

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
FEBRUARY 19, 2026

A Regular Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District (NEORS) was called to order at 12:30 p.m. by Darnell Brown.

I. Roll Call

Present: Darnell Brown
Timothy DeGeeter
Ronald Sulik
Jack Bacci
Sharon Dumas
Marjorie Chambers

Absent: Samuel Alai

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

II. Approval of Minutes

MOTION – Mayor Bacci moved, and Ms. Chambers seconded, to approve the Minutes of the February 5, 2026 Board Meeting. Without objection, the motion carried unanimously.

I. Public Session

Ms. Dreyfuss-Wells advised that Tamera Chappell, Mary Boyle, and Gail Bromley, signed up to address the Board regarding Shaker Lakes and Doan Brook.

Ms. Chappell gave the following statement: “Thank you very much for your time. The three of us represent the City of Cleveland, the City of Shaker Heights and the City of Cleveland Heights. We are just a representative of a group of people that are concerned about Shaker Lakes. What I would like to know for the group is who is funding this project and is the paperwork available for the public to read? What is the expiration date of this project? And have you looked at the endangered species at the lake? And those are my three questions.”

Ms. Dreyfuss-Wells advised Ms. Chappell that Matt Scharver, Director of Watershed Programs, would respond to her questions in writing and explained that NEORS) hopes to begin construction on the Doan Brook Restoration at Horseshoe Lake project this summer. The \$24 million required for that project will be funded by NEORS) through the Regional Stormwater Management Program (RSMP), meaning that there is no time limit on the funding, as it comes from customer stormwater

fees. If the Cities of Shaker Heights and Cleveland Heights ask NEORSD to perform a stream restoration and dam removal project at Lower Lake, which they have not, that project would also be funded through the RSMP.

As to the question regarding endangered species, the Endangered Species Act is a requirement of the US Army Corps of Engineers permitting that NEORSD is in the process of obtaining for the Horseshoe project and would obtain before beginning a stream restoration project in the Lower Lake area. In addition to those requirements, NEORSD staff assess the aquatic and terrestrial plants and animals in the area. Information regarding the Doan Brook Restoration at Horseshoe Park project is contained on NEORSD's website.

Ms. Boyle provided the following statement: "Hi, everyone. My name is Mary Boyle. I live in Shaker Heights in the little corner, which is where the three cities come together: Shaker Heights, Cleveland Heights and the City of Cleveland. And they - in fact, we three women are all neighbors in the area. And it is also - I came to your last meeting in order to try to refamiliarize myself with you individually, Board members, and also the work you do, and I loved it so it's kind of why I came back. And I have nothing formal to say other than that I am part of a network of people who are beginning to read and learn and hear and raising concerns about any discussions about how anybody is going to go forward with Doan Brook and what's going to happen. And so, I'm going to continue to do my best to be observant in learning about what the various facets and decision-making steps are. And I only want to add one little thing. Last night I got my annual thing from the Metroparks saying, 'Give us a report on how you think our podcasts are going.' And so, I thought, 'A podcast on the Metroparks? It will be full of beautiful pictures and all kinds of other things.' Anyway, I thought, 'I owe it to Director Zimmerman to take a look at that.' I did and you would love it. The one I chose to watch was about West Creek. All right? And I - so I watched it because I thought, 'This will be helpful for Doan Creek and as we go forward and see what's happening.' It was a - it was the Director or CEO, I'm not sure, of the West Creek Conservancy and Director Zimmerman talking about their wonderful partnership and your wonderful role in their partnership. It was absolutely wonderful, so I commend you for having good friends like that because it was a really nice podcast, but they didn't have enough pictures. So that's my only comment.

Thank you, Mr. Chairman. I appreciate it very much letting me come again."

Mayor DeGeeter commented that he also listened to that podcast with Derek Schaffer and it was very informative and Parma-centric.

Ms. Bromley then provided the following statement: "My name is Gail Bromley. I live in Cleveland Heights, and we have raised our family diagonally across from the lower lakes and very much appreciate the beauty of it. I think what I'm struggling with is the disconnect and the more than 1,000 people who have already signed a petition campaign to get more information about the 1,000 century-old trees that will be chopped down, the endangered species that will be jeopardized and the lakes that will go away. And we're hoping that there will be some vehicle where we can get more

timely information because we want to certainly work with you, but we really want to understand the implication of some of these changes. So, thank you for having us today.”

Mr. Scharver explained that NEORSD and the Cities of Shaker Heights and Cleveland Heights have gone to great lengths through the predesign and design process for the Doan Brook Restoration at Horseshoe Park project to avoid and eliminate as much tree removal as possible. Unfortunately, due to the underlying issues in the area, the ODNR Class 1 high-hazard dam that is a public safety threat, the project requires the removal of portions of the dam and approximately 180,000 cubic yards of lakebed sediment, some trees will require removal. NEORSD is working to avoid as much tree loss as possible and will be replanting more trees in their stead.

Ms. Dreyfuss-Wells added that NEORSD is happy to discuss the matter with residents and answer questions in any format.

Ms. Bromley added that her concern is centered around the removal of 1,000 100-year-old trees. Ms. Dreyfuss-Wells explained that the 1,000 trees potentially slated for removal are not all 100-year-old trees. Some of the trees to be removed are invasive or diseased. There is an extensive tree inventory that NEORSD could provide.

Ms. Chappell asked if the trees that have been marked would be removed. Mr. Scharver explained that trees were tagged for identification during the tree survey, which recorded the species, condition, and location of each tree. Only a portion of the tagged trees are to be removed.

II. Chief Executive Officer’s Report

Kyle Dreyfuss-Wells, Chief Executive Officer, advised the Board of Trustees that on February 7th, NEORSD held its first Utility Assistance Resource Fair of 2026. During the three-hour event NEORSD assisted 139 households. There were 53 NEORSD staff and 14 external volunteers from the National Association of Social Workers, Cuyahoga Community College health student workers, and the National Council of Negro Women who assisted customers. New this year, NEORSD emailed 900 customers who had draft cost savings applications in process and encouraged them to attend the Fair and get assistance in completing their applications. As a result, the Customer Relations team saw a 50% increase in customers at this Fair. Ms. Dreyfuss-Wells thanked Nichole Oocumma, Chief Administrative Officer, and her team for that suggestion.

Unfortunately, Step Forward was not in attendance at this Fair as they have been in the past; however, Dr. Oocumma and her team assisted attendees in completing their HEAP applications. President Brown asked why they did not attend. Dr. Oocumma explained that Step Forward has had some staffing changes in the past month that prevented them from attending. They do intend to attend the next Fair on March 7th, and because they are not able to take applications onsite, NEORSD will continue to assist attendees in completing their HEAP applications.

President Brown thanked Dr. Oocumma and added that NEORSD has been working for several years to identify customers who are eligible for rate reduction plans and how many are actually participating in the programs. President Brown encouraged NEORSD staff to continue these efforts for the health and vitality in the community and noted the importance of partnering with other organizations and connecting residents to as many resources as possible. For example, connecting residents to the Greater Cleveland Food Bank to assist with food insecurity as well as reduced utility costs.

Dr. Oocumma added that her team has cost savings programs as an area of focus for the year and has an upcoming multi-hour planning meeting. Throughout the rate study process, there has been updated information provided to the team regarding census information for the region. This updated data will be used to further develop ideas and opportunities to continue our support of eligible families in the service area.

Ms. Dreyfuss-Wells added that the Greater Cleveland Food Bank and Digital C, which provides free internet to families with students registered in the Cleveland Metropolitan School District, and a staff member of Congresswoman Brown's office were all in attendance at the Fair as well. Ms. Dreyfuss-Wells thanked Angela Jones, Senior Manager of Government Affairs, and Pauletta Hubbard, Senior Manager of Customer Relations, and their teams as well as all of the other staff who assisted in the Fair, for a successful event.

On January 30th, NEORSD received the Auditor of State Award with Distinction for the 2024 Annual Comprehensive Financial Report for the sixth consecutive year. Ms. Dreyfuss-Wells acknowledged Majlinda Marku, Manager of Accounting and Reporting, and the Finance Department for their accomplishment.

Also on January 30th, NEORSD was awarded \$14,950 by the Cleveland Tree Coalition to plant an additional 23 trees at its property in Glenville. The plantings will take place in the fall of 2026 to provide additional stormwater management and cooling along St. Clair Boulevard. The Good Neighbor Ambassadors will maintain this property and continue their educational outreach with Glenville High School and Franklin Roosevelt Elementary School. Ms. Dreyfuss-Wells thanked Marie Fehik-Kirk, Manager of Sustainability and Special Projects, Danielle Giannantonio, Senior Manager for State, Federal and Legislative Affairs, Kevin Harrison, Sustainability Special Project Specialist, and the Good Neighbor Ambassadors for maintaining the trees.

Action Items

Authorization to Advertise

- Resolution No. 21-26 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for a one-year requirement contract for Caterpillar standby generator maintenance and repair services, with an estimated probable cost of \$1,050,000.00.
- Resolution No. 22-26 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for a public improvement contract for the District Wide Space Improvements, Phase 1 project with an estimated probable construction cost of \$194,000.00.
- Resolution No. 23-26 Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for a public improvement contract for the Nine Mile Debris Rack near Belvoir Boulevard project with an estimated probable construction cost of \$628,500.00.

MOTION – Ms. Dumas moved, and Mayor Bacci seconded to adopt Resolution Nos. 21-26 through 23-26. After the following discussion, without objection, the motion carried unanimously.

President Brown asked, regarding Resolution No. 23-26, for additional information regarding the project and whether the intent of the debris rack is to mitigate challenges in the area. Mr. Scharver answered affirmatively and explained that this project is to address a culvert opening on the Nine Mile Creek system in a wooded area at Belvoir Boulevard. Mr. Scharver provided photos of the area and explained that despite regular maintenance, a debris rack has become necessary to prevent large debris from causing flooding in the area. The Nine Mile Creek flows from south to north and is a direct tributary to Lake Erie. At the southern end of the stream is the Langerdale Basin in South Euclid, which is a flood control basin. The debris rack will be located on the culverted section that carries it through Cleveland on its way to Bratenahl where it opens into a channel. NEORS has performed extensive stream restoration of Nine Mile Creek in partnership with the Chagrin River Watershed Partners.

Mr. Scharver provided photos demonstrating two locations where NEORS has previously removed debris from the culvert that runs under the roadway and explained that there were old trees that had to be removed through manholes because the debris causes roadway flooding and basement backups.

Authorization to Issue Request for Proposal (RFP)

Resolution No. 24-26 Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 6119, for a comprehensive compensation study for all District employees.

MOTION – Ms. Chambers moved, and Mr. Sulik seconded to adopt Resolution No. 24-26. Without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 25-26 Authorization to enter into a professional services agreement with Cuyahoga Community College for professional development and job training for the District’s Good Neighbor Ambassadors & Job Training Program, in the amount of \$66,000.00 for 2026 and \$64,000.00 for 2027, for a total agreement amount not-to-exceed \$130,000.00.

MOTION – Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 25-26. Without objection, the motion carried unanimously.

Authorization to Assign and Agreement

Resolution No. 26-26 Authorization to assign Agreement No. 25001233 with SCT Operations, Inc. to Health Express Urgent Care, LLC for occupational health services, and further authorization to amend the agreement to add oral fluid or saliva testing to the substance testing methods authorized under the Agreement, and to add testing for heroin and oxycodone to the substance testing panels for employees who are not subject to the U.S. Department of Transportation regulations, with no change in the total agreement amount, and with all other terms and conditions of the agreement to remain unchanged.

MOTION – Mr. Sulik moved, and Ms. Dumas seconded to adopt Resolution No. 26-26. Without objection, the motion carried unanimously.

Authorization to Close Out Public Improvement Contract

Resolution No. 27-26 Authorization to close out Public Improvement Contract No. 24009378 with Thomarios for the Southerly Tunnel Pipe Painting project, to decrease the contract amount by \$0.50, thereby bringing the total contract amount to \$272,327.00.

MOTION –Mayor Bacci moved, and Ms. Chambers seconded to adopt Resolution No. 27-26. Without objection, the motion carried unanimously.

Property Related Transaction

Resolution No. 28-26 Authorization to acquire one parcel in fee simple known as PPN 457-34-014, located at 10913 W. Pleasant Valley Road, in the City of Parma, owned by Branden D. Osborne, necessary for the construction and maintenance of the SWMP Project Area 6 – Flood and Erosion Reduction Near York and Pleasant Valley Roads project, and authorization to enter into a six-month no cost lease agreement with Mr. Osborne, and to allow for the entirety of the payment to be disbursed to Innovative Title and Escrow Services, LLC, with total consideration of \$215,000.00 plus closing costs.

MOTION –Mr. Sulik moved, and Ms. Chambers seconded to adopt Resolution No. 28-26. Without objection, the motion carried unanimously.

Authorization to Grant Credit

Resolution No. 29-26 Authorization to issue a credit adjustment in the total amount of \$27,660.20 against sewer charges on the account of Forest View Apartments, LLC, 1866 Forest Hill Boulevard, East Cleveland, ending in 5586.

MOTION –Ms. Chambers moved, and Mayor Bacci seconded to adopt Resolution No. 29-26. Without objection, the motion carried unanimously.

III. Information Items

President Brown advised the Board that Investment Advisor Performance Report for the Twelve-Month Period Ending December 31, 2025 was contained in the meeting materials, and any questions should be directed to Ken Duplay, Chief Financial Officer.

Doug Lopata, Program Manager of Planning and Design, provided the Capital Improvement Program update for January 2026, beginning with cashflow. Mr. Lopata provided a slide demonstrating the last 10 years of cashflow and explained that for 2026, the key performance indicator (KPI) for budget is to spend \$235 million, which is 85% of the total planned cashflow of \$276 million, the largest budget to date.

The planned contracts for 2026, total \$690 million, also the largest to date, with \$665 million across 15 construction contracts, and \$24.5 million across 7 professional services contracts. The largest contracts include \$200 million for the Easterly Chemically Enhanced High-Rate Treatment Facility (ECEHRT) project, \$295 million for the Big Creek Storage Tunnel project, and an estimated \$65 million for the Southerly Tunnel Dewatering Pump Station project.

Ms. Dumas asked when the bid packages are due for the ECEHRT project. Mr. Lopata explained that they are to be submitted April 27, 2026.

There are 9 Consent Decree compliance milestones to be achieved this year. The 2026 KPIs are generally the same as prior years. There is still a goal to achieve \$10 million in value engineering savings.

Mr. Lopata explained that the Easterly Stockroom Relocation project reached substantial completion in January; however, due to some delays related to the final inspection of the fire alarm system, the KPI was narrowly missed. Mr. Lopata invited Nick Parisi, Manager of Construction, to provide additional information regarding the project.

Mr. Parisi provided a map of the Easterly WWTP demonstrating the project area location and explained that the needs addressed by the project included an aging facility that was beyond its functional life, inadequate HVAC, and limited space for storage and repair work. Mr. Parisi provided multiple before and after photographs of the project, which provided new office space, break room, locker room, restroom, elevator, and vastly improved storage and workspace for the stockroom. Additionally, the corner of the building was built out with an ingress and egress, which will allow for ADA accessibility compliance and an emergency stairwell.

The project repurposed an existing structure, consolidated the maintenance support area to one location, included energy efficient systems to the lifecycle costs, and was completed under budget.

President Brown thanked Mr. Lopata and Mr. Parisi for their presentations and added that after more than 20 years of working to address surface and basement flooding in the Easterly WWTP service area or Big Creek, there are notable improvements across the service area. It is exciting to see projects achieve completion.

Mr. Duplay reminded the Board that the numbers are still preliminary and provided the 2025 Finance Year-End Review, beginning with comparing 2025 actuals to the 2025 rate study numbers. Revenue is approximately 11% above the rate study projection.

This is the fifth consecutive year that consumption has outperformed budget, with consumption increasing 0.7% from 2024. Historically, consumption has decreased by an average of 2% annually, and that is the assumption that has been used for planning. The past five years have been the first time since 1987 that there has been more than two years in a row above the long-term average. The City of Cleveland, Division of Water, has also seen improving consumption rates. NEORSD is working with its external consultants to determine how to forecast consumption going forward. For the current ten-year plan, NEORSD is reducing the declining consumption estimate; however, there is concern about reducing the estimate too low to have a reliable long-term plan. Going into the current rate study period, the ten years prior had an average annual decline in consumption of 2.17%.

Actual operating expenses were approximately \$11 million below projections. Some categories were higher than the rate study projections, such as salaries being approximately \$2.5 million over as the annual increases coming out of COVID-19 have been more than the 3% planned in the rate study. Electricity was approximately \$600,000 above estimate, and materials and supplies were approximately \$3 million over projections. Chemicals and various equipment parts have seen inflationary increases significantly above what was projected over the past four years.

Benefits spending was approximately \$7 million below projections, as healthcare claims were lower than expected. Likewise, professional services was \$4 million below planned and contractual services spending was \$2.5 million below planned.

The Capital Improvement Plan changes from year to year and project schedules impact budgeting. The ECEHRT project was anticipated to have \$30 million in expenditures in 2025 but was delayed due to Consent Decree modification efforts with the EPA. That spending has been delayed until 2026.

Regarding debt service, NEORSD was \$42 million under projections, primarily due to the less than 2% interest rates on the \$300 million in loans taken out in 2021 and the bond refunding and defeasance transactions over the last several years.

As for wastewater budget versus actual spending, the actual revenue is above the budgeted number due to the higher than anticipated consumption. The revenue is comprised primarily of user charges at 99.5%. The other income includes septic hauler fees at approximately \$1.3 million. The majority of billing is billed through NEORSD's largest billing agent, City of Cleveland, Division of Water, with the balance directly billed by NEORSD at \$35.1 million.

Operating expenses are 6% below 2025 budget. Areas that are under budget include salaries at \$2 million due to unfilled positions and just under \$1 million below anticipated benefits costs for healthcare claims. Additionally, utilities were \$800,000 below projections and contractual services were \$2 million below projections.

Total gross operating expenses were \$156.1. This total includes \$6.9 million of labor charged to capital projects and \$4.6 million of indirect costs charged to Stormwater Programs. Salaries and benefits comprise 58% of the budget, equating for \$91 million; benefits include medical and dental claims for the self-funded healthcare programs at \$12.9 million; employer contributions to OPERS were \$9.4 million. Utility costs were \$15.3 million, with \$12 million of that being for electricity. Professional services costs were \$6 million, including \$600,000 in engineering services, \$500,000 in HR related professional services and \$750,000 in legal services. Contractual services total \$21.5 million, including collection fees of \$10.9 million, operational insurance premiums of \$1.6 million and solids handling equaling \$2.5 million.

Last year was the highest in terms of budget and actuals that NEORS D has had. NEORS D makes every effort to achieve savings, and the goal is to always be within 95% of budget. It was also a large year for capital spending, with approximately \$222 million in capital projects, the largest including the Southerly Tunnel and Consolidation Sewer project at \$81 million. Just over half of the CIP continues to be driven by the Consent Decree related projects. This year 88% of the CIP was cash funded. There was \$26 million in loan funding across two projects. The Engineering and Construction CIP was \$209.7 million.

Debt service is slightly under budget. NEORS D has \$1.8 billion in outstanding debt, primarily driven by Consent Decree obligations. There is \$860 million in outstanding bonds and \$970 million in loans. There were no debt transactions in 2025. Debt service coverages are well beyond goals.

Mr. Duplay transitioned the presentation from sanitary sewer financials to Stormwater, beginning with comparing actuals to rate study projections. Last year was the first year that there was a full 10-year CIP from the Stormwater Programs and a long-term schedule of capital projects.

Stormwater revenue is within 2% of rate study projections. Operating expenses and capital expenditures combined are within 85% of rate study projections. Stormwater revenue budget versus actual for 2025 was within 2%. Operating expenses were 24% below projected due primarily to project delays. Professional services for the year were \$5.2 million, with Stormwater Model Data Management and Supporting Services totaling \$1.6 million. Contractual services is the other primary component at \$12 million.

Mr. Duplay provided slides to summarize 2025 financials and explained that there were seven various types of grants or federal funding received for a total of \$6 million.

The cash balance reserve for sanitary sewer decreased from 2024 to 2025 by \$32 million. During the last rate study period, the federal interest rate was at zero, and there was less than 1% earnings on investments. Since then, rates have increased to over 5% taking the interest income from 2022 to 2025 from the \$11 million projected to approximately \$74 million in interest over that time.

NEORSD used \$120 million to defease outstanding bonds resulting in \$155 million in interest savings. NEORSD has been actively involved in reacting to the market and managing cash balances and implementing the plan to fund capital projects with cash. \$507 million in cash, or 63% of the CIP from 2022-2025, has been spent to fund capital projects.

The January month end cash balance for sanitary sewer is approximately \$519 million, lower than the year end cash position of \$542 million. The Stormwater Programs year end balance is \$71 million, including \$49 million for the Community Cost-Share Program.

Return on investments have been strong since 2022 with nearly 5% return on investment as well as the pooled funds in STAR Ohio, similar to the prior year. Year end results were favorable and NEORSD is meeting all of its financial metrics. The days of cash on hand have decreased from 1,583 days to 1,400 days as a function of increased cash spending.

President Brown added that the financial reporting was positive and there is much to consider going into the next five-year rate study period. The increased consumption rate is an interesting aspect of the process, as there is typically a decrease.

Ms. Dumas added that the portfolio management and refinancing efforts are impressive and that the projections at the beginning of the year are used to set rates. Ms. Dumas noted that being 11% over the projected revenue rate is impressive; however, the Board would prefer to set rates based on the budget number that is coming in the future, as that variance is high. Ms. Dumas added that it is important to spend down the cash balance and to be mindful of what the historical trends are when setting the rates.

Mr. Duplay then presented some preliminary numbers for the proposed 2026 budgets for sanitary sewer. There is a projected 3.2% increase in revenue and 1.3% increase in operating expenses projected over budget. There was a close analysis of areas that typically underspend in an attempt to establish a solid baseline for rate study projections. Capital expenditures will be the highest year ever anticipated, and debt service will increase in 2026.

The Stormwater budget has a 2% projected increase in operating revenue. Both sanitary sewer and Stormwater Programs have an approved 4.2% annual rate increases. Stormwater operating expenses are expected to decrease but be offset by an increase in capital projects.

The next step as it relates to the 2026 budget is the Finance Committee Meeting scheduled for March 10, 2026, followed by the anticipated approval of the 2026 budget at the March 19, 2026 Board meeting.

President Brown thanked Mr. Duplay and his team for their leadership and added that the Board is looking forward to providing guidance in establishing the budget and rate strategy.

IV. Open Session

There were no items.

V. Public Session (any subject matter)

There were no items.

VI. Executive Session

Mayor Bacci, pursuant to Ohio Revised Code Section 121.22 (G)(6), moved, and Mayor DeGeeter seconded, to enter into executive session to discuss details related to District security arrangements and emergency response protocols, the disclosure of which could reasonably be expected to jeopardize District security. By roll call vote, the Board voted unanimously to enter into executive session at 1:44 p.m.

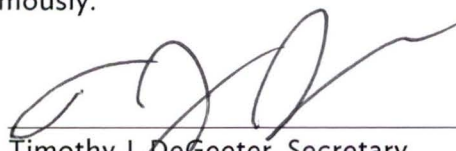
The Board returned to open session at 2:09 p.m.

VII. Approval of Items from Executive Session

There were no items.

VIII. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Mr. Sulik seconded the motion to adjourn at 2:10 p.m. Without objection, the motion carried unanimously.



Timothy J. DeGeeter, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



Darnell Brown, President
Board of Trustees
Northeast Ohio Regional Sewer District