

MINUTES  
NORTHEAST OHIO REGIONAL SEWER DISTRICT  
BOARD OF TRUSTEES MEETING  
FEBRUARY 16, 2023

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  
Ronald Sulik  
Timothy DeGeeter  
Sharon Dumas  
Marjorie Chambers  
Samuel Alai

Absent: Jack Bacci

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

II. Approval of Minutes

**MOTION** – Mr. Sulik moved, and Ms. Chambers seconded to approve the Minutes of the February 2, 2023 Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

There were no items.

IV. Chief Executive Officer's Report

Kyle Dreyfuss-Wells, Chief Executive Officer, advised the Board that Anne Vogel was recently appointed as the new Director of the Ohio EPA, replacing Lori Stevenson. On January 26, NEORS met with Director Vogel and her team, including David Emerman, the new head of the Northeast District Office of Ohio EPA in Twinsburg, replacing Kurt Princic. NEORS provided the Agency with an overview of the District, Project Clean Lake, the Regional Stormwater Management Program, and NEORS's lab and water quality work. NEORS also discussed the work it is doing with its member communities to provide support and ensure funding through the Infrastructure Investment and Jobs Act comes to the communities.

Also on January 26, NEORS hosted the Cuyahoga County Mayors and Managers Association at the Metroparks Canal Way Visitor Center in Cuyahoga Heights, and highlighted the Southerly

WWTP, EMSC, and emphasized the funding opportunities and technical assistance that NEORSD provides to member communities.

Earlier in January, Scott Broski, Superintendent of Environmental Services, and his team met with the Ohio Association of Metal Finishers to discuss NEORSD's pretreatment program. The metal finishing industry makes up the largest group of regulated industrial users in the service area. Mr. Broski and his team presented information on NEORSD's 2023 rates, 2022 compliance statistics, upcoming training opportunities, and emerging regulatory issues specific to the industry, particularly perfluorooctane sulfonic acid (PFOS). The U.S. EPA has identified metal finishers as a potential source of PFOS, with widespread implications. NEORSD has formed its own internal working group to evaluate the implications of PFOS on NEORSD's work.

The National Association of Clean Water Agencies (NACWA) is holding its winter conference from February 13 through 16, and Jean Smith, Director of Administration and External Affairs, is presenting a session titled "Effectively Communicating with Rate Payers and the Public". Ms. Smith is presenting with her colleagues from South Platte Renew, which is the wastewater agency for the Cities of Englewood and Littleton, Colorado. The presentation highlights the importance of building trust, regularly communicating with stakeholders, and the tools NEORSD uses to have clean water conversations.

V. Action Items

Authorization to Advertise

Resolution No. 45-23      Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for the George J. McMonagle Administration Building Masonry Repair project with an anticipated expenditure of \$370,000.00.

Resolution No. 46-23      Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for a two-year requirement contract for CSO Floatables Control Sites Maintenance with an anticipated expenditure of \$600,000.00.

Resolution No. 47-23      Authorization to publish notice calling for bids, in accordance with Ohio Revised Code Section 6119.10, for the construction of the Chippewa Creek Flood Reduction near Echo Lane project with an anticipated expenditure of \$9,051,740.00.

**MOTION** – Mayor Alai moved, and Ms. Chambers seconded to adopt Resolution Nos. 45-23 through 46-23. After the following discussion, without objection, the motion carried unanimously.

President Brown asked, regarding Resolution No. 46-23, for additional information regarding the success of the program, as it is an opportunity to capture Floatables that are coming out of discharging culverts and drains. Frank Foley, Director of Operation and Maintenance, advised that the resolution request is for NEORSD's CSO netting facilities. There are ten such facilities located primarily along Lake Erie. Mr. Foley provided a map demonstrating the locations of the facilities and explained that they capture floatable debris that comes out of the CSOs which would otherwise go into the waterways. A contractor periodically removes the nets and disposes of the contents at a landfill. It is anticipated that there will be a reduction in debris through improvements in the collection system.

**MOTION** – Mr. Sulik moved, and Ms. Chambers seconded to adopt Resolution No. 47-23. After the following discussion, without objection, by roll-call vote, with all present members voting yes, and recusal from discussion and abstention from voting by Mayor Alai, the motion carried.

President Brown noted that Resolution No. 47-23 seems to pertain to a large project with significant streambed restoration and daylighting to be performed and requested additional information. Frank Greenland, Director of Watershed Programs, explained that Echo Lane in Broadview Heights experiences regular flooding. There are a combination of problems and threats to local structures in the area. This project was borne out of the Stormwater Master Plan studies and will involve upsizing an existing basin, upsizing existing culverts, and daylighting culverts. This project will increase floodplain access and alleviate 90-degree bends in the stream.

President Brown recalled there being significant stormwater problems in the area reported by the Stormwater Master Plan studies. Mr. Greenland explained that all of Chippewa Creek has issues throughout Broadview Heights and Brecksville. This is due to a combination of imperviousness and erosion.

Authorization to Issue Request for Proposal (RFP)

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| Resolution No. 48-23 | Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 153, for General Engineering Services – Civil/Structural/Architectural (GES-12) professional services.   |
| Resolution No. 49-23 | Authorization to issue an RFP, in accordance with Ohio Revised Code Chapter 153, for design and construction administration/resident project representation services for the Southerly Regulators and Relief Sewers project. |

**MOTION** – Ms. Dumas moved, and Mr. Sulik seconded to adopt Resolution Nos. 48-23 through 49-23. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that Resolution No. 49-23 includes \$9 million for design construction administration and presumably, there will be significant capital spending in the area. This is the

third such effort, with the Southerly WWTC following the Easterly and Westerly WWTPs. Doug Gabriel, Deputy Director of Engineering and Construction, explained that this design project is the third of four projects within Control Measure 21 of the Consent Decree. This project is to evaluate existing regulators for their use moving forward on several CSOs. The design budget for the project is less than \$3 million and the proposed construction budget is \$10.5 million. NEORSD will return to the Board later in the year to request approval for a design contract for the Southerly Tunnel Dewatering Pump Station.

Authorization to Enter Into Agreement

Resolution No. 50-23      Authorization to enter into a project agreement with the City of North Royalton for the City's design and construction of the Big Creek Bank Stabilization at West Sprague Road project with a District contribution in an amount not-to-exceed \$1,000,000.00.

Resolution No. 51-23      Authorization to enter into a reimbursement agreement with the City of Brook Park for the design of the Sheldon Road Profile Raising and Bridge Replacement project with a District contribution in an amount not-to-exceed \$1,175,945.00.

**MOTION** – Ms. Dumas moved, and Ms. Chambers seconded to adopt Resolution Nos. 50-23 through 51-23. Without objection, the motion carried unanimously.

Authorization to Assign Agreement

Resolution No. 52-23      Authorization to assign professional services Agreement No. 17005465 for the West 3<sup>rd</sup> Quigley/Westerly Miscellaneous CSO Control project with McMillen Jacobs Associates to Delve Underground with all current terms and conditions of the agreement to remain unchanged under the assignment.

Resolution No. 53-23      Authorization to assign professional services Agreement No. 18007064 for the Shoreline Storage Tunnel project with McMillen Jacobs Associates to Delve Underground with all current terms and conditions of the agreement to remain unchanged under the assignment.

**MOTION** – Mayor Alai moved, and Mr. Sulik seconded to adopt Resolution Nos. 52-23 through 53-23. Without objection, the motion carried unanimously.

Authorization to Enter Into Contract

Resolution No. 54-23 Authorization to enter into a twelve-month requirement contract with PVS Technologies, Inc. for the delivery of up to 1,010,400 dry pounds of ferric chloride solution to all Wastewater Treatment Plants in an amount not-to-exceed \$547,636.80.

Resolution No. 55-23 Authorization to enter into a construction contract with Tucson, Inc. for the Stream Restoration Along Unnamed Tributary to the Cuyahoga River at Brookside Road in Independence project in an amount not-to-exceed \$599,775.00.

**MOTION** – Ms. Chambers moved, and Mr. Sulik seconded to adopt Resolution Nos. 54-23 through 55-23. Without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 56-23 Authorization to modify requirement Contract No. 21001081 with Reliable Turbine Services, LLC for Renewable Energy Facility Steam Turbine Process System Support services by increasing the contract amount by \$50,000.00, thereby bringing the revised contract amount not-to-exceed \$137,249.20.

Resolution No. 57-23 Authorizing final adjusting change order for Contract No. 20006613 with Fabrizi Trucking and Paving Co., Inc. for the Burke Brook Open Channel Improvements project by decreasing the contract amount by \$472,174.38, thereby bringing the total contract amount to \$3,670,345.62.

Resolution No. 58-23 Authorizing final adjusting change order for Contract No. 18002218 with Jay Dee Obayashi Joint Venture for the Westerly Storage Tunnel project by decreasing the contract amount by \$6,705,014.64, thereby bringing the total contract amount to \$128,294,985.36.

**MOTION** – Mr. Sulik moved, and Ms. Dumas seconded to adopt Resolution Nos. 56-23 through 58-23. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that, regarding Resolution No. 58-23, the more than \$6 million contract decrease is primarily reductions in the general allowances and requested additional information. Mr. Gabriel explained that the project had a lump sum general allowance of \$10 million, and \$4.2 million of that was spent. The balance of funds is unspent specific allowances and there were some deduct orders through the course of the project that reduced some of the budgets and bid items.

Property Related Transactions

- Resolution No. 59-23      Authorization to acquire one parcel in fee simple known as PPN 489-02-026, located at 6400 Bunker Road, in the City of North Royalton, owned by W. John Adams and Jennifer R. Adams, necessary for the construction and maintenance of the BC SWMP Problem Area 1 – Stream Restoration Upstream of Bunker Road in North Royalton project, to enter into a lease agreement with W. John Adams and Jennifer R. Adams, and to allow for the entirety of the payment to be disbursed to Northstar Title Services, LLC., with total consideration of \$285,500.00 plus closing costs.
- Resolution No. 60-23      Authorization to acquire one temporary easement at the property known as PPN 455-27-003, located at 8106 Sierra Oval, in the City of Parma, owned by Thomas M. Doycich and Michael Ann C. Doycich, also known as Michael Ann Doycich, necessary for the construction of the Big Creek Stream Restoration Upstream and Downstream of Ridge Road in Parma project with total consideration of \$550.00.
- Resolution No. 61-23      Authorization to acquire one permanent stormwater easement and one temporary easement at the property known as PPN 455- 26-021, located at 7570 Hidden Valley Lane, in the City of Parma, owned by Joseph M. Jankowski, necessary for the construction and maintenance of the Big Creek Stream Restoration Upstream and Downstream of Ridge Road in Parma project with total consideration of \$40,000.00.
- Resolution No. 62-23      Authorization to acquire one permanent stormwater easement at the property known as PPN 552-04-012, located at 6939 Donna Rae Drive, in the City of Seven Hills, owned by Eva Po, necessary for the construction and maintenance of the Hemlock Creek Bank Stabilization in Seven Hills Phase 1 project with total consideration of \$2,780.00.

**MOTION** – Ms. Chambers moved, and Mayor Alai seconded to adopt Resolution Nos. 59-23 through 62-23. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that the property listed in Resolution No. 59-23 appears to be a home located in a floodplain. Mr. Greenland explained that the property is located in the Bunker Road area of North Royalton, which has a history of severe flooding. NEORSD is working with the City of North Royalton to evaluate alternatives in the area. It is necessary to acquire and demolish this property and one other which has already been acquired, in order to perform stream restoration and floodplain enhancements to alleviate the flooding.

Authorization to Modify Policy

Resolution No. 63-23      Authorization to adopt modified Member Community Infrastructure Program (MCIP) Policy, Process, and Procedures, as presented.

**MOTION** – Mr. Sulik moved, and Ms. Dumas seconded to adopt Resolution No. 63-23. After the following discussion, without objection, the motion carried unanimously.

President Brown noted that there have been discussions as to how to best process reimbursements to member communities and how to best streamline and speed up the reimbursement process or to allow for direct payment under certain criteria and requested additional explanation. Mr. Greenland explained that, at its inception, the MCIP was set up to be a grant reimbursement program, meaning that the member communities would pay the contractors and submit the invoices to NEORS D for reimbursement. NEORS D continues to search for ways to speed up the reimbursement process. NEORS D piloted this recommendation with some watershed projects that required local matches and it has worked well. The intent is to extend the approach to the MCIP for communities that are involved in infrastructure funding, including future and existing projects. NEORS D will mimic Cuyahoga County’s program in order to streamline the cashflow.

Authorization to Implement

Resolution No. 64-23      Authorization to implement the 2024 Member Community Infrastructure Program (MCIP) and to issue a Request for Proposals for project applicants.

**MOTION** – Mayor Alai moved, and Ms. Chambers seconded to adopt Resolution No. 64-23. Without objection, the motion carried unanimously.

VI.    Information Items

Mr. Gabriel provided the Capital Improvement Program status update for January 2023. Beginning with Key Performance Indicators (KPIs). For 2023, the KPI goal for cashflow is 85% of planned spending of \$192 million. Under planning goals, there are five deliverables under the Consent Decree. The goal for value engineering is set at \$10 million.

The design stage of the Southerly FST 7-11 Launder Support Concrete Repair project was completed in within 60 days of planned, meeting that KPI.

As for professional services, there is \$19 million worth of projects for 2023 including the Kingsbury Asset Renewal project; Southerly Tunnel Dewatering Pump Station Project; Southerly Regulators Relief Sewers project; Millcreek Tunnel and Inspection Capacity Optimization Study; General

Engineering Services – Civil/Structural/Architectural (GES-12); and the Southerly Solids Handling Improvements project.

There is \$60 million in planned construction contract awards, including the Southerly FST 7-11 Launder Support Concrete Repair project; Easterly Stockroom Relocation project; Collections PLC Replacement; Southerly Effluent Filter Bypass Improvements; and Southerly 2<sup>nd</sup> Stage Aeration Improvements project.

Mr. Gabriel invited Johnathon Jankowski, Project Manager for Engineering and Construction, to provide an overview of the Easterly Stockroom Relocation project.

Mr. Jankowski explained that the project was the result of an internal audit performed to evaluate the stockroom and inventory control at all three WWTPs. The recommendation for the Easterly WWTP was to locate and organize the stockroom in a manner that the inventory and stored materials can be efficiently stored and maintained. Based on the recommendations, the focus of the project is to eliminate multiple storage locations and to determine whether that can be achieved by renovating the existing space or if a new location is needed.

Mr. Jankowski provided images of the project area and explained that the project will utilize an existing building onsite that has not been used for several years. The building has an open floor plan and a drive-thru truck bay for materials deliveries. A new floor plan has been designed and includes areas for the stockroom, maintenance workshop and maintenance personnel. The building has a second floor, which will also be renovated to allow for office space for maintenance managers, locker rooms, restrooms, conference rooms, breakroom, and HVAC mechanicals.

It is anticipated that authorization to call for bids for construction will be requested from the Board in March 2023, and the construction duration will be approximately two years, with an estimated cost of \$15 million.

President Brown advised that Board Members should reach out to Ken Duplay, Chief Financial Officer with any questions or concerns regarding the Investment Advisory Performance through December 31, 2022, and invited Mr. Duplay to present the 2022 Year End Review and 2023 Budget Preview.

Mr. Duplay began his presentation with the 2022 sewer actual results compared to the Rate Study and reminded the Board that the numbers are preliminary until completion of the audit process in May. Revenue was higher than projected for the second year in a row, due to better than projected consumption. NEORS D plans for a 2% decline in consumption annually and 2021 only saw a 0.8% decline and 2022 saw a 1.3% decline.

President Brown asked if those years are anomalies or if it is time to move to a different variable, as NEORS D has used the assumption of 2% decline in consumption for a long time. Mr. Duplay



advised that NEORSD previously used 3% but switched to 2% two rate studies ago. In 2020, NEORSD saw a 5% decline in consumption due to the pandemic, so it is not unusual to see a couple of better years after a very poor year. NEORSD will continue the analysis to ensure the appropriate factor.

Operating expenses are \$20.7 million below the rate study projections. The largest variances from the rate study are salaries which are \$4.5 million below the rate study and benefits are \$6.2 million below, due to turnover and open positions, as well as better than planned healthcare claims costs. Other areas that are below the rate study include contractual services at \$2.8 million under and professional services at \$5.1 million below.

Debt service is 1.5% below projection, primarily due to the 2021 bond refinancing and the 2021 and 2022 cash defeasances.

Mr. Duplay moved on to budget versus actual for sewer revenue and advised that consumption was better than planned, with revenue \$10 million higher than anticipated. Revenue sources are consistent each year with 99.6% coming from user charges and the remaining 1.4% coming from other fees, the largest of those being septic hauler fees totaling approximately \$700,000. NEORSD's primary billing agent is the City of Cleveland Division of Water, which collects most of the 92% of total revenue from billing agents.

Operating expenses were 12.6% below budget for 2022, primarily due to salary and benefits costs being a combined \$7.9 million below budget. NEORSD has seen higher turnover rates post-pandemic leading to these reductions. Utilities are \$1.2 million below budget primarily due to electricity savings. Contractual services are \$2.1 million below budget, primarily because the collection contract with the City of Cleveland is still being negotiated. Professional services were \$3.7 million below budget due to deferred projects. Materials and supplies were \$1.5 million under budget, primarily due to \$700,000 less spent on chemicals.

Mr. Duplay provided a breakdown of sewer operating expenses with Operations including WWTPs and sewer maintenance making up the largest portion at \$58.4 million; in the benefits category healthcare costs were \$10.5 million and OPERS contributions were \$7.7 million; utilities were \$11.9 million; contractual services were \$18.7 million with collection fees costs of \$9 million and solids handling costs of \$2.3 million. Salaries and benefits typically account for approximately 60% of the annual budget.

Historically, budget and actual for sewer have been flat going back to 2018. Actuals for 2022 are up a bit from the last several years but are equal to 2017 actuals.

Regarding capital expenditures, the capital cashflow for 2023 was almost 30% below planned, due to unused allowances and project delays. The Shoreline Storage Tunnel project had \$21 million in construction delays related to the TBM arrival and delays in the tunnel mining progress. The Westerly Tunnel Dewatering Pump Station had \$9 million in delays due to equipment delays; and

the Shoreline Consolidation Sewer project is \$8 million behind due to schedule delays to implement value engineering project changes.

The total amount spent for capital expenditures for 2022 was \$186.2 million, primarily funded by WPCLF loans at \$112.1 million. The primary loan funded projects are the Shoreline Storage Tunnel at \$51.3 million and the Westerly Tunnel Dewatering Pump Station at \$11.8 million.

Cash spending on capital projects was over \$70 million. The primary cash funded projects are the Shoreline Storage Tunnel at \$9.6 million for non-construction costs and the Shoreline Consolidation Sewer at \$9.2 million.

The loans that were entered into under the previous rate study will continue to close and new projects going forward for the foreseeable future will be cash funded.

Regarding sewer debt service, at the end of 2022, there is \$1.9 billion in outstanding debt with \$1 billion in WPCLF loans and \$900 million in bonds. The annual debt service for 2022 was \$119.5 million. This is the highest annual debt service amount in NEORSD history.

NEORSD took out two SRF loans early in 2022, when rates were at historic lows, and was able to secure a 40-year loan at 1.57% for the Shoreline Storage Tunnel project and an \$80 million loan for the Westerly Chemically Enhanced High-Rate Treatment project for a 20-year period, at 1.1%.

NEORSD conducted a debt defeasance spending \$85.7 million of cash on hand, resulting in a reduction of \$81.2 million in future debt service interest, for a 96.4% savings on that utilization of cash. Utilizing cash to retire older, higher interest debt will impact years going forward with lower annual debt service costs.

All targets were met in terms of debt service coverage. The total debt coverage is strong at 2.32 times, which is above the management target of 1.5 times debt service coverage.

Mr. Duplay moved the discussion to stormwater, advising that this is the first time NEORSD has come into a year with a stormwater rate study completed.

Stormwater revenues are essentially fixed fees for various customers, making them easier to project than sanitary sewer with the variable water usage component. In comparing budget to actuals, they are very close. Operating expenses were below budget by 27.4%, primarily due to professional services and contractual services for a combined total of \$9.5 million below budget, because of several project delays. Capital expenditures were slightly below budget, again due to project timing.

Stormwater revenue is also primarily collected by NEORSD's billing agents at 98.4%, with the remainder being billed directly by NEORSD.

Stormwater actual operating expenses totaled \$26 million, including \$4.2 million of indirect cost allocation from sewer. Contractual services were at \$10.6 million for the year. Unlike sanitary sewer, stormwater is primarily driven by professional and contractual services which make up the design and construction components of stormwater projects. Stream restoration related projects are not necessarily capital in nature. There are large upcoming stormwater projects, meaning that actuals will continue to trend up, in terms of operating costs.

Regarding cash balances, cash for 2022 is up \$13.9 million for stormwater and \$41.6 million for sewer, for a total increase of \$55.5 million. In the first half of 2022, there was a significant OWDA reimbursement related the Shoreline Storage Tunnel loan, with NEORSD receiving \$42.6 million related to 2021 costs. If that is removed from the equation, sewer cash is down approximately \$1 million. NEORSD made significant efforts to utilize cash on hand. There was also approximately \$5 million above budget in interest income and \$10 million above budget in terms of sewer revenue.

The sewer cash balance increase is in the capital account with a current balance of \$365 million, up from \$323.9 million the year prior. Likewise, the stormwater account balance is \$31.3 million, up from \$22.5 million the previous year. The Community Cost Share account balance is \$36.6 million.

Mr. Duplay reminded the Board that the Year-End Investment Advisory Report was included in the meeting materials and noted that the rate of return for the year was 0.5% versus 0.2% the year prior. The majority of the portfolio is in STAR Ohio, essentially a money market account NEORSD can utilize through the Treasurer of State. The invested funds are in treasuries and agencies, primarily secure investments.

Mr. Duplay provided a graphic demonstrating the sewer financial metrics ratio analysis comparing the target measurements to the 2021 actuals and 2022 preliminary actuals and advised that all ratios are met or exceeded, and the debt services coverages are in line with the rating agency targets. Additionally, the days of operating cash on hand increased for 2022. However, NEORSD has its long-term plan to spend the cash down by primarily cash funding Capital Improvement Plan projects to get closer to the goal of 750 days cash on hand by the end of the rate period.

The proposed sewer budget for 2023 is \$404.7 million for revenue, a 3.3% increase over 2022 actuals; \$141.6 for operating expenditures; \$206.7 million for capital; and \$113.1 million for debt service which is down from 2022 as a result of defeasances and other activities.

The proposed stormwater budgets for 2023 include projected revenue of \$48.3 million; operating expenditures of \$47.7 million; and capital expenditures of \$9.2 million.

In summary, 2022 met or exceeded all financial targets, with NEORSD in a strong financial position, and the implementation of the long-term plan of finance coming out of the rate study will continue.

The 2023 proposed budget is supported by revenue projections, representing a 5.3% increase over sewer expenses from 2022 and a 33.2% increase in the stormwater budget from last year.

Mr. Duplay advised the Board that the proposed budget will be reviewed in detail with the Finance Committee on March 14, with the Finance Committee packet being sent to Committee and Board members on March 10, followed by anticipated approval of the budget by the Board at the March 16 Board of Trustees meeting.

Ms. Dumas noted that proposed dates do not afford the Board enough time to review a proposed budget of that size and the Finance Committee Meeting may need to be rescheduled.

Ms. Dumas expressed the Board's appreciation of NEORSD's financial performance and noted the importance of emphasizing the significant Capital Improvement Plan when discussing surplus cash. Additionally, the projections for capital expenditures may require fine tuning.

Ms. Dumas added that the performance as it pertains to monitoring the operation and the financial portfolio is stupendous, resulting in double-digit millions in savings year after year.

President Brown echoed Ms. Dumas' comments and added that it is necessary to clarify the various ways that money is saved through refinancing and value engineering. Additionally, the Finance Department should demonstrate, at the end of the rating period, the plan to spend more out of cash on capital, in order to draw down the days of cash on hand and illustrate that it is doing what it should.

President Brown added that the Finance Department does a great job of defeasing and utilizing other tools that have tremendous impacts that were not anticipated. While these transactions allow NEORSD to accelerate capital spending or utilize other strategies, there will still be an increasing need for capital funding. It is important for the Board and the community to understand how these factors apply.

Mr. Duplay thanked the Board for their comments and added that the Finance Department will, discuss the 10-year long-term financial plan and the methods of funding and the intentions to apply these concepts over the next three to four years in the Finance Committee meeting.

Mr. Duplay added that NEORSD anticipates spending over \$700 million in cash on capital between 2023 and 2026 and over \$200 million of that is on the Southerly Storage Tunnel.

President Brown added that it is important to demonstrate the trend and projection so that the Board and the public can see that it is the execution of the plan.

Mr. Duplay added that the scheduling of the Finance Committee meeting would be re-evaluated to afford the Board more time to review the proposed budget.

VII. Open Session

There were no items.

VIII. Public Session (any subject matter)

There were no items.

IX. Executive Session

There were no items.

X. Approval of Items from Executive Session

There were no items.

XI. Adjournment

**MOTION** – President Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved, and Ms. Dumas seconded the motion to adjourn at 1:48. Without objection, the motion carried unanimously.



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



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