



**NEORS**

# 2014 ANNUAL FINANCIAL REPORT

KEEPING + OUR + GREAT + LAKE + GREAT

*LAKE ERIE*

## PROFILE OF THE DISTRICT

The Northeast Ohio Regional Sewer District is an independent political subdivision of the State of Ohio, and organized under Chapter 6119 of the Ohio Revised Code. Originally named the Cleveland Regional Sewer District, it was created in 1972 to assume the operation and management of certain wastewater collection, treatment, and disposal facilities serving the Cleveland metropolitan area. The Sewer District's service area covers approximately 350 square miles. It encompasses 97% of the City of Cleveland and all or portions of 61 suburban communities in Cuyahoga, Lake, Lorain, and Summit Counties. The service area contains a residential population in excess of one million persons and includes a diverse group of service, information, biotechnology, manufacturing, and processing industries. The Sewer District treats more wastewater than any other wastewater treatment system in the State of Ohio.



## 2014 YEAR IN REVIEW

### BURNING RIVER ANNIVERSARY

The year 2014 marked the 45th anniversary of the burning of the Cuyahoga River. While few know debris on the river actually caught fire at least 13 times before 1969, the event was a turning point for the nation's environmental awareness. Over the last 45 years, the river's ongoing resurrection is a testament to the work and people that brought it back to life, and a reminder of how easily it can be taken for granted.

### PLANTS EARN TOP AWARDS

Southerly and Westerly were presented with NACWA Gold Awards for permit compliance in 2013, and Easterly took home the prestigious Platinum Award for five straight years of excellence.

### WESTERLY HITS FIVE-YEAR MARK FOR NO VIOLATIONS

Thanks to our dedicated Westerly staff and assistance from many other District departments, Westerly operated and maintained the plant without any permit violations for the fifth consecutive year. In addition, the plant had success with Chemically Enhanced High Rate Treatment (CE-HRT) pilot project wet-weather events.

### RENEWABLE ENERGY FACILITY

Southerly saw significant electrical and natural gas savings at its Renewable Energy Facility. Plant operators were successful at operating the new incinerators autogenously (without fuel), and the turbine generator has been producing up to two megawatts of electricity per day.

### WATER QUALITY & INDUSTRIAL SURVEILLANCE

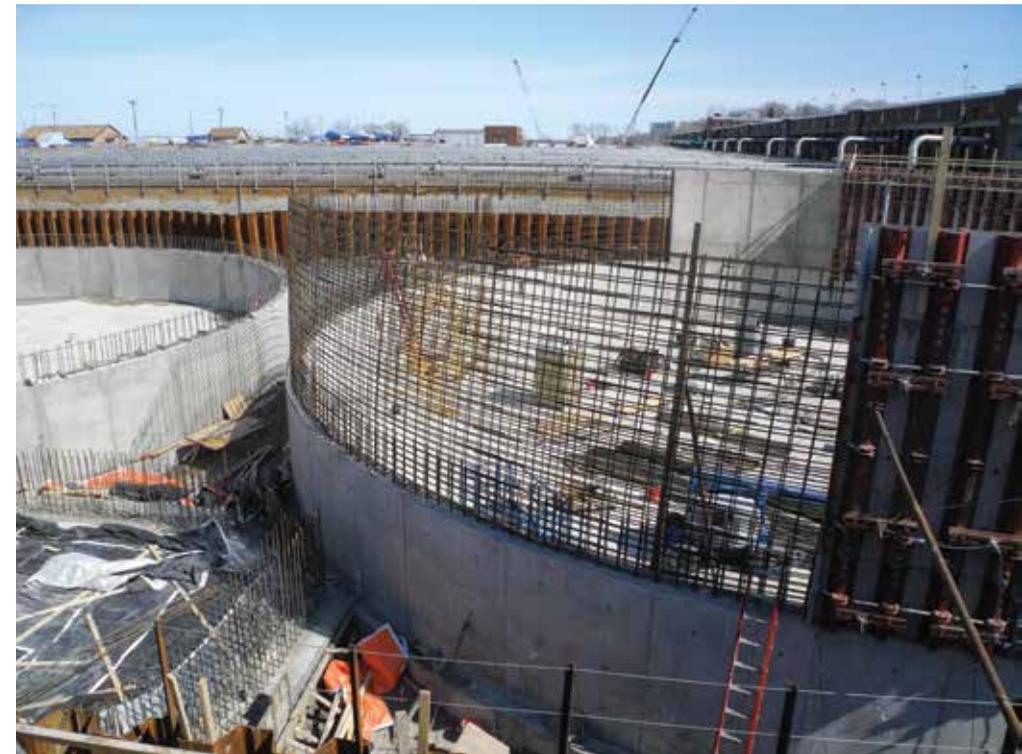
WQIS aided in the District's Integrated Planning effort by conducting dry-weather and wet-weather sampling and providing data for computer models used to prioritize projects. Other WQIS achievements in 2014 included continued participation in Operation Medicine Cabinet and the Drug Enforcement Administration's National Take Back Program, collecting unused and expired pharmaceuticals.

### ANALYTICAL SERVICES

In addition to participating in large District initiatives, Analytical Services performed 203,000 analyses (an 8% increase over 2013) and the lab analyzed over 30,000 samples (a 10% increase). Major capital investments included equipment to analyze harmful algal blooms and emerging contaminants, and a new gas chromatograph with a mass spectrometer for the analysis of organic compounds.

### CLEVELAND HOSTS NATIONAL GREEN INFRASTRUCTURE ROUNDTABLE

Forty agencies from across the country came to be a part of the second annual Green Infrastructure Summit, hosted in Cleveland. The District also led guests on a tour of some of our Project Clean Lake "Green Ambassador" projects.



*Major construction continued at Easterly in 2014.*

### EASTERLY CONSTRUCTION

Major construction continued at Easterly, to meet Project Clean Lake requirements and expand secondary treatment capacity by 70 million gallons. Easterly also earned OSHA's Safety and Health Achievement Recognition Program (SHARP) designation for illness and injury prevention and a safety award from Ohio Water Environment Association.

### COURT HEARS STORMWATER ARGUMENTS

Big storms during the summer brought attention to our Regional Stormwater Management Program, which was suspended in 2013. In 2014, we made oral arguments before the Ohio Supreme Court, making our case that we are authorized to charge a fee and manage problems caused by stormwater runoff across the region. As of the printing of this Annual Report, we await a final decision from the Court.

# COMMUNITIES SERVED

BY THE DISTRICT AND ESTIMATED POPULATION SERVED | DECEMBER 31, 2014

The information in this Popular Annual Financial Report (PAFR) is compiled from our 2014 Comprehensive Annual Financial Report (CAFR). This and our other financial reports are available online at [neorsd.org](http://neorsd.org).

In 2014, despite obstacles to moving forward with our Regional Stormwater Management Program, the District made progress on a number of green infrastructure projects that help control storm runoff entering our combined sewer system. District-sponsored green projects, including an in-progress installation in Public Square, are getting a lot of attention in our region, and will continue to do so as the District looks for cost-effective opportunities to reduce combined sewer overflow.

Not surprisingly, our three wastewater treatment plants continued to excel at meeting their permit limits. Westerly and Southerly received Gold “Peak Performance” awards from the National Association of Clean Water Agencies, and Easterly was recognized with a Platinum award for five straight years of permit compliance.

The District also launched new Customer Service initiatives, both internal and external, recognizing that good customer service supports our overall mission. Our Good Neighbor program has had early success in the Glenville community, with our Good Neighbor Ambassadors putting a helpful face on our construction work.

The preparation of this comprehensive annual financial report would not have been possible without the services of the Finance and Communications & Community Relations departments. We would like to express our appreciation to everyone who assisted and contributed to the preparation of this report.

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



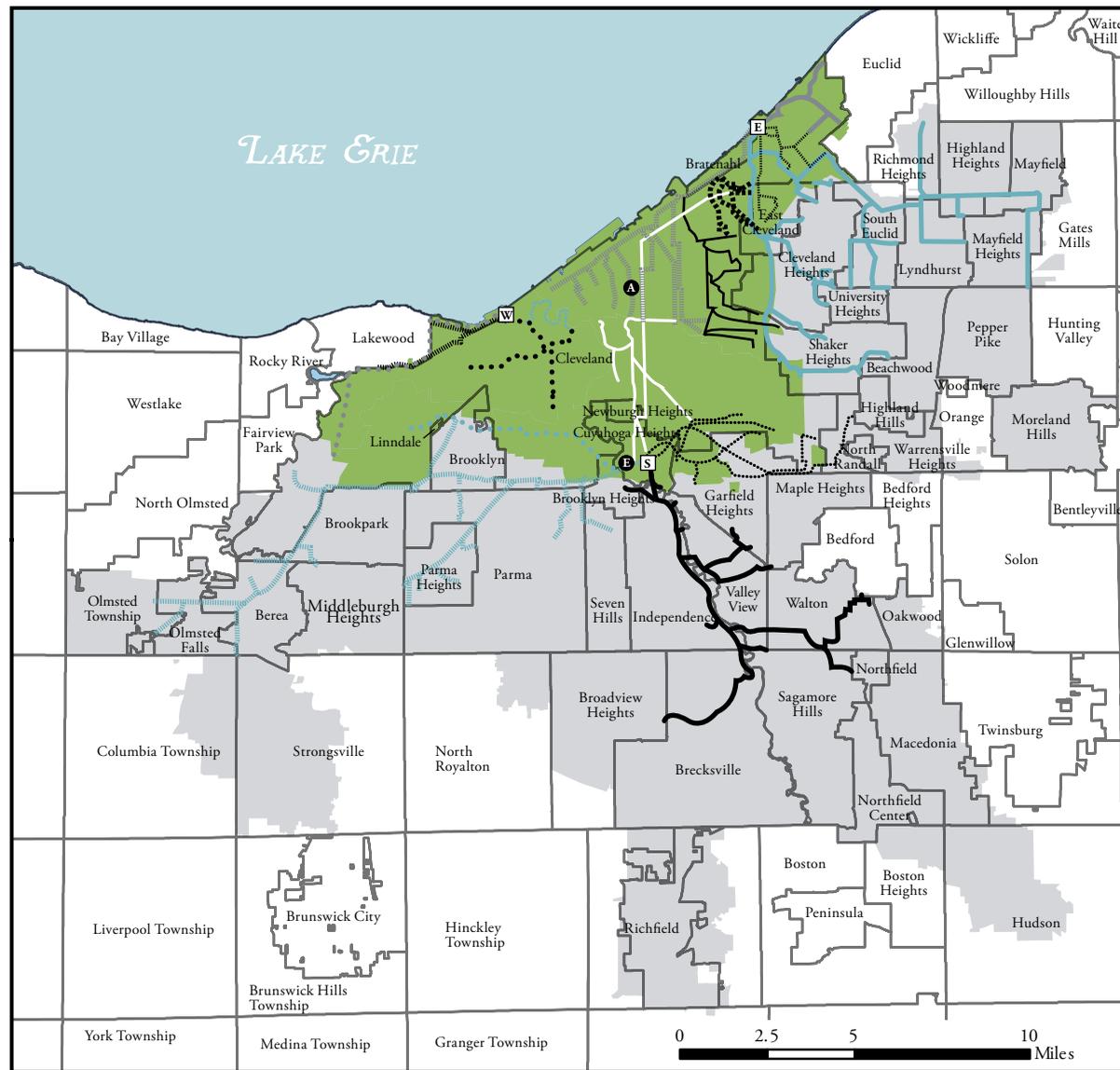
Julius Ciaccia  
Chief Executive Officer

MUNICIPALITY	ESTIMATED SERVICE POPULATION (1)	MUNICIPALITY	ESTIMATED SERVICE POPULATION (1)
<b>SUBDISTRICT 1 (Cleveland)</b>			
Cleveland City	410,838		
<b>SUBDISTRICT 2 (Suburbs)</b>			
Bath Township	- (3)	Middleburg Heights City	16,463
Beachwood City	14,456	Moreland Hills Village	- (2)
Bedford City	- (3)	Newburgh Heights Village	2,441
Bedford Heights City	- (3)	North Randall Village	749
Berea City	18,130	North Royalton City	7,044 (2)
Boston Heights Village	630 (2)	Northfield Center Township	4,482
Bratenahl Village	1,254	Northfield Village	3,991
Brecksville City	15,703	Oakwood Village	3,152 (2)
Broadview Heights City	20,053 (2)	Olmsted Falls City	9,223 (2)
Brook Park City	17,577	Olmsted Township	7,484 (2)
Brooklyn City	10,949	Orange Village	580 (2)
Brooklyn Heights Village	1,693	Parma City	78,613
Cleveland Heights City	42,497	Parma Heights City	21,234
Columbia Township	952 (2)	Pepper Pike City	2,084 (2)
Cuyahoga Heights Village	434	Richfield Township	1,203 (2)
East Cleveland City	16,224	Richfield Village	3,583 (2)
Euclid City	1,876 (2)	Richmond Heights City	3,919 (2)
Garfield Heights City	27,845	Sagamore Hills Township	8,416
Gates Mills Village	313 (2)	Seven Hills City	11,182
Glenwillow Village	- (2)	Shaker Heights City	25,834
Highland Heights City	11,160	Solon City	174 (2)
Highland Hills Village	1,020	South Euclid City	22,094 (2)
Hudson City	9,951 (2)	Strongsville City	30,528 (2)
Independence City	7,936	Twinsburg City	- (2)
Lakewood City	- (3)	Twinsburg Township	217 (2)
Linndale Village	100	University Heights City	12,501
Lyndhurst City	13,489	Valley View Village	2,173
Macedonia City	8,314	Walton Hills Village	2,363
Maple Heights City	23,562	Warrensville Heights City	13,442
Mayfield Heights City	17,865	Willoughby Hills City	- (3)
Mayfield Village	3,261	TOTAL SUBDISTRICT 2	582,413
<b>TOTAL ESTIMATED SERVICE POPULATION</b>		<b>993,251</b>	

(1) Based on U.S. Census Data and District administrative records.

(2) Estimated population for the portion of the municipality within the service area of the District.

(3) Service population not applicable. District serves non-residential properties only.



- A** McMonagle Administration Building - 3900 Euclid Ave
- E** Environmental & Maintenance Services Center - 4747 East 49th Street
- E** Easterly Treatment Plant - 14021 Lakeshore Boulevard
- S** Southerly Treatment Plant - 6000 Canal Road
- W** Westerly Treatment Plant - 5800 West Memorial
- Shoreway
- Combined Sewer Area
- Separate Sewer Area

**EASTERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM**

- ..... E. 140th / E. 152nd-Ivanhoe Interceptors
- ..... Easterly Interceptor
- Doan Valley Interceptor
- ..... Dugway Interceptor
- Heights-Hilltop Interceptor & ICRS
- Lakeshore-Nottingham Interceptors

**SOUTHERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM**

- ..... Big Creek Interceptor
- Cuyahoga Valley Interceptor
- ..... Mill Creek Interceptor
- Southerly Interceptor
- ..... Southwest, West Leg Interceptors & ICRS

**WESTERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM**

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

**HISTORICAL NUMBERS**

CUSTOMER ACCOUNTS 2012-2014

	2014	2013	2012
<b>SUBDISTRICT 1</b>			
Cleveland	124,288	125,422	126,357
<b>SUBDISTRICT 2</b>			
Master Meter - Suburbs	3	3	3
Direct Service - Suburbs	188,733	187,859	186,934
<b>SUBTOTAL</b>	<b>188,736</b>	<b>187,862</b>	<b>186,937</b>
<b>TOTAL CUSTOMERS</b>	<b>313,024</b>	<b>313,284</b>	<b>313,294</b>

**ANNUAL METERED**

BILLING QUANTITIES 2012-2014 (MCF)

	2014	2013	2012
<b>SUBDISTRICT 1</b>			
Cleveland	1,715,359	1,706,438	1,781,276
<b>SUBDISTRICT 2</b>			
Direct Service - Suburbs	1,892,128	1,859,247	1,977,996
Master Meter - Suburbs	131,691	143,503	136,544
<b>SUBTOTAL</b>	<b>2,023,819</b>	<b>2,002,750</b>	<b>2,114,540</b>
<b>TOTAL BILLED MCF</b>	<b>3,739,178</b>	<b>3,709,188</b>	<b>3,895,816</b>

## FINANCIAL HIGHLIGHTS

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES EXCEEDED LIABILITIES BY \$1,337,079,842.

RETIREMENTS OF DEBT PRINCIPAL WERE \$116,669,919, OF WHICH, \$72,940,000 WAS FOR THE DEFEASANCE OF A PORTION OF 2007 BONDS.

OPERATING REVENUES INCREASED BY \$29,395,275.

OPERATING EXPENSES INCREASED BY \$9,295,866.



LAKE ERIE

# LARGEST CUSTOMERS

OF THE DISTRICT AS OF DECEMBER 31, 2014 & NINE YEARS PRIOR

	2014				2005			
	CONSUMPTION MCF (1)	AMOUNT BILLED	RANK	PERCENTAGE OF OPERATING REVENUE	CONSUMPTION MCF (1)	AMOUNT BILLED	RANK	PERCENTAGE OF OPERATING REVENUE
<b>SUBDISTRICT 1 (Cleveland)</b>								
Cuyahoga Metropolitan Housing Agency (2)	73,406.2	\$4,557,791	1	1.9%	102,477.7	\$3,508,751	1	2.4%
Cleveland Division of Water	36,016.2	2,780,995	2	1.2%	30,325.2	1,090,408	4	0.8%
Arcelor Mittal Steel (ISG Cleveland)	26,235.1	1,845,980	3	0.8%	22,164.6	759,118	11	0.5%
Case Western Reserve University	25,641.9	1,552,653	5	0.6%	29,801.7	1,014,976	5	0.7%
University Hospitals	17,531.9	1,063,978	7	0.4%	23,560.9	787,240	10	0.5%
Cuyahoga County (2)	15,846.4	978,392	8	0.4%	17,889.5	581,690	15	0.4%
Cleveland Clinic (2)	15,423.3	943,601	9	0.4%	59,108.4	2,025,700	2	1.4%
Ferro Corporation (2)	10,197.7	602,685	12	0.3%	25,561.9	864,225	7	0.6%
Cleveland Board of Education	9,519.9	586,320	13	0.2%	25,057.3	856,282	8	0.6%
MetroHealth Medical Centers	7,588.9	462,949	14	0.2%	22,328.7	646,112	14	0.4%
HydroChem (Inland Waters of Ohio)	4,540.3	428,075	15	0.2%	-	-	-	-
Cleveland State University	6,203.9	381,044	16	0.2%	9,985.7	347,432	17	0.2%
Sherwin Williams (2)	5,767.2	355,115	18	0.1%	-	-	-	-
Cleveland Metroparks Zoo	4,685.8	341,637	19	0.1%	-	-	-	-
Veterans Administration Hospitals (2)	3,296.1	200,758	21	0.1%	9,953.3	297,822	18	0.2%
Cleveland Public Power	-	-	-	-	-	-	-	-
Holiday Inn	-	-	-	-	6,243.0	205,199	20	0.1%
Dominion Cleveland Thermal Energy Corp.	-	-	-	-	18,272.6	648,826	13	0.4%
Synthetic Products	-	-	-	-	-	-	-	-
General Electric Company	-	-	-	-	5,538.4	190,250	23	0.1%
Ninth Street - Euclid Ltd	-	-	-	-	5,525.2	158,700	25	0.1%
Property Management Rental	-	-	-	-	5,894.7	202,493	21	0.1%
Columbus Road Realty	-	-	-	-	11,000.2	373,780	16	0.3%
<b>TOTAL SUBDISTRICT 1</b>	<b>261,900.8</b>	<b>\$17,081,973</b>		<b>7.1%</b>	<b>430,689.0</b>	<b>\$14,559,004</b>		<b>9.8%</b>
<b>SUBDISTRICT 2 (Suburbs)</b>								
NASA John H Glenn Research Center	25,598.8	\$1,652,429	4	0.7%	27,617.4	\$837,474	9	0.6%
Aluminum Corporation of America	21,726.0	1,393,734	6	0.6%	30,760.7	933,133	6	0.6%
Forest City Management (2)	11,389.1	723,168	10	0.3%	19,160.4	651,099	12	0.4%
Ford Motor Corporation	9,774.9	640,972	11	0.3%	61,477.8	1,921,815	3	1.3%
Eaton Estates / Nagy Park	5,629.4	377,332	17	0.2%	-	-	-	-
Charter Steel	5,034.8	325,082	20	0.1%	-	-	-	-
Brooklyn Acres Homes (2)	2,915.1	189,425	22	0.1%	-	-	-	-
Zehman and Wolfe Management	2,517.8	158,611	23	0.1%	6,327.6	197,473	22	0.1%
Cuyahoga County Community College (2)	2,346.3	148,708	24	0.1%	-	-	-	-
The Pearl Management Company	-	-	-	-	6,119.0	186,855	24	0.1%
General Motors Corporation	-	-	-	-	8,888.3	233,942	19	0.2%
<b>TOTAL SUBDISTRICT 2</b>	<b>86,932.2</b>	<b>\$5,609,461</b>		<b>2.5%</b>	<b>160,351.2</b>	<b>\$4,961,791</b>		<b>3.3%</b>
<b>GRAND TOTAL</b>	<b>348,833.0</b>	<b>\$22,691,434</b>		<b>9.6%</b>	<b>591,040.2</b>	<b>\$19,520,795</b>		<b>13.1%</b>

(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.

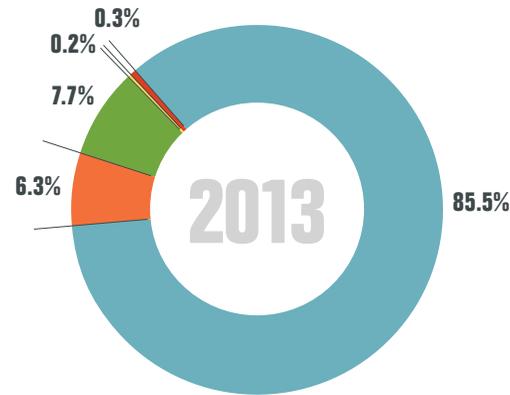
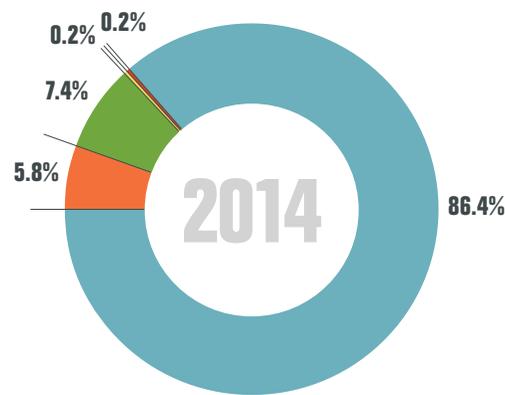
Source: District accounting records and City of Cleveland Division of Water billing records.

# REVENUES

# EXPENSES

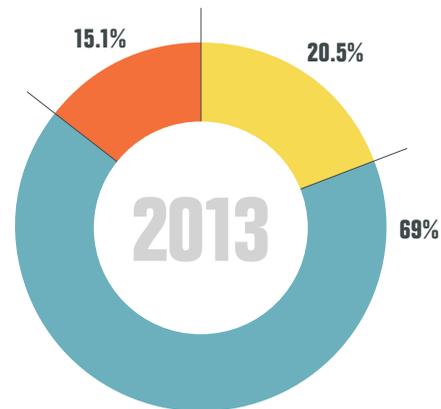
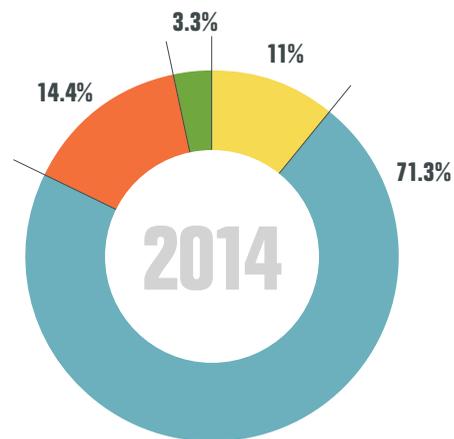
## OPERATING REVENUES

	2014		2013	
City of Cleveland Sewer Service Fees (NEORS D billing agent)	\$206,720	86.4%	\$179,391	85.5%
Other Billing Agents Sewer Services Fees	13,901	5.8%	13,210	6.3%
Direct Billed Sewer Service Fees	17,686	7.4%	16,228	7.7%
Septic Tank and Municipal Sludge Fees	452	0.2%	403	0.2%
Miscellaneous	426	0.2%	558	0.3%
<b>TOTAL OPERATING REVENUES</b>	<b>\$239,185</b>	<b>100.0%</b>	<b>\$209,790</b>	<b>100.0%</b>



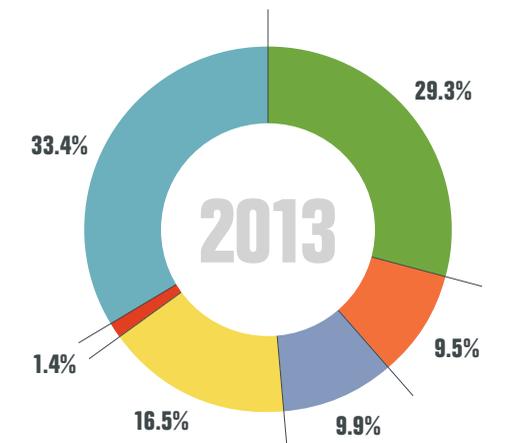
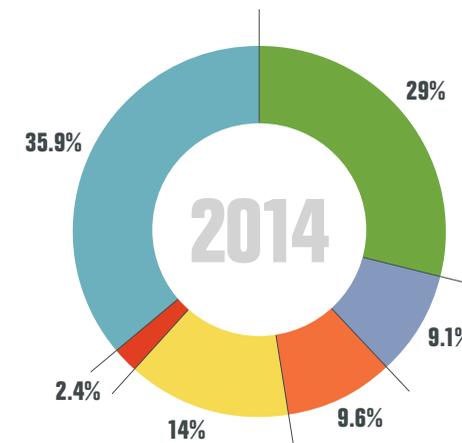
## NON-OPERATING REVENUES

	2014		2013	
Interest Revenue	\$994	11.0%	\$1,879	20.5%
Federal Subsidy Revenue	6,438	71.3%	6,327	69.0%
Non-Operating Grant Revenue	1,304	14.4%	1,384	15.1%
Decrease in Fair Value of Investments	296	3.3%	(417)	-4.6%
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$9,032</b>	<b>100.0%</b>	<b>\$9,173</b>	<b>100.0%</b>



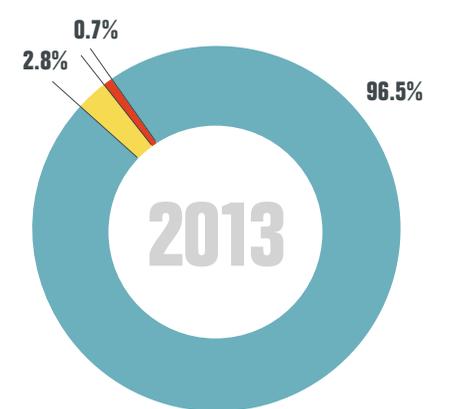
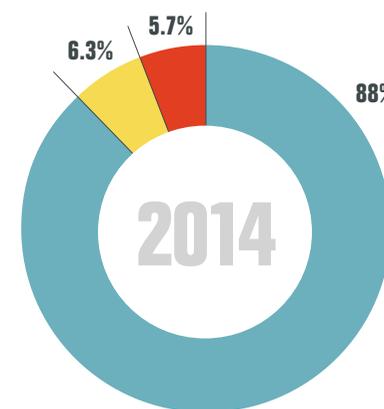
## OPERATING EXPENSES

	2014		2013	
Salaries and Wages	\$46,227	29.0%	\$43,890	29.3%
Fringe Benefits	14,611	9.1%	14,204	9.5%
Utilities	15,267	9.6%	14,898	9.9%
Professional and Contractual Services	22,286	14.0%	24,747	16.5%
Other	3,807	2.4%	2,156	1.4%
Depreciation	57,172	35.9%	50,180	33.4%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$159,370</b>	<b>100.0%</b>	<b>\$150,075</b>	<b>100.0%</b>



## NON-OPERATING EXPENSES

	2014		2013	
Interest Expense on Long-Term Debt	\$59,923	88.0%	\$51,758	96.5%
Non-Operating Grant Expenses	4,259	6.3%	1,520	2.8%
Loss on Disposals of Equipment	3,913	5.7%	341	0.7%
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$68,095</b>	<b>100.0%</b>	<b>\$53,619</b>	<b>100.0%</b>



Operating revenues increased by \$29,395,275 (14.0%) compared to 2013. The increase was due to higher billing rates in 2014, coupled with a slight increase in consumption.

Non-operating revenues decreased by \$141,141 (1.5%). Non-operating revenues consist of interest revenue, the change in fair value of

investments, grant revenue and Federal subsidy revenue. Interest revenue decreased by \$885,751 (47.1%) due to lower interest rates. The fair value of investments for 2014 increased by \$712,832 (171.0%). Non-operating grant revenue decreased by \$79,284 (5.8%) due to the decrease of funds received for Water Resource Sponsorship Programs. Federal subsidy revenue increased by \$111,062 (1.8%).

Operating expenses increased \$9,295,866 (6.2%) compared to 2013. Main components of operating expenses are as follows:

Salary and wages increased \$2,336,963 (5.3%).

Fringe benefits increased \$406,902 (2.9%).

Utilities increased \$369,598 (2.5%) due to an increase in power cost.

Solid handling waste removal decreased \$869,399 (60.1%);

Professional and Contractual Services decreased \$2,460,938 (9.9%) due to a decrease in non-capitalized costs from the Watershed project and general engineering services.

Materials and Supplies increased \$806,257 (19.8%) and Judgments and Awards increased \$342,541 (566.5%) due to an increase in litigation costs. Other expenses increased as follows: \$1,220,760 (63.9%) for Chemicals required for the new Southerly Renewable Energy Facility and \$548,438 (19.9%) for Repairs and Maintenance.

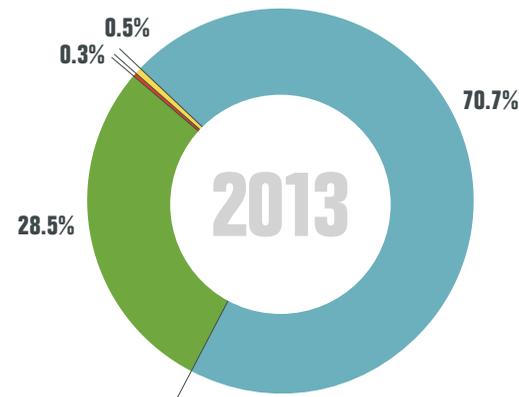
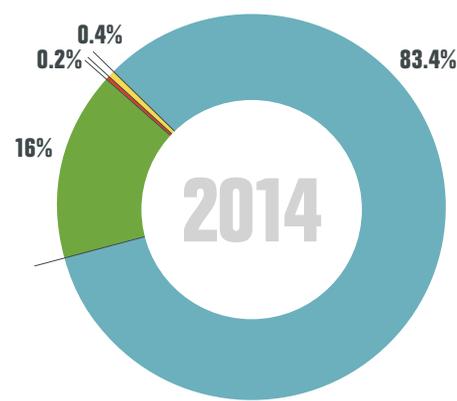
Non-operating expenses increased \$14,475,730 (27.0%). Losses on equipment disposals increased \$3,572,478 (1,047.5%) due to increases in disposals of obsolete equipment in 2014. Non-operating grant expense increased \$2,738,523 (180.1%). Interest expense increased by \$8,164,729 (15.8%).

# INVESTMENT POLICY

# REVENUES AND EXPENSES

AND CHANGES IN NET POSITION

	2014		2013	
■ Money Market	\$512,284,559	83.4%	\$258,460,360	70.7%
■ US Agency	98,411,348	16.0%	104,391,605	28.5%
■ Corporate Bonds	1,006,050	0.2%	1,006,050	0.3%
■ Star Ohio	2,594,201	0.4%	1,970,470	0.5%
<b>TOTAL INVESTMENTS</b>	<b>\$614,296,158</b>	<b>100.0%</b>	<b>\$365,828,485</b>	<b>100.0%</b>



	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
User Charges:				
Billed	\$210,812,926	\$210,812,926	\$235,858,386	\$25,045,460
Unbilled	3,664,644	3,664,644	2,448,734	(1,215,910)
Other Revenue	1,089,741	1,089,741	878,279	(211,462)
<b>TOTAL REVENUES</b>	<b>\$215,567,311</b>	<b>\$215,567,311</b>	<b>\$239,185,399</b>	<b>\$23,618,088</b>
<b>EXPENSES</b>				
Salary and Wages	\$47,139,110	\$47,139,110	\$46,226,508	\$912,602
Fringe Benefits	15,422,239	15,422,239	14,610,845	811,394
Power	9,682,853	9,682,853	10,247,703	(564,850)
Materials and Supplies	5,083,116	5,083,116	4,882,158	200,958
Collection Fees	7,747,700	7,747,700	7,753,358	(5,658)
Gas	3,934,692	3,934,692	2,710,438	1,224,254
Chemicals	4,018,592	4,018,592	3,152,662	865,930
Repairs and Maintenance	2,869,607	2,869,607	3,310,824	(441,217)
Solids Handling	7,487,606	7,487,606	2,315,896	5,171,710
Water	1,318,529	1,318,529	1,096,667	221,862
Professional Services	4,732,883	4,732,883	6,468,485	(1,735,602)
Insurance	847,500	847,500	858,861	(11,361)
Judgements and Awards	65,000	65,000	403,005	(338,005)
Other Operating Expenses	7,019,846	7,019,846	7,537,881	(518,035)
Capitalized Construction Costs	(8,000,000)	(8,000,000)	(9,376,809)	1,376,809
Depreciation	54,732,990	54,732,990	57,171,918	(2,438,928)
<b>TOTAL EXPENSES</b>	<b>\$164,102,263</b>	<b>\$164,102,263</b>	<b>\$159,370,400</b>	<b>\$4,731,863</b>
<b>EXCESS OF REVENUES OVER OPERATING EXPENSES</b>	<b>\$51,465,048</b>	<b>\$51,465,048</b>	<b>\$79,814,999</b>	<b>\$28,349,951</b>

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 Sewer District looks to attain the highest interest rates at the time investments are made. The Sewer District takes advantage of investment interest as a significant supplement to basic sources of revenue to meet operational and capital demands. The Sewer 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 Sewer 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

# CAPITAL ASSETS

AND OUTSTANDING DEBT

# CAPITAL ASSETS

STATISTICS 2012-2014

At the end of 2014, the District had \$2,208,571,269 invested in capital assets. This amount represents a net increase of approximately \$130 million, or 6.3% over 2013. Refer to Notes 2 and 5 to the audited financial statements for more detailed information on capital assets.

	2014	2013	CHANGE	
			Amount	Percent
Land	\$15,238	\$14,846	\$392	2.6%
Construction in Progress	561,436	516,505	\$44,931	8.7%
Interceptor Sewer Lines	945,578	959,166	(\$13,588)	(1.4%)
Buildings, Structures and Improvements	406,407	396,660	\$9,747	2.5%
Sewage Treatment and Other Equipment	274,777	185,989	\$88,788	47.7%
Right of Use-Intangible	5,135	5,301	(\$166)	(3.1%)
<b>TOTAL</b>	<b>\$2,208,571</b>	<b>\$2,078,467</b>	<b>\$130,104</b>	<b>6.3%</b>

DEBT ADMINISTRATION	2014	2013	2012
Revenue Bonds	\$1,136,819	\$758,795	\$486,684
Water Pollution Loans Payable	469,536	468,816	470,471
<b>TOTAL DEBT</b>	<b>\$1,606,355</b>	<b>\$1,227,611</b>	<b>\$957,155</b>

At December 31, 2014, the District had total debt outstanding of \$1,606,355,385 compared to \$1,227,610,847 at December 31, 2013. This represents an increase of \$378,744,538 for total debt due to the issuance of the 2014 Wastewater Improvement Revenue Bonds. Loans from the Ohio Water Development Authority Water Pollution Control Loan Fund increased \$719,768; total debt retirements were \$116,669,919, of which, \$72,940,000 was for the defeasance of a portion of 2007 bonds. The carrying value of the long-term portion of debt at December 31, 2014 was \$1,561,573,972 and the fair value of the long-term debt was \$1,836,375,995.

At December 31, 2013, the District had total debt outstanding of \$1,227,610,847 compared to \$957,154,684 at December 31, 2012. This represents an increase of \$270,456,163 for total debt due to the issuance of the 2013 Wastewater Improvement Revenue Bonds. Loans from the Ohio Water Development Authority Water Pollution Control Loan Fund decreased \$1,654,802; total debt retirements were \$44,374,851. The carrying value of the long-term portion of debt at December 31, 2013 was \$1,183,048,291 and the fair value of the long-term debt was \$1,213,597,101.

	2014	2013	2012
<b>NUMBER OF BUILDINGS</b>			
<b>Operations</b>			
Southerly Plant	42	42	40
Easterly Plant	19	19	18
Westerly Plant	17	16	16
Outlying Pump Buildings	7	7	7
<b>TOTAL OPERATIONS</b>	<b>85</b>	<b>84</b>	<b>81</b>
<b>Administration</b>			
District Administration	1	1	1
Environmental and Maintenance Services Center	4	4	4
<b>TOTAL OFFICES</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>TOTAL BUILDINGS</b>	<b>90</b>	<b>89</b>	<b>86</b>
<b>MILES OF INTERCEPTOR SEWERS INSTALLED ANNUALLY*</b>	<b>4.5</b>	<b>0.25</b>	<b>2.87</b>

NUMBER OF OUTLYING SYSTEMS	2014	2013	2012
<b>Sewage Collection System</b>			
Interceptor Sewers & Tunnels	21	21	21
Inter-Community Relief Sewers	30	29	28
Automated Regulators	31	25	25
Pumping Stations	9	10	10
Force Mains	5	6	6
<b>TOTAL SEWAGE COLLECTION SYSTEM</b>	<b>96</b>	<b>91</b>	<b>90</b>
<b>Support Facilities</b>			
Floatables Control Sites	10	10	10
Biofilter Odor Control Sites	8	8	8
Rain Gauge Sites	28	25	25
Lakeview Dam	1	1	1
<b>TOTAL SUPPORT FACILITIES</b>	<b>47</b>	<b>44</b>	<b>44</b>
<b>TOTAL OUTLYING SYSTEMS</b>	<b>143</b>	<b>135</b>	<b>134</b>

ACRES OF LAND	2014	2013	2012
<b>Operations</b>			
Southerly Plant	311.2	311.2	311.2
Easterly Plant	92.6	92.6	92.6
Westerly Plant	13.4	13.4	13.4
<b>Administration</b>			
District Administration	2.6	2.6	2.6
Environmental and Maintenance Services Center	14.7	14.7	14.7
<b>TOTAL ACRES, OPERATIONS AND ADMINISTRATION</b>	<b>434.5</b>	<b>434.5</b>	<b>434.5</b>

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

\*Total interceptor sewers are in excess of 200 miles.

\*\*Records have been adjusted after a review of historic records.

Source: District accounting and engineering records.

# SEWAGE SERVICE

# MISCELLANEOUS

RATES 2005-2014

OPERATING STATISTICS 2012-2014

FISCAL YEARS DURING WHICH RATES WERE EFFECTIVE	STANDARD		HOMESTEAD (2)		FIXED FEE(3)
	RATE (1)	% CHANGE	RATE (1)	% CHANGE	
<b>SUBDISTRICT 1 (Cleveland)</b>					
2005	\$26.20	7.4	\$17.70	7.6	\$-
2006	28.10	7.3	18.95	7.1	-
2007	30.85	9.8	20.75	9.5	-
2008	33.85	9.7	22.75	9.6	-
2009	37.15	9.7	24.95	9.7	-
2010	40.75	9.7	27.35	9.6	-
2011	44.75	9.8	30.05	9.9	-
2012	49.55	10.7	29.75	-1.0	5.85
2013	55.45	11.9	33.35	12.1	6.30
2014	62.15	12.1	37.35	12.0	6.60

FISCAL YEARS DURING WHICH RATES WERE EFFECTIVE	STANDARD		HOMESTEAD (2)		FIXED FEE (3)
	RATE (1)	% CHANGE	RATE (1)	% CHANGE	
<b>SUBDISTRICT 2 (Suburbs)</b>					
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	-
2009	40.90	8.1	27.45	8.1	-
2010	44.25	8.2	29.70	8.2	-
2011	48.00	8.5	32.25	8.6	-
2012	52.55	9.5	31.75	-1.6	5.85
2013	58.15	10.7	35.15	10.7	6.30
2014	64.55	11.0	38.95	10.8	6.60

	2014	2013	2012
<b>TREATMENT PLANT FLOW</b>			
<b>Billions of gallons of sewage treated per plant</b>			
Easterly	32.2	31.7	32.9
Southerly	47.2	44.0	39.1
Westerly	10.3	9.9	9.9
<b>TOTAL</b>	<b>89.7</b>	<b>85.6</b>	<b>81.9</b>
<b>TOTAL SEWAGE TREATED, IN MCFS (1)</b>	<b>11,991,979</b>	<b>11,443,850</b>	<b>10,949,198</b>
<b>MCFS BILLED, TOTAL DISTRICT</b>	<b>3,739,178</b>	<b>3,709,188</b>	<b>3,895,816</b>

<b>STAFFING LEVELS</b>			
<b>Number of employees</b>			
Plant Operations & Maintenance	363	344	339
Engineering	61	61	61
Finance	44	43	39
Human Resources	16	16	15
Information Technology	22	18	19
District Administration	78	69	66
Legal	9	12	11
Administration & External Affairs	38	32	28
Watershed Programs	77	78	70
<b>TOTAL</b>	<b>708</b>	<b>673</b>	<b>648</b>
<b>BUDGETED EMPLOYEES, TOTAL DISTRICT</b>	<b>730</b>	<b>719</b>	<b>693</b>

(1) Per thousand cubic feet (MCF) of water consumed.  
 (2) These rates were first established in the 1991 fiscal year.  
 (3) A Fixed Fee per quarterly bill was established in the 2012 fiscal year.

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

Source: Various District records.

### 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). Minimum Quarterly Billing was discontinued starting in 2012.

Source: District accounting records.

## BOARD OF TRUSTEES

2014

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*Vice President*

**Walter O'Malley**

*Secretary*

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**Sharon A. Dumas**

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*Chief Operating Officer*

**Marlene Sundheimer**

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*Director of Administration & External Affairs*

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**Raymond Weeden**

*Director of Operations & Maintenance*

## OUR VISION

BE THE ENVIRONMENTAL  
LEADER IN ENHANCING  
QUALITY OF LIFE IN THE  
REGION AND PROTECTING  
ITS WATER RESOURCES.

## OUR MISSION

PROVIDE PROGRESSIVE  
SEWAGE AND STORMWATER  
MANAGEMENT THROUGH  
INNOVATION, FISCAL  
RESPONSIBILITY, AND  
COMMUNITY PARTNERSHIPS.



**Northeast Ohio  
Regional Sewer District**

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