor Sewer Lines	776,495	764,732	11,763	1.6%
Buildings, structures and improvements	368,730	377,308	(8,578)	(2.3%)
Sewage treatment and other equipment	145,151	150,427	(5,276)	(3.5%)
Totals	\$1,493,783	\$1,485,693	\$8,090	0.6%

Debt Administration

At December 31, 2008 the District had total debt outstanding of \$595,064,591 compared to \$603,361,142 at December 31, 2007. This represents a decrease of \$8,296,551. Loans from the Ohio Water Development Authority Water Pollution Control Loan Fund decreased \$1,182,251; total debt retirements were \$37,502,945. The carrying value of the long-term portion of debt at December 31, 2008 was \$564,606,888 and the fair value of the long-term debt was \$562,806,201.

At December 31, 2007 the District had total debt outstanding of \$603,361,142 compared to \$481,874,602 at December 31, 2006. This represents an increase of \$121,486,540. In 2007, loans from the Ohio Water Development Authority Water Pollution Control Loan Fund increased \$485,093; total debt retirements were \$31,076,641. The carrying value of the long-term portion of debt at December 31, 2007 was \$572,365,514 and the fair value of the long-term debt was \$575,670,008.

This information should be read in conjunction with Note 6 to the audited financial statements for more detailed information on long-term debt.

Outstanding Debt at December 31, (In Thousands)

	2008	2007	2006
Revenue Bonds	\$177,985	\$184,905	\$63,525
Ohio Water Development Authority Loans	0	194	573
Water Pollution Control Loans	417,080	418,262	417,777
Total Debt	\$595,065	\$603,361	\$481,875

CAPITAL ASSET STATISTICS

2006-2008

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Number of Buildings			
<u>Operations</u>			
Southerly Plant	36	36	38
Easterly Plant	18	18	18
Westerly Plant	16	16	16
Outlying Pump Buildings	5	5	5
Total Operations	<u>75</u>	<u>75</u>	<u>77</u>
<u>Administration</u>			
District Administration	1	1	1
Environmental Maintenance and Services Center	4	4	4
Total Offices	<u>5</u>	<u>5</u>	<u>5</u>
Total Buildings	<u>80</u>	<u>80</u>	<u>82</u>
Miles of Interceptor Sewers Installed Annually*	<u>3.52</u>	<u>0.89</u>	<u>0.99</u>
Number of Outlying Systems			
<u>Sewage Collection System</u>			
Interceptor Sewers & Tunnels	21	21	21
Inter-Community Relief Sewers	24	24	24
Automated Regulators	25	25	25
Pumping Stations	6	6	6
Force Mains	3	3	3
Total Sewage Collection System	<u>79</u>	<u>79</u>	<u>79</u>
<u>Support Facilities</u>			
Floatables Control Sites	10	10	10
Biofilter Odor Control Sites	8	8	8
Rain Gauge Sites	25	25	25
Lakeview Dam	1	1	1
Total Support Facilities	<u>44</u>	<u>44</u>	<u>44</u>
Total Outlying Systems	<u>123</u>	<u>123</u>	<u>123</u>
Acres of Land			
<u>Operations</u>			
Southerly Plant	311.2	311.2	311.2
Easterly Plant	77.7	77.7	77.7
Westerly Plant	14.5	14.5	14.5
<u>Administration</u>			
District Administration	2.6	2.6	2.6
Environmental Maintenance and Services Center	14.7	14.7	14.7
Total Acres, Operations and Administration	<u>420.7</u>	<u>420.7</u>	<u>420.7</u>

*Total interceptor sewers are in excess of 200 miles.

Source: District accounting and engineering records.

SEWAGE SERVICE RATES

1999-2008

Fiscal Years During Which Rates Were Effective	SUBDISTRICT 1					
	Standard		Homestead (2)			
	Rate (1)	% Change	Rate (1)	% Change		
1999	19.60	7.4	13.35	6.4	24.50	4.5
2000 - 2002	21.10	7.7	14.25	6.7	26.60	8.6
2003	22.70	7.6	15.30	7.4	27.95	5.1
2004	24.40	7.5	16.45	7.5	29.40	5.2
2005	26.20	7.4	17.70	7.6	30.95	5.3
2006	28.10	7.3	18.95	7.1	32.60	5.3
2007	30.85	9.8	20.75	9.5	35.10	7.7
2008	33.85	9.7	22.75	9.6	37.85	7.8

Fiscal Years During Which Rates Were Effective	SUBDISTRICT 2					
	Standard		Homestead (2)			
	Rate (1)	% Change	Rate (1)	% Change		
1999	24.50	4.5	16.70	6.4		
2000 - 2002	26.60	8.6	17.80	6.6		
2003	27.95	5.1	18.70	5.1		
2004	29.40	5.2	19.70	5.3		
2005	30.95	5.3	20.80	5.6		
2006	32.60	5.3	21.90	5.3		
2007	35.10	7.7	23.55	7.5		
2008	37.85	7.8	25.40	7.9		

(1) Per thousand cubic feet (MCF) of water consumed.

(2) These rates were first established in the 1991 fiscal year.

Industrial Waste Surcharge

An additional charge is billed to industrial and other types of customers discharging wastewater which contains substances requiring more extensive treatment than effluent from residential customers.

The amount of this Industrial Waste Surcharge is calculated in accordance with formulas set forth in the Rate Resolution which take into account concentrations of suspended solids, biological oxygen demand and chemical oxygen demand based on waste loading determined by analysis or otherwise.

Minimum Quarterly Billing

Each customer of the District is charged a minimum quarterly amount for sewage service equal to the class of service rate applicable to the metered water usage of 1,000 cubic feet (7,480 gallons).

Source: District accounting records.

MISCELLANEOUS OPERATING STATISTICS
2005-2008

	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>TREATMENT PLANT FLOW</u>			
Billions of gallons of sewage treated per plant:			
Easterly	34.4	35.3	36.1
Southerly	45.8	45.3	43.8
Westerly	9.6	10.0	10.8
Total	<u>89.8</u>	<u>90.6</u>	<u>90.7</u>
Total sewage treated, in MCFs (1)	<u>12,005,348</u>	<u>12,112,299</u>	<u>12,125,668</u>
MCFs billed, total District	<u>4,745,269</u>	<u>4,756,809</u>	<u>4,624,305</u>
<u>STAFFING LEVELS</u>			
Number of employees:			
Plant Operations & Maintenance	404	396	363
Engineering	70	65	57
Finance	50	42	47
Human Resources (2, 5)	17	15	14
Information Technology (2)	20	21	19
District Administration	44	56	46
Legal	8	8	14
Communications & Community Relations	7	8	16
Watershed Programs (6)	-	-	58
Total	<u>620</u>	<u>611</u>	<u>634</u>
Budgeted employees, total District	<u>676</u>	<u>662</u>	<u>660</u>

(1) Conversion factor: 1 MCF (thousand cubic feet) = 7,480 gallons.

(2) Reclassified from District Administration beginning in 2002.

(3) Restated 2001 for consumption adjustment in the City of Cleveland, Subdistrict 1.

(4) Restated 2005 for City of Cleveland Subdistrict 2 and City of Cleveland Heights.

(5) Safety and Security reclassified from Human Resources to District Administration beginning in 2005.

(6) Watershed Programs reclassified from Plant Operations & Maintenance

Source: Various District records.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
O U R M I S S I O N

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

3900 Euclid Avenue | Cleveland, OH 44115 | 216.881.2560

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