

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES
SPECIAL MEETING
APRIL 7, 2026

A Special Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District (NEORS) was called to order at 11:00 p.m. by Darnell Brown.

I. Roll Call

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

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

II. Comprehensive Cost-of-Service, Rate Study/Rate Adjustments and Affordability Analysis Presentation and Discussion

Ken Duplay, Chief Financial Officer, introduced Carol Malesky of Stantec Consulting Services (Stantec), NEORS's external consultant for the rate study period 2027 through 2031, to discuss the proposed rates for sanitary sewer, stormwater services, and industrial surcharges, as well as the report of the analysis of NEORS's affordability programs.

Ms. Malesky explained that she is a Senior Principal and has been doing rating studies for nearly 30 years. This is the third NEORS rate study in which Stantec has participated. Ms. Malesky acknowledged Ms. Dreyfuss-Wells, Mr. Duplay and NEORS staff for their assistance and collaboration throughout the process.

Ms. Malesky described the data collection process at the beginning of the rate study before explaining that four rate scenarios have been prepared and would be presented to the Board.

The scenario expected to be the most likely outcome, which Stantec is proposing, provides for a 2.25% annual rate increase over the next five years. The scenario was based upon multiple cost escalation factors including wages, chemical costs, increased energy costs, increased consumer price index, and potential loan funding scenarios.

Ms. Malesky provided a slide demonstrating the key financial metrics and assumptions that were used in creating the scenarios. Each assumption helps guide the financial forecast to determine the necessary rate adjustment. This includes multiple factors such as billed consumption and Capital Improvement Plan (CIP) spending, and days cash-on-hand. Ms. Malesky walked through other alternative rate plans with higher increases and explained that the 2.25% increase is most likely because it achieves the funding goals.

Annual consumption is an important factor in rate setting because revenues are based on consumption values. If the forecast is too high, there is a risk of setting rates too low and not recovering the right amount of revenues. If forecasted too low, there is a risk of setting rates too high. Using the historical projections under this proposal, the assumption is that consumption decreases by 1.5% each year. Declining consumption is very common nationwide. The ten-year average for the service area is a decrease in consumption of 1.19% per year, so it is believed that 1.5% is a reasonable target going forward and will be reevaluated.

President Brown noted that historically, NEORS D relied on a decrease in consumption rate of 2%, and in recent years, there was not that significant decrease. President Brown asked if that is an anomaly or the new normal.

Ms. Malesky explained that that was factored into the study and that from 2024 to 2025, there was a slight increase in consumption. There are several factors that were assessed including people returning to the region and to work following the COVID-19 pandemic and changing weather patterns. It was determined that 2025 may not be characteristic of the future forecast.

Ms. Dumas asked whether development in the region was taken into consideration as that may be a factor in increasing consumption. President Brown added that water regulating devices are becoming more the rule than the exception and may be an indicator of where things are heading.

Ms. Malesky explained that development patterns were not part of the assessment, but trends were reviewed and it is believed that consumption is stabilizing and there will still be a decline in consumption.

President Brown added that there has been significant new construction in the region which will use less water than the old construction it replaced and should be considered.

Mr. Duplay explained that consumption has been better than projected every year since the last rate study. The ten years prior to that, there was an average decline of 2% per year. This is being closely evaluated in order to maintain a conservative balance without going too far. This should not be assumed to be a permanent pattern because it is still unknown whether there will be a 0.5% decline going forward and it is necessary to balance long-term estimates.

Another key estimate is total number of accounts, which has been flat for the past ten years and prior to that, there was a decline of up to 0.5% at one point. Additionally, reduced consumption used to be estimated at 3% annually. NEORSD is continuously looking at these trends and trying to maintain the balance of conservative estimate.

President Brown noted that while NEORSD has good participation compared to other entities, only 5% of eligible ratepayers are enrolled in a cost savings program and asked whether there is an ability to project what will happen to revenue if there are significant increases in program enrollment. Since 2022, there has been a 76% increase in enrollment and there are still less than 5% of eligible customers enrolled.

Mr. Duplay explained that the Stantec model has the allowances to project movement of customers between the different classes of affordability and NEORSD has used that in the past. Ms. Dreyfuss-Wells added that it will be covered later in the presentation and NEORSD expanded the eligibility in the prior rate study that will increase the pool of customers eligible for the programs.

Ms. Malesky provided a flow chart demonstrating the allocation process of revenue requirements and explained that in particular, it is used to calculate industrial surcharges. For the 2027 total revenue requirement, NEORSD needs to recover \$435.5 million in this alternative one scenario goes through the cost allocation process to know how much revenue needs to be recovered from volume charges, industrial surcharges and fixed cost recovery charges. After that process, the rates can be calculated that are tied to the cost of service.

Rate components are divided into components of fixed charges which cover administrative costs such as billing and customer service; variable charges; and high pollutant strengths, which require additional surcharges for certain industrial customers. Usage rates are per 1,000 cubic feet or MCF recover remaining revenue requirements with the exception of the high pollutant surcharges. The fixed cost recovery charges only recover 10% of the total revenue requirement; the remaining amount is distributed mostly through the volume rate, then industrial surcharges. This is low compared to other utilities in the country, but important because the higher the fixed rate, the more customers have challenges in affording the services.

Ms. Malesky briefly walked through the other rate alternatives which would increase the average usage rate from the current \$130.75 for a regular rate customer and \$78.45 for a discount rate customer. The current monthly fixed rate is \$11.90 for a regular rate customer and \$7.15 for a reduced rate customer. Using the Alternative One proposed rate increase of 2.25%, the fixed rate in the year 2031 increases to \$13.30 for a regular rate customer and a per MCF usage rate of \$146.15.

President Brown asked if the typical usage for a residential customer has changed. Ms. Malesky explained that it has not changed much and the typical residential usage is 0.5 MCF per month.

Ms. Malesky explained that Alternatives One and Two have very similar results as Alternative Two proposes a 0% increase for 2027 followed by a 3% increase year after year and brings the monthly fixed cost to \$13.40 and usage rate of \$147.15.

Alternatives Three and Four, which are worst case scenarios, add 3% per year and 0% in 2027 followed by 3.75% annually, respectively.

Ms. Malesky invited Matt Scharver, Director of Watershed Programs, to discuss the proposed stormwater rates.

Mr. Scharver reminded the Board that stormwater is different than sanitary sewer in terms of rate structure and explained that there are three rate Alternatives. Alternative One provides a 3.5% annual rate increase over the next five years, equating to approximately \$0.25 per month annually. There is no significant delay to the scheduled and committed Regional Stormwater Management Program capital program or stormwater construction plan projects under this scenario. However, Alternative One does include delay of committed projects beyond 2032 that are necessary to complete but have not yet been scheduled.

Alternative Two provides a 2.25% annual increase, equating to \$0.15 per month, and results in a delay of 8 projects to 2032, pushing projects out past the current five-year rate structure.

Alternative Three is 0% increase in the first year and a 3% increase per year thereafter, equating to \$0.16 increase per month.

Mr. Scharver invited Kyle Stephens of Stantec Consulting to provide more detailed information.

Ms. Dreyfuss-Wells clarified that the proposed scenarios for sanitary sewer rate increases address the needs of the wastewater program. On the stormwater side, Alternative One delivers the stormwater construction plan projects as planned in the five-year period. The alternative scenarios match the increases being made in sanitary sewer but do not provide adequate funding to deliver the stormwater construction plan projects.

Mr. Stephens provided a slide demonstrating the key findings of the analysis performed for Stormwater Programs and its various expenditures and explained that in any given year, the total project expenditures can range from 50% to 70%, and ebbs and flows dependent on projects, necessitating the 3.5% increase. An important aspect of this is the 3.87% projected annual inflation in project costs; the 3.5% proposed increase is to ensure that the revenue stream is growing at a similar rate to the expenditures within the utility.

Mr. Stephens provided a graphic demonstrating the financial management software that Stantec uses and explained that the 3.5% rate increase annually from 2027 through 2031, would increase the current monthly fixed rate of \$6.35 to \$6.57 in 2027 and \$7.55 by 2031. This allows for

stabilization of the days cash-on-hand balance to allow for the ebbs and flows of capital spending within the program. This projection also assumes that when compounded through 2035, the average monthly fixed rate would be \$8.50.

Mr. Stephens compared that to the other two scenarios which provide roughly \$0.50 lower monthly fixed rate for customers yet the inability to generate sufficient revenue to deliver the same number of projects on schedule.

Mr. Scharver explained that of the 247 projects identified under Stormwater Construction Plan , there are 26 stormwater projects that NEORSD is committed to delivering in the next rate period of 2027 through 2031, totaling approximately \$587 million of the \$1.6 billion in total stormwater needs. Of those 26 projects, 13 are committed projects for the immediate future and 13 are delayed further into the future. Under Alternative One, 3 of those projects will be delayed until 2032 or later. Under Alternatives Two and Three, 8 projects, 62% of those delayed projects, will be delayed beyond 2032.

Stormwater Programs is cashflow driven and in any given year, there are \$20 million to \$25 million in construction projects. Significant upcoming projects include the Renewal of Culverted Streams II project with a cost of \$22 million, the Doan Brook Restoration at Horseshoe Park at a cost of approximately \$30 million, the Doan Brook Culvert Conveyance near University Circle at \$13 million; and the tentatively named Doan Brook Restoration at Lower Shaker Lake, at a preliminary cost of \$31.8 million.

Mr. Scharver provided a graphic demonstrating the impacts of Alternatives Two and Three with reductions of revenue of \$8.2 million and \$9.7 million respectively; and how those 8 planned projects would be delayed until 2034.

Mr. Scharver walked through the numerous project delays under Alternatives Two and Three, including the Mill Creek Restoration in Warrensville Heights project, which has been in design for some time and has included the acquisition of 19 parcels, would be delayed by two years. The Big Creek West Branch Basin Improvement project which involves the ODOT basin at I-480 is already delayed 1.25 years under Alternative One would be delayed 2.25 years under Alternatives Two and Three.

Mayor Alai asked whether the 8 projects being delayed until 2032 means that the money will be available for all 8 projects at that time. Mr. Scharver explained that the money would be there to start but the projects would be staggered throughout the next rate cycle period of 2032 through 2036 to be implemented depending on cashflow availability.

President Brown added that most of these projects have a long history behind them, some having 25 to 30 years of flooding problems in communities. NEORSD has done its due diligence to identify the solutions, but funding is a challenge even in the face of changing rainfall patterns affecting

modeling and project designs. President Brown asked if there is something down the road that can be discussed with local governments because it is unfortunate that the only thing missing to remedy these problems is money. The federal government has acknowledged the issue to some extent. President Brown added that this is likely true around the country and asked whether there is an alternate strategy beyond what NEORSD is already doing.

Mr. Scharver explained that Stormwater Programs has done its best to be nimble and have flexibility to respond to storms when they happen but is limited to the amount of available funding. Ms. Dreyfuss-Wells added that in order to deliver a good project, it is necessary to plan, model, design and construct. Planning and modeling help NEORSD to be in a position to apply for federal funding when it becomes available. The return of the earmark process has resulted in NEORSD being successful in obtaining funding for some projects. Aspects that have contributed to that success include, regarding climate change, Watershed Programs is continually updating its models based on real-time data that is highly refined; and NEORSD is shovel ready when the funds become available.

President Brown agreed and added that the model was previously driven by the fact that in order to compete for funding, projects must be shovel ready; NEORSD is beyond shovel ready, and the question is should there be a new driver for funding based on readiness? It is a political question that requires a political answer; at some point, there needs to be additional discussion.

Ms. Dreyfuss-Wells agreed and added that many of those programs that were under the previous administration and NEORSD was starting to be a part of those conversations and hopefully, if those programs return, NEORSD will be ready.

Ms. Dumas asked if the model for Stormwater Programs, pay-go, is what is projected for the future or if it is anticipated that there will be enough future financial stability to borrow funds. Mr. Duplay explained that currently, NEORSD anticipates maintaining the pay-go model. Primarily because of the need to deliver the final Consent Decree projects on the wastewater side and the additional debt that that will lead to, at the completion of the next rate cycle, and he believes that there could be a serious discussion about whether NEORSD would like to incur debt on the stormwater side.

Mayor DeGeeter added that several projects have been completed in the City of Parma and the Regional Stormwater Management Program has been a Godsend for the City. There has been successful implementation of projects on a regional basis, and residents and council members are all greatly appreciative. Mayor DeGeeter noted that, specifically regarding the Big Creek West Branch Basin Improvement at I-480 project, which directly affects the GM plant, GM announced a \$250 million investment in that plant which will create 100 new jobs. This is a big-ticket item that he would not like to see delayed, whether this requires further advocacy to federal or local partners, the project needs to go forward.

President Brown added that perhaps the strategy is to talk more about what NEORS D has been able to accomplish with its available resources and the planning performed. There are many areas in the region that have historically flooded that now have relief that has been significant to the communities. Perhaps NEORS D does not discuss its success enough. President Brown relayed that he recently discussed with Mayor Bibb the fact that the City of Cleveland is at the bottom of many hills and Parma is right above Cleveland, meaning that the Cities get flows from other communities. The only thing that stops NEORS D from being more successful is funding.

Mayor Bacci added that it is difficult for residents to appreciate the benefit of projects that are completed below ground such as storage tunnels and sewer pipes; residents are more likely to appreciate the impacts of projects that they can see occurring above ground.

Mayor DeGeeter added that it is helpful to report projects to local media so that when significant flooding occurs, they can point out the local news stories of what efforts have been made to improve conditions.

Ms. Dreyfuss-Wells thanked the Board for their comments.

Mr. Scharver invited Ms. Malesky to discuss combined bill comparisons.

Ms. Malesky explained that the current average residential customer bill in 2026 is \$83.63 for a regular rate bill and \$48.92 per month for reduced rate customers. When applying the proposed 2.25% increase for sanitary sewer and 3.5% increase in stormwater billing, it brings the 2031 average monthly residential customer bill to \$93.93 for regular rate billing and \$54.87 per month for reduced billing. In comparing that to a 2.25% increase for both sanitary sewer and stormwater, it brings the average bill to \$93.48 and \$54.69 respectively. When applying Alternative Two for wastewater and Alternative Three for stormwater of a 0% increase for 2027 and a 3% increase thereafter, it brings the average bill to \$93.33 and \$54.74 respectively.

As for industrial surcharges, which do not always have an across-the-board increase year after year, because the rates are calculated based on BOD, COD and TSS, meaning that the annual surcharges are calculated individually.

In looking at the cost-of-service approach, there are two alternatives. The first is to get the rates for industrial surcharges to cost of service rates by 2031. This is what was done in the last rate study and Stantec recommends that NEORS D do it again because of how treatment costs and discharges change over time. Under this scenario, there is an equal annual change in the pollutant cost to treat each milligram per liter per MCF. For 2026, the unit rate of BOD and TSS is currently at about \$0.03 per milligram per liter per MCF for both of those constituents. Going forward, an equal annual rate increase would get to cost of service-based rates by 2031. Looking at 2031, the BOD charge is \$0.036 per milligram per liter per MCF and for TSS it's \$0.035. Those equal annual rate increases will achieve cost of service-based rates.

When looking at a large industry, when applying equal annual increases over time to their surcharges for Alternative One, there is a 2.25% increase in their fixed monthly charges and the rate per MCF. The average rate increase over this period of time is 2.7% per year due to the large amount of volume and the large amount of pollutant waste from this customer.

In comparison, a smaller industrial customer with 253 MCF during the year may have average BOD and average TSS very close to that surcharge limit. In this case, an average bill increase for such a customer is 2.2%.

Ms. Malesky provided a slide demonstrating Alternative Two with a 0% increase for 2027, without changing the industrial surcharges, but taking the surcharges to cost of service for the next four years. In this case, the surcharge rates get to the same place, but it has a different impact on the large industry versus the small industry. It's actually a larger impact on both of these industries because of the way the surcharges change year after year. It is a slightly higher increase over time per year for both of these types of industries.

Ms. Dreyfuss-Wells emphasized that Alternatives One and Two appear very similar for residential customers; however, for industrial customers, Alternatives Two and Three have a more significant impact.

Ms. Malesky then explained that one of the tasks of the rate study was to evaluate an expansion to the Industrial Surcharge Program. Currently, the program includes monitored customers that have larger discharge limits. However, there are some non-monitored customers that have discharges suspected to be greater than those domestic surcharge limits. Currently, those customers are paying regular rates for wastewater treatment. Stantec was asked to assess a group of non-monitored customers using data collected by NEORS staff over a few years to evaluate what the impact and cost would be to expand the program to these additional customers and see if they were charged a surcharge rate, what impact it would have on regular customers.

Stantec assessed a range of 3,000 to 6,000 non-monitored customers in food service establishments within the service area and what the impact would be if they were brought into the program. Stantec also evaluated the customers for their discharge strengths and other such programs around the country, and how those programs are implemented under other utilities.

When calculating a separate rate for those 3,000 to 6,000 accounts of food service establishments within the service area, Stantec looked at what their rate would be if incorporated into that higher strength waste. Currently these customers pay \$130.75 per MCF. The estimated rate would be \$151.50 per MCF for these customers. That is approximately a 15.5% increase in that rate for those types of customers. Conversely, this would translate to minimal savings for both residential customers and for large industrial customers. It does not appear to be worthwhile to expand the program at this time.

Mr. Sulik noted that it would be a significant cost increase for food service customers and Ms. Malesky agreed.

President Brown asked if these are the customers that NEORSD is already hearing from in terms of cost. Ms. Dreyfuss-Wells answered affirmatively and explained that the purpose of the exercise was to ensure that costs are being applied fairly. Additionally, expanding the program could potentially reduce costs to some of the smaller businesses in the Surcharge Program, but not in a meaningful way.

President Brown added that the charge should be reflective of the costs of the service, and it is important that the rates are not driving people out of business. Mr. Duplay explained that expanding the program as described would increase surcharge revenue by an estimated \$4 million to \$8 million, at an impact to 3,000 to 6,000 local food service industries. Ultimately, NEORSD did not feel that the change in revenue was worthwhile when it would affect so many customers. Ms. Dreyfuss-Wells added that NEORSD has a responsibility to investigate these questions to ensure that the rate study is accurately capturing the reality.

Ms. Malesky invited Janet Clements of Stantec Consulting/One Water Econ to discuss the affordability assessment and the evaluation of NEORSD's cost savings programs.

Ms. Clements reminded the Board that Stantec/One Water Econ performed a comprehensive socioeconomic assessment under the 2021 rate study, and the goal this time was to update that 2021 study.

In looking at income levels across the wastewater service area (WWSA) versus the State of Ohio, the 20th percentile income for the WWSA is \$27,000 and \$31,000 for the state. The median income for all households in the WWSA is \$66,000 versus \$72,000 for Ohio. Median income varies greatly across the WWSA, spanning from \$10,000 at the lowest to \$128,000 at the highest, with the median 20th percentile being approximately \$38,000.

Stantec/One Water Econ then evaluated how incomes have changed over the last 10 years. Median household income has increased higher than the rate of inflation, with the lowest quintile income (LQI) increasing the least, slightly above inflation. While the general rate of inflation is similar to the lower income growth, costs are changing overall with expenses such as rent increasing at a greater degree than income and inflation.

Ms. Clements explained that she then used the EPA's affordability matrix, which provides their guidance as to how to assess affordability and the affordability impact on the community. The lower the impact score, the greater the affordability challenge. Using this rubric, NEORSD's overall base score is 1.7, which is a medium impact in terms of affordability.

The next aspect of the affordability assessment is what is known as a household survival budget, which is a metric that the United Way uses in every county in the country of what the real cost of meeting basic needs is in each community. In Cuyahoga County, they estimate that 43% of households cannot afford the household survival budget. Approximately 32% have a moderate to severe housing burden. This is similar to what was found in the last rate study. That 43% is similar to what was seen in 2021, wherein 250% or 200% of the federal poverty level and less are the households that Stantec is targeting in terms of meeting basic needs.

Stantec/One Water Econ then evaluated how sewer bills are impacting these households. They combined water and sewer charges for the year. Using an average residential customer's sewer bill, NEORSD charges for the year are approximately \$1,000 for average usage versus approximately \$900 per year for basic minimum usage per year. When combined with water charges for the year, these totals increase to approximately \$1,700 and \$1,500 respectively.

Stantec/One Water Econ applied a series of metrics to assess affordability and there is a medium to medium -high impact across the service area, depending on location.

Stantec/One Water Econ also assessed the cost of other utilities to see how sewer bills compare, and to assess the cost of utilities overall. Additionally, they assessed what percentage of income the utility charges equal. Combined water and sewer charges in the City of Cleveland are equivalent to just over 6% of the LQI. Compared to other utilities, gas and electric are approximately 10% of income, and internet and phone are 7.5% of income in the LQI group.

As for NEORSD's existing affordability programs, the Rate Reduction Program and Homestead Program both provide a 40% discount. The Rate Reduction Program is open to bill payers at 250% of the Federal Poverty Level (FPL). The Homestead Program is available to senior citizens and disabled people earning less than \$42,000 annually. Stantec also reviewed the Crisis Assistance Program, which is not income-dependent. The impact of the Rate Reduction and Homestead Programs is significant, as it takes the average customer combined water and sewer charges from \$143 to \$80 monthly.

Stantec's socioeconomic assessment of the cost savings programs confirmed that there is not a need to make changes to the programs themselves. Accordingly, Stantec assessed how to increase enrollment of eligible customers into the program. The current participation rate is down to 4.2% from 11% in the last rate study because the eligibility criteria increased significantly to increase the income threshold from 200% of the FPL to 250% of the FPL and opening the program to bill-paying renters. The Homestead Program has been in place for several years and has a high participation rate.

Stantec/One Water Econ created an opportunity map demonstrating where they believe the highest numbers of eligible households are based on income and housing data. The next recommendation is centered on increasing communication. They assessed peer utility programs

and outreach strategies and made recommendations that may take more time to implement but may be more effective such as direct texting communications and digital engagement software packages.

Other recommendations include reducing the administrative burden for participants to make it easier to enroll. While looking at participation, it became clear that customers fall off and do not reenroll. The Rate Reduction Program currently requires participants to re-enroll annually; wherein the Homestead Program provides a three-year enrollment period. It is recommended the staff consider modifying the Rate Reduction Program enrollment period be extended to match the Homestead Program to keep customers receiving a discount for a longer period.

President Brown noted that when trying to enhance programs, it is preferred to have the best available compared to similar environments and asked if that data is available. Ms. Clements responded affirmatively and explained that while not on the slide deck, the information is contained in their report. Stantec assessed a lot of other programs including crisis assistance programs and enrollment periods for other utilities to benchmark what is normal. President Brown added that his concerns are more focused on the outreach strategies than the programs themselves. For example, using technology to reach customers may not be the most effective method for those customers who do not have access to technology. Ms. Clements explained that a multi-pronged approach is best and can include efforts such as mailing postcards in addition to sending texts. For example, utilities in Cincinnati allow customers to enroll in programs and manage their accounts via smartphone and have had good results. Multiple strategies allow for greater outreach.

Nichole Oocumma, Chief Administrative Officer, added that her team has been discussing this for the past couple of months, as to how to best communicate with ratepayers, particularly in communities lacking technology. They have discussed targeted mailers. Additionally, the Customer Relations platform Salesforce is undergoing an upgrade to allow targeted communications to those customers to get them working with NEORS D partners to get phone and text capabilities. Additional improvements such as QR codes, shorter applications, and digital applications have been discussed as opportunities to increase enrollment in the next rate cycle.

President Brown noted that at a prior Utility Resource Fair there was an issue with the vendor that was staffing it on NEORS D's behalf not having enough staff and asked if that was resolved or if additional resources are required. Ms. Oocumma explained that CHN Partners continues to have staffing issues, but they are reviewing their process of requiring customers to come to an in-person appointment and complete a paper form, to improve access.

Mayor Alai added that the Board is concerned with championing the cost savings programs and it is difficult to see eligible customers not enrolled in the programs, and unfortunately, some of these customers are at a certain age and/or income level that is not going to improve, so, keeping them enrolled in the program for as long as possible, will help to keep those enrollment numbers steady.

That will be the key, versus having people attend a Utility Assistance Resource Fair each year. Mayor Alai applauded the efforts to engage customers.

Ms. Oocumma added that NEORSD is looking to shift to some of its outreach efforts and just entered into a partnership with Cuyahoga Community College to have office space at the college each week, as well as assessing what neighborhoods to send staff into to engage these customers within their communities.

Ms. Dreyfuss-Wells added the key to the recommendations from Stantec and Ms. Oocumma's team is that they are very tactical in terms of making these changes. To Mayor Alai's point, extending the enrollment period is an example of ways to get the work done, and it is all laid out in the report.

Ms. Clements added that another area that was assessed was how many customers that have delinquent accounts are enrolled in cost savings programs, and the percentage was relatively low. Not all delinquent customers will qualify for the program, but it is an example of how operational communications can be operationalized.

Another recommendation provided was to explore automatic enrollment. Some utilities have had success in partnering with federal programs such as SNAP or HEAP to automatically share data to automatically enroll those eligible customers. There are approximately 12,700 households in Cuyahoga County enrolled in HEAP. There are challenges associated with data sharing, but New York City and Philadelphia have had good results.

Additionally, in assessing the Crisis Assistance Program, the \$300 maximum assistance amount has been in place for a long time and the number of customers taking advantage of the full amount of \$300 has increased dramatically. In 2019, approximately 80% of delinquent accounts had a balance of \$600 or more, meaning that they were eligible for the full amount of \$300 to pay back 50% of the balance due. Currently, 80% of delinquent accounts owe \$1,000 or less. Stantec recommends that NEORSD evaluate increasing the Crisis Assistance Program maximum assistance amount to \$500.

President Brown added that he works with the Greater Cleveland Food Bank, who is also facing challenges with the SNAP program and enrolling or re-enrolling eligible residents. The Food Bank is working with Sabrina Roberts in the Cuyahoga County Executive's Office and noted that that may be an opportunity for NEORSD as well. Ms. Oocumma explained that NEORSD staff is at the Food Bank weekly and while those discussions have begun, there is not yet a solution.

Ms. Malesky turned the discussion to the business case for affordability programs and explained that under the study, Stantec assessed different ways to connect the benefits of the cost savings programs to the community and the service area. For example, to connect the delinquency rates or collection rates to the expansion of cost savings programs. While it is difficult to quantify the

benefits to customers directly, there are factors that connect the affordability programs to sustaining the community.

Access to clean water is critical and NEORSR helps to provide that access to customers in the service area. The discount that the customer receives makes their bill more affordable and can provide benefits to NEORSR such as reducing the cost of placing customers on the tax roll and reducing administrative efforts. Additionally, these efforts enhance NEORSR's relationship with the community by engaging in outreach and expanding programs, regardless of whether it is possible to provide a monetary value.

Ms. Malesky thanked the Board for their attention and advised that Stantec is available should there be additional questions or concerns.

President Brown thanked Ms. Malesky for the insightful presentation and added that the Board is very engaged not only in the rate setting aspect, but the collective impact that NEORSR has on the community it serves and its dedication to do so in such a way that it brings value and equity. The Board will discuss the next steps moving forward.


Ms. Dreyfuss-Wells asked the Board to consider whether a second special meeting will be necessary. President Brown indicated that it will be dependent upon whether there are additional questions and discussions needed.

III. Public Comment

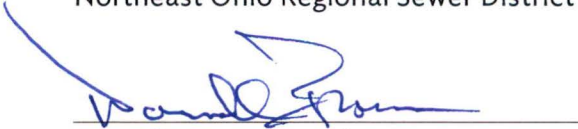
There were no items.

IV. Adjournment

MOTION – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved, and Ms. Dumas seconded the motion to adjourn at 1:01 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