

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
MARCH 19, 2009

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:30 p.m. by Mr. Brown.

I. Roll Call

PRESENT: D. Brown – *arrived at 12:41 p.m.*
T. Longo
D. DePiero
S. Kelly
W. O'Malley
G. Starr
R. Sulik

The Secretary informed the President a quorum was in attendance.

II. Approval of Minutes

MOTION – Mr. O'Malley moved and Ms. Kelly seconded that the minutes of the March 5, 2009 Board meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no members from the public registered to speak at Public Session regarding agenda action items.

IV. Executive Director's Report

Executive Director Ciaccia advised that the District continues working with the Suburban Council of Governments (hereinafter "SCOG") Ad Hoc Bylaws Committee which was put together by SCOG President Mayor Longo. The Bylaws Committee is reviewing the SCOG's Bylaws and will make its recommendations to the SCOG regarding any revisions to the Bylaws.

Executive Director Ciaccia moved to the next report item regarding risk management. The District engaged a firm that specializes in risk management and intends to review how the District procures its insurance underwriters. The District engaged with insurance

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broker, Jason Chisholm & Associates, for many years, and his father's firm preceded him. The District is preparing Requests for Proposal (hereinafter "RFP") for said services and engaged Crain Langner, an insurance risk management consultant, to advise the District on the types of risk that should be insured as well as the types of arrangements it should have with its insurance broker or consultant.

Executive Director Ciaccia turned the next report item over to Deputy Executive Director, Michael Bucci, to update the Board on member community agreements. Mr. Bucci indicated that the District signed a service agreement with Moreland Hills and is working on project and finance agreements with Pepper Pike.

The District is decommissioning three (3) plants in Moreland Hills and one (1) in Pepper Pike. There will be a force main along Route 91 that will tie-into a Mayfield Heights sewer. The District met with Mayfield Heights' officials to discuss the project and supply data to them. Mayfield Heights has been cooperative in this effort. The estimated project cost is \$7 million. The District's portion of work in Mayfield Heights is estimated to cost \$1.3 million, Moreland Hills' portion is estimated to be \$3.8 million, and Pepper Pike's portion is estimated to be \$1.7 million. The project is currently in its design phase and these accounts are expected to be on-line by the end of 2010.

The District is working on a financing agreement with Pepper Pike under which the District would lend financing toward Pepper Pike's portion of \$1.7 million upfront. Mr. Bucci advised that Pepper Pike plans to place a local charge on their bill, assessment on real estate taxes or utilize another funding source in order to repay the District.

Mr. Bucci advised that this will result in an additional 1,000 District accounts. There is developable area in Pepper Pike which, after sewage pipe installation, could potentially result in an additional 500 to 1,000 District accounts.

Mr. Bucci advised that the District is working diligently with the officials from Moreland Hills and Pepper Pike, and their last meeting was held the week of March 9th.

Mr. Bucci moved discussion to the Willoughby Hills service agreement which includes a small area of approximately 25 accounts. A portion of Willoughby Hills is served by the City of Euclid (hereinafter "Euclid") whereas there is a large portion of septic tank users in this community. There is a differential rate between Euclid and the District, and Euclid officials continue weighing the options of having the District handle these 25 accounts wherein the flow would go into Richmond Heights' sewer or building its own pump station to handle this flow. The District is attempting to schedule a meeting with Mayor Weger of Willoughby Hills for the week of March 23rd.

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Executive Director Ciaccia moved to the next report item regarding discussions held with the federal Environmental Protection Agency (hereinafter "EPA") and Ohio EPA regarding the District's Combined Sewer Overflow Long-Term Control Plan (hereinafter "CSO LTCP"). A meeting was held on February 26th with the government's economist who provided results from her analysis of the District's financial capability assessment.

In order to be considered a high burdened community, District wastewater bills would need to be 2% of median household income or higher. This also sets forth the District's obligations for CSO mitigation as well as the timeframe, or number of years, allotted the District in order to carry out its CSO LTCP. Executive Director Ciaccia advised that per the District's financial capability assessment, wastewater bills were determined to be 2.36% of median household income which would make the District a high-burdened community.

Government discussions also included the impacts of Inflow and Infiltration (hereinafter "I&I") on the residential share and local community costs. Executive Director Ciaccia advised that it has been a difficult task determining the number charged by local wastewater communities and the District referred to an old Build-Up Greater Cleveland report to ascertain their maintenance and capital requirements.

Executive Director Ciaccia advised that at the onset of negotiations, the government listed the District at 1.05% of median household income making the District an unburdened community. The government increased the District to 1.75% median household income, per the February 26th meeting, making the District a "mid-range burden". The federal government's calculation listed share and contribution from suburban communities as zero, for which they recognized remains an uncertain number. Executive Director Ciaccia advised that the District is working with the government in an effort to obtain more accurate information.

Executive Director Ciaccia indicated that although there are no guarantees, he is confident that wastewater bills are 2% of median household income, and if this is not the case, then the District could be required to complete its CSO LTCP in 10 years instead of the District's proposed 30 year period.

The District has put forth \$2.3 billion of CSO LTCP related projects and \$2.1 billion on non-CSO related projects totaling \$4.4 billion affordability whereas the government's "median-burdened numbers" indicate that the District should be able to afford \$5.7 billion resulting in an additional \$1 billion for the District to undertake.

Executive Director Ciaccia advised that this information was to update the Board on the ongoing negotiations process. The District works collaboratively with the government and additional meetings are scheduled. The District accessed additional data from the

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Ohio Public Works Commission, Issue 1, relating to the communities and in an effort to obtain accurate numbers supporting that the District is a high-burdened community. Executive Director Ciaccia advised that the District's obligations will be significant.

Mr. Brown entered the meeting.

Executive Director Ciaccia moved discussion to funding options. The District received a \$300,000 earmark, originated by the late Congresswoman Stephanie Tubbs Jones, Senator Sherrod Brown and Senator Voinovich who was responsible for "pushing this through the president's budget." This is a State and Tribal Assistance (hereinafter "STAG") grant applied to the Easterly district. Executive Director Ciaccia advised that although this is "not a lot of money," the District appreciates receiving recognition and some funding.

Executive Director Ciaccia advised that the meeting of the National Association of Clean Water Agencies (hereinafter "NACWA") will be held May 4 – 6, 2009. Executive Director Ciaccia advised that Mayor Starr and Ms. Kelly attended the 2008 NACWA seminar and met various delegates, and staff plans to contact Board member to determine whether they are interested in attending the 2009 NACWA meeting and to also schedule an appointment with the District's delegation. The District needs assistance from its delegation to defray some of the costs associated with its obligations.

Executive Director Ciaccia advised that the District is awaiting the status of the stimulus funding. The federal government allocated \$224 million for distribution by the State of Ohio for wastewater related projects, and at least 50% of this funding must be distributed as grant monies.

Executive Director Ciaccia advised that included in the Board packets was a letter from the Association of Ohio Metropolitan Wastewater Agencies ("hereinafter "AOMWA"), which has been "working hard to lobby the Senate and House" on two bills to ensure that at least a 50% level is met and that affordability issues attached to the Water Pollution Control Loan Fund (hereinafter "WPCLF") are not applicable, in which the District would not benefit from. Executive Director Ciaccia and Mr. Brown spoke with OEPA Director Chris Korleski on March 18th. Mr. Korleski indicated that he is presently non-committal as to the administration of this program. The District will continue staying on the forefront of this issue.

Executive Director Ciaccia and Darnella Robertson, Government Affairs Specialist, spoke with Cleveland-native, Marvin Hayes, Director of Urban Development and Infrastructure, for Governor Strickland, to ensure that Cleveland is not forgotten in this process. The District submitted \$274 million worth of projects, and according to Executive Director Ciaccia, the District is entitled to its fair share of this funding. The

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District's community represents one tenth of the state's population, and receiving at least one tenth of the stimulus money would be fair.

The District is reviewing RFPs for advocacy services. The District currently receives advocacy services on state matters from Squire, Sanders and Dempsey and from Virginia Ainslie on federal matters. Executive Director Ciaccia advised that the District needs to bolster these services, specify its needs and be more aggressive in the upcoming years. Staff will seek Board authorization for the issuance of RFPs and ultimately entering into contract with a consultant for such services. According to Executive Director Ciaccia, the District cannot successfully handle this effort alone.

Mr. Brown commented that the District's cost obligations are \$2.6 billion for the CSO LTCP as well as \$2.3 billion for operation and maintenance projects. He cannot uncouple the significance between stormwater management, CSO mitigation and other District requirements, and by not receiving financial support at the federal level, these costs are being passed onto the ratepayers. The District faces many issues including the economy, unfunded mandates, and the desire to be environmentally friendly by ensuring that the discharge is in compliance with federal government regulations. Mr. Brown stated that this will not work unless the federal government does "something they haven't done which is to step up and admit that they have some culpability and responsibility for sharing this financial responsibility."

Mr. Brown stated that this is the 40th year anniversary since the Cuyahoga River burned resulting in the creation of the Clean Water Act which is a significant reason for the new President and administration to partner with a large urban center to create a tool used for compliance with this federal mandate, but not "solely on the backs of ratepayers."

Mr. Brown suggested that the Board, staff and all delegates should collectively move the District's agenda forward and make the case as to "why Cleveland should be treated differently" and be provided the opportunity to address environmentally sensitive initiatives at a level of affordability. Mr. Brown inquired why the City of Cleveland cannot be the "first partaker" to demonstrate this ability, and he stated that this was his perception of how the District should strategically address this issue. Mr. Brown stated that the District would open itself to a lot of criticism if it does not go down this path and provide the business case as to why this should happen this way.

Executive Director Ciaccia concurred with Mr. Brown and indicated that this initiative should be a collaborative effort bringing the resources together. The RFP is "crucial" and the District needs "real advocates", not federal and state consultants that simply send emails as to the status of broad bills from both Columbus and Washington D.C. The District should be more aggressive and define its key performance indicators. Executive Director Ciaccia advised the Board that due to the significant financial strains on the

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federal government, the District “may still strike out;” however this would not result from a lack of effort on behalf of the District. Executive Director Ciaccia informed Mr. Brown that they are on “the same page” regarding this issue.

Mayor Starr inquired if the District had an historical source where a lobbyist has been successful for an agency similar to this organization. Mayor Starr questioned if there were lists of United States cities such as Los Angeles, Chicago or Houston indicating that they received “\$10 million, \$100 million because they got a K Street lobbyist in Washington who is wired.” Executive Director Ciaccia replied “no”, but the District should research this issue as it develops its RFP distribution list.

Mayor Starr inquired if RFPs will be distributed to agencies throughout the country. Executive Director Ciaccia responded that this is possible but depends on how much the District is willing to pay. Mayor Starr stated that he will consider clean water lobbyists and their past success in securing money for public agencies.

Executive Director Ciaccia advised that through his association with NACWA and other agencies, he is not familiar with any agencies similar to the District receiving any federal money and this is the reason for a proposed federal trust fund which is supported by some agencies. Executive Director Ciaccia stated that during his tenure with the Cleveland Water Department (hereinafter “CWD”), he was “on the hill testifying for funding on behalf of a water association.” Funding including SFR money has “been drying up” and there has been increased difficulty in obtaining loans. Executive Director Ciaccia advised that, notwithstanding the economic times, people are beginning to understand why there is economic stimulus behind the District as well as the importance of the District’ obligations.

Ms. Kelly inquired as to the name of the woman who assisted District representatives during their visit to Washington D.C. in 2008. Mayor Starr and Executive Director Ciaccia advised Ms. Kelly that her name was Virginia Ainslie. Ms. Kelly inquired if Ms. Ainslie would be contacted for the RFP wherein Executive Director Ciaccia affirmed that she would be asked to submit a proposal.

Executive Director Ciaccia moved to the next report item and informed the Board that the District was involved with five major litigations. Recently, the Board passed a resolution authorizing a favorable settlement agreement between the District and one of the contractors which concluded one litigation matter.

Last week, the District received good news regarding the case of *Inland Waters Pollution Control v. Marra/Majestic*. The District was named as a party in the aforementioned case due to its denial of a loss of productivity claim which filed by Inland resulting in the \$4

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million lawsuit. Pete Comodeca of Calfee represented the District on this matter, and the District was dismissed from this case.

Executive Director Ciaccia advised that the District is presently involved with three very large lawsuits, but the District intends to "fight those through". Executive Director Ciaccia advised that the Board will discuss MCT-3 and KMM&K litigation matters during Executive Session.

Executive Director Ciaccia expressed his appreciation to Mr. Comodeca and Calfee.

Executive Director Ciaccia informed the Board that staff withdrew Resolution No. 57-09 from the agenda's Action Items.

V. Information Item

1. 2009 Budget Overview.

Jennifer Demmerle, Director of Finance, presented the Board with the 2009 Budget Overview. She advised that each director presented their respective budgets to the Finance Committee at its March 3rd meeting to review the District's 2009 budget. The Finance Committee recommended that the budget be presented to the Board in its entirety.

Budget Process

Ms. Demmerle advised that each budget center submits a detailed line item budget with support to the Finance Department. An Internal Budget Review Committee comprised of Executive Director Ciaccia, Deputy Executive Director, Michael Bucci, Director of Human Resources, Douglas Dykes and Ms. Demmerle was formed to review the personnel requirements and line item details for each department. During its review, the Internal Budget Review Committee worked to stay within its current rate structure, and reduced the submitted \$106 million budget to a \$100 million proposed budget. After internal review, the budget was presented to the Finance Committee and staff incorporated the Committee's recommendations and modifications into the budget. The 2009 budget was then presented to the entire Board. Staff made its recommendation to the Board for the adoption of the 2009 budget.

Financial Overview

Ms. Demmerle advised that the District ended 2008 under its projected rate study by \$17.3 million. The large variance on revenues resulted from earnings on the District's investments, which performed better than the rate study's predictions, also coupled with higher cash balances.

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Ms. Demmerle advised that when comparing the Budget vs. Actual Operating Budget, the District was under budget over the last five years. In 2008, District expenses were approximately \$4 million under budget due to not filling all open positions as well as incorporating \$1.5 million in the 2008 budget for off-site ash hauling at the Southerly plant. Ms. Demmerle advised that hauling was delayed while the District explored opportunities with the EPA as to the reclassifying the District's ash for beneficial reuse. The District has not yet received feedback from the EPA regarding reclassification of the ash and plans to perform off-site ash hauling during 2009 through 2010. If the EPA approves the ash reclassification, the District can save an estimated \$750,000 to \$900,000 of the \$1.5 million.

Ms. Demmerle stated that "net revenues available for debt service, the \$87.4 million exceeds our goal of the 125% for debt service on our bonds at 568% and 105% for all debt service which includes our loans at 140%."

Ms. Demmerle advised that the District's cash balances remain steady. At the conclusion of 2008, cash balances were \$285 million. The increase in 2007 resulted from a \$120 million bond issue from May 2007, and the District anticipates spending the remaining \$78 million on this bond issue in 2009. The projected 2009 ending cash balance is \$215 million.

Ms. Demmerle advised that, due to the current economic situation, staff kept its budget "very tight" and expects a 2% increase from 2008 over its operating expenses and 3% over its budgeted revenues. There was an average 9% rate increase; however, when coupling it with the continued decline in consumption, increase in delinquencies and the reduction in interest rates, it equates to 3%.

Ms. Demmerle advised that the additional nine budgeted personnel resulted from the creation of the Contract Compliance Office which oversees the SBE program in which there are currently three positions in the Contract Compliance Office, and one additional position is budgeted for in 2009. The Internal Audit Department budgeted for one additional auditor. The Watershed Department budgeted for three new positions which will be filled at the end of 2009 as the District moves forward with the Stormwater Management Program (hereinafter "SMP").

Ms. Demmerle advised that with the exception of some personnel in the Watershed Department and some money allocated for the SMP, there are no other capital or operating expenses allocated to the SMP in 2009 and this will be factored into 2010 budget when SMP funding becomes available.

Ms. Demmerle indicated that the District is well within its rate study projections for its 2009 budget. Revenues are slightly higher resulting from the Watershed grant

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reimbursement of approximately \$2 million. Operating costs are projected to be lower than what was indicated in the rate study resulting from lower wage increases for 2009. The debt service is consistent with the rate study for the reason that the District does not anticipate issuing bonds for 2009.

Ms. Demmerle stated that the projected 2009 operating revenue is \$175 million of which 98% is generated from user fees whereas the City of Cleveland is the largest billing agent at 86%.

The District's Operations and Maintenance departments make up 57% of the District's overall operating budget whereas 70% of their total budget is salaries, benefits and utilities and 20% is for professional and contractual services.

The District's salaries increased over the last four years by an average of 3%. The 2009 salary budget increase over 2008 is due to a 2% wage increase budgeting all employees at 2080 hours not including employees that may be on disability, and according to Ms. Demmerle, this is a conservative approach when budgeting for salaries.

Benefits remain unchanged as staffing levels are consistent and the District received a decrease in its Medical Mutual premium for 2009.

Natural gas remained relatively level over the last four years; however, there is slight decrease resulting from a rate reduction in 2009. There is a slight projected increase in electricity due to rate increases as well as increased usage. The District signed a 10-year contract with Cleveland Public Power (hereinafter "CPP") in May 2008 for electricity at the Easterly and Westerly facilities.

Ms. Demmerle advised that large increases in professional services resulted from a \$3 million contract for consulting services which provided for the assistance in establishing the SMP; however, this is expected to conclude in 2009 resulting in a decrease in professional services. The District expects to spend around \$7.3 million for professional services in 2009 resulting from the new governmental accounting standards, or GASB-51, which requires that all studies must be paid from the operating expenses. Ms. Demmerle advised that, in the past, the District capitalized these costs which did not impact the operating budget. Executive Director Ciaccia clarified that the District is not increasing its consulting services rather the GASB-51 requires that professional services be budgeted from the operations and maintenance whereas, in the past, the District capitalized these costs. Ms. Demmerle added that engineering studies generally take one to two years wherein several projects may result from one study, and the District capitalized those costs against the various projects. These studies now have to be incorporated into the operating budget during the particular year a study occurs.

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Ms. Demmerle advised that contractual services increased in 2009 resulting from the West Creek Stream Restoration Project of \$1.3 million as well as other water resource restoration sponsorship programs the District involves itself with. Revenues will offset expenditures for the reason that the District receives reimbursement for said projects. These projects are capitalized because they are not District assets and must be reflected in the operating budget.

Ms. Demmerle advised that the District's ash hauling is approximately \$500,000, and that the District is ramping up public outreach efforts for its SMP and SBE programs.

The District anticipates spending \$132 million for its 2009 Capital Improvement Program (hereinafter "CIP") of which a little over half will be spent on plant improvements for the incineration project at Southerly.

Funding sources include the remaining portion of the 2007 bond issue and low interest loans. The District is eligible for \$100 million in low interest loans for 2009 and does not anticipate using bonds this year.

Five Year Capital Plan

Ms. Demmerle explained that the District anticipates spending over \$1 billion over the next five years which includes \$92 million for the SMP, effective in 2010. The District's philosophy for establishing its CIP changed from an award basis to a more cash flow basis, and this methodology will assist with financing the CIP.

Ms. Demmerle turned discussion over to Gregory Binder, Planning Manager, and Richard Switalski, Sewer Design Manager, to provide an overview of the District's CIP.

Capital Projects, Engineering & Construction

(Mr. Binder & Mr. Switalski)

Mr. Binder advised that the District is moving to a cash flow basis for its CIP and he referred to a slide depicting the division of the CIP between the treatment plants, collections systems, CSO program and the non-CIP Program, and not including SMP projects. There is a significant increase in the District's CSO Program during 2011, 2012 and 2013 for the CSO LTCP.

In 2009, the capital portion for the treatment plants project accounts for approximately 52% of the cash outlay and 27% for the CSO Program. In 2013, the treatment plants will account for 28% whereas the CSO program will be 53%. Mr. Binder advised that this trend will continue as funds are directed toward the CSO LTCP.

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Mr. Binder stated that cash flow for the treatment plants for the years 2010, 2011 and 2012 increase due to the construction of the new incineration facility at the Southerly plant, and the incineration project will cost approximately \$140 million.

Mr. Binder referred to a slide identifying significant projects for 2009, and he advised that stimulus funding was requested for all projects meeting “the criteria of being under construction within one year” which includes all plant projects.

Mr. Binder moved discussion to the Renewable Energy Facility (hereinafter “REF”) formerly known as the Fluidized Bed Incineration project or Biosolids Handling Incineration project. The District renamed the project to REF for the reason that it reflects what the project entails.

Mr. Binder explained the REF process to include the burning and incineration of biosolids. The recovery waste heat generated from the burning and incineration of the biosolids runs through heat exchangers and waste heat boilers to generate steam used to operate the turbines, ultimately producing an estimated 25% of Southerly’s electricity needs. Mr. Binder advised that the turbine is sized to generate electricity equivalent to the usage of about 300 homes, making it a significant facility, and the District is “very proud of this activity.”

Mr. Binder stated that of the six projects associated with the incineration project, three are currently under construction, and one was recently opened. Two remaining projects include the purchase of steel pile needed for construction at Southerly due to unstable soil, and the construction of the incineration facility, which will be advertised in the fall of 2009.

Mr. Binder showed the Board an architectural rendition of the REF which will be visible from I-77 South when looking towards the Southerly plant. The REF will be one acre under roof and approximately 50 feet high.

Mr. Binder turned discussion over to Mr. Switalski.

Mr. Switalski stated that the Collection System Program incorporates two types of projects including the repair and rehabilitation of existing sewers and small interceptor projects, and the CSO Program.

Over the next five years, the District plans to spend \$22 million on rehabilitation and ten jobs are expected to be underway in 2009. The deteriorated sewer on the 4th level of the Huntington Parking Garage at West 3rd and Lakeside needs repair. The District plans to replace the failed polyurea lining at the Big Creek Project (hereinafter “BCI-3D-LR”) which is currently under litigation. The Mill Creek Interceptor Main Branch (hereinafter

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“MCI-MB”) includes the connection of the MCI to the Mill Creek Tunnel (hereinafter “MCT”), or contract 1 resulting from a landfill failure at the east side of I-77 across from the Southerly plant.

Mr. Switalski moved discussion to the CSO Program’s large and more expensive projects. Seven bids were received for the Dugway East Interceptor Sewer (hereinafter “DEIRS”) project on March 18th ranging from \$19.3 million to \$24.2 million and are currently being evaluated. The Lee Road Relief Sewer (hereinafter “LRRS”) is the final part of the MCT program, and according to Mr. Switalski, the Watershed Program projects are expected to be underway in July of 2009. The Euclid Creek Tunnel (hereinafter “ECT”) is an \$888 million project expected to be advertised in July 2010. ECT design was on hold due to the EPA negotiations. The Tunnel Dewatering Pump Station (hereinafter “TDPS”) will be advertised in 2010, after the ECT project, which is essential for the combined sewer system at Easterly.

Mr. Switalski advised that after the combined sewer system is complete at Easterly, ECT and “several other tunnels,” the District will reduce its 2.5 billion gallons of overflows by 90%. Mr. Switalski referred to a schematic of the Easterly project and indicated that the staging area will be Nine Mile Creek. ECT includes 18,000 feet of 24 inch diameter pipe travelling under Lake Erie ending at Nottingham and St. Clair.

Mr. Switalski referred to a schematic of the TDPS, and he advised that staff is evaluating different sites in an effort to select the most optimum construction location for the work commencing in 2011.

Mr. Brown inquired about the ECT project and he stated that the main infrastructure that carries wastewater is the Lakeshore interceptor. The City of Cleveland (hereinafter “City”) does not have a main at this location and Mr. Brown understood that a delimiting factor is the capacity of the Lakeshore interceptor; therefore, the ECT will facilitate additional storage. Mr. Brown inquired as to what extent the District worked with the City and its planned projects in order to coordinate and address the basement flooding issues in this area. Mr. Brown stated that “it’s one thing to have capacity” and “it’s another thing to be able to get the flow to the interceptor.”

Mr. Switalski advised that, on a monthly basis, the District meets with Cleveland representatives, initially Commissioner Ball, who recently left to pursue another career opportunity and Commissioner Mavek. Staff provides the City with monthly updates regarding the progress and design of District projects. Mr. Switalski advised that the ECT construction will alleviate, if not eliminate, flooding at Holmes Avenue, East 156th and East 152nd Street interceptors, and at Lakeshore Boulevard, east of Euclid Creek. Mr. Switalski assured that the District is coordinating its projects with the City’s projects.

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Director of Watershed Programs, Frank Greenland, added that the ECT project facilitates basement flooding relief along Lakeshore east and it will be the primary step in this process. The ECT provides the capacity to “deal with overflows and accept overflows.” The upcoming Lakeshore Boulevard Relief Sewer (hereinafter “LBRS”) project provides additional capacity along Lakeshore and also address flooding issues in this vicinity; however, the ECT is the primary project for the reason that the LBRS has “some interplay with the tunnel system.”

Mr. Brown inquired as to the timeline for the Lakeshore interceptor sewer. Mr. Switalski replied that the project design is scheduled for 2013, and construction will commence in 2014 dovetailing with ECT project completion.

Mr. Brown commented that in order to transfer water from one side of Euclid Creek to the other requires a pump station project and he inquired as to the timeline for this project. Mr. Switalski advised that he believed this project would commence in 2014 or 2015, but he would need to confirm this information.

Discussion was turned over to Ms. Demmerle to conclude the 2009 Budget Overview presentation.

Summary

Ms. Demmerle advised that “2008 finished with positive variances” and that cash balances remain relatively steady. The District’s 2009 budget coincides with the existing rate structure, there is no need to go to the bond market this year, and the District continues to meet its debt service coverage.

Mr. Sulik indicated that the Finance Committee in conjunction with budget center heads extensively reviewed the District’s 2009 budget line items resulting in many budgetary questions answered by staff at the Committee meeting. The Finance Committee made its recommendation to the Board to approve the District’s 2009 budget.

Mayor DePiero thanked Ms. Demmerle and the Finance Committee for their thorough review of the budget. He appreciated the comments made about healthcare and was glad to see a decrease in the healthcare premiums. Mayor DePiero stated that the District budgeted for additional hiring for the SMP in 2009 and he questioned if the District receives a “buy-in from member cities” to move forward with the SMP, “what type of hiring will that necessitate.”

Executive Director Ciaccia advised that the staff is entering into its third round of meetings with member communities. Although 100% buy-in from member communities is not expected, the District is planning ahead for the reason that the Court Order provides the District the authority to carry out the SMP. The staff will be required to substantially

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prepare for the SMP, after the Board takes action on this issue. The expected stormwater utility will result in approximately \$40 million annually in revenues which pays for the employees and projects. The District has an idea as to the employee demands; however, this will not take effect in 2009; however, employees preparing for the SMP and Watershed will be affected this year.

Mayor Starr commented that there are 61 political subdivisions represented by the Board, and he inquired as to "how many are buying into the Stormwater District." Mr. Greenland advised that a couple of mayors spoke on behalf of the SMP at the NOACA meeting; however, the District only "heard support" but does not have a tally. As the District enters into its third round of meetings, the District plans to address the member communities' inquiries as to the revenues needed, potential user fees, initial construction and maintenance. After these details are provided, the District will have a better idea as to the amount of member communities supporting the SMP. Mayor Starr questioned if this will be "in the near future." Mr. Greenland speculated that it will take the District about two to three months to complete its third round of meetings, and staff will have a better idea around summertime.

Mayor Starr commented that he represents communities with populations under 25,000 of which there are 40, and indicated that he "would like to work with good numbers like 70% approval or 80% approval" in order to determine whether he will support the SMP or not. Mayor Starr stated that he has to "represent the concept, the principal of stormwater management" as well and "kind of balance those interests out." Mayor Starr commented that if the District has 70% or 80% then this indicates that the District "is being convincing" in proving that this is an important project.

Mayor Starr advised that he received questions from Macedonia and other Summit County communities which have "rugged individualism" and are planning to address stormwater issues on their own and are affiliated with the Summit County Stormwater District.

Executive Director Ciaccia advised that the District has had many discussions with Summit County. He questioned whether having an unfunded stormwater program is truly a program, and that "passing on fees and being the one directly responsible for passing on fees" are two different issues.

Executive Director Ciaccia stated that, throughout his career, he has been involved with communities, and he speculated that communities will outwardly support the SMP, quietly support the SMP, seemingly oppose the SMP but ultimately support it, or be outright non-supportive of the SMP.

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Executive Director Ciaccia commented that Mayor Starr is probably better equipped in gauging member communities' support; however, based on the meetings held by the District, he speculated that there is approximately an 80% support rate.

Mr. Brown commented that he did not believe anyone to be against the regional concept of stormwater management because it makes sense. Water does not limit itself to geographic boundaries and it rolls downhill to Cleveland. The issue is determining the funding for this program. It would be palatable if those in support of the SMP are equally amenable that someone other than ratepayers should pay, and he expressed this concern during his discussion with the Director of the Ohio EPA. The EPA Director informed Mr. Brown that other small western communities within Ohio were "making the same case," and that everyone wants "to do the right thing" and make the best decisions regarding financial resources; however it is "impractical and improper" to be in the position to vote for increases at a time when ratepayers cannot afford it. Mr. Brown indicated that the additional funding options should be explored rather than putting this solely on the ratepayers.

Executive Director Ciaccia added that the EPA Director praised the District for taking on the SMP. Mr. Brown indicated that he praised the District as well for taking on this program because it is the "right thing to do," but there has to be a way to fund this program in "a manner that allows all parties to be stakeholders-- at a level that makes sense."

Mayor Longo suggested that the next SCOG meeting discussions should include the identification of supporters for the SMP. The feedback he received thus far was positive and the majority of the individuals seemed to support the SMP. Mayor Longo indicated that there is individualism, and if these entities identified a more efficient way to address stormwater, then "they should let us know because we'll do it, too" because this matter should be addressed in the most expeditious and least expensive method possible.

VI. Consent Agenda

There were no Consent Agenda items.

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VII. Action Items

Authorization to Amend Resolution

No discussion ensued on Resolution No. 54-09.

Resolution No. 54-09

Amending Resolution No. 164-08 adopting the District's Operating and Capital Budgets as amended for the year ending December 31, 2009.

MOTION – Mr. Sulik moved and Mayor Longo seconded to adopt Resolution No. 54-09. Without objection, the motion carried unanimously.

Authorization to Rescind Resolution

No discussion ensued on Resolution No. 55-09.

Resolution No. 55-09

Rescinding Resolution No. 130-06 providing the Director of Finance with the authority to approve operating expense and capital budget line item transfers under \$100,000.00 and requiring Board approval for those transfers \$100,000.00 or more.

MOTION – Ms. Kelly moved and Mr. O'Malley seconded to adopt Resolution No. 55-09. Without objection, the motion carried unanimously.

Authorization to Approve Budget Transfers

Resolution No. 56-09

Providing the Director of Finance with the authority to approve operating expense and capital budget line item transfers with the exception of transfers between personnel costs and other operating cost categories requiring approval from the Executive Director.

MOTION – Mr. Sulik moved and Mayor Longo seconded to adopt Resolution No. 56-09.

Mr. Brown proposed to amend Resolution No. 56-09 indicating that line item transfers exceeding \$100,000 be submitted to the Finance Committee Chair; therefore, the Board

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would be advised of action taken as well as be provided the opportunity to review this information at its quarterly meeting.

MOTION – Ms. Kelly moved and Mayor Longo seconded to adopt Resolution No. 56-09 as amended. Without objection, the motion carried unanimously.

Mr. Sulik indicated that in the past, Board members received a list of budget line item transfers in May for the previous year. These budget line item transfers will now be reviewed by the Finance Committee at its quarterly meetings. Mayor Starr inquired if this gives the Board more or less regulatory control. Mr. Sulik replied that it gives the Board more regulatory control.

Authorization to Advertise

**Resolution No. 57-09
(WITHDRAWN)**

**West Creek Stream Restoration –
Contract WCSR. Engineer's estimate:
(A) \$1,945,243.00, (B) \$2,516,199.00, (C)
\$3,146,450.00.**

Authorization to Rebid

No discussion ensued on Resolution No. 3-09a.

Resolution No. 3-09a

**Incinerator Refractory Purchase –
Contract No. IR-13A, all WWTPs.
Revised estimate cost of \$210,000.00.**

MOTION – Mayor DePiero moved and Mayor Starr seconded to adopt Resolution No. 3-09a. Without objection, the motion carried unanimously.

Authorization to Issue Request for Proposal

No discussion ensued on Resolution No. 58-09.

Resolution No. 58-09

**Two (2) year contract for radiation safety
consulting services. Cost not to exceed
\$100,000.00.**

MOTION – Mayor Longo moved and Mr. O'Malley seconded to adopt Resolution No. 58-09. Without objection, the motion carried unanimously.

Authorization to Purchase

Resolution No. 59-09

Direct purchase of electro-fishing boat, trailer, motor and equipment. Cost is \$28,639.00.

Mayor DePiero requested clarification as to the purchase of a fishing boat. Mr. Greenland explained that the District is purchasing an electro-shocking fishing boat to enhance its ability for regional environmental monitoring. The boat's size facilitates its ability to move upstream, and while the existing boat handles Cuyahoga River's mainstream, it has trouble travelling upstream. The District desires to broaden its focus throughout the region, and received "good press" from its electro-shock work along the Cuyahoga River.

Mr. Brown inquired if this was related to the District's Stream Monitoring Program. Mr. Greenland explained that the District has an extensive Stream Monitoring Program, and one of the program components is to conduct electro-shock surveys along the rivers as well as Lake Erie. These surveys are conducted to determine the water quality and health of the fish community.

Mr. Greenland advised that the Ohio EPA and District conduct local electro-shocking surveys and there were recent news articles about the fish community in Cuyahoga River which were based on the results of the District's electro-shocking data. It was determined that the Cuyahoga River's fish community was diverse and had a variety of species indicating that Cuyahoga River met its water quality criteria for this particular parameter. Mr. Greenland emphasized this to be great news, and a national success story for this region, and that the District desires to continue contributing to these efforts and wants to expand its focus to other regional streams as well.

MOTION – Mr. Sulik moved and Ms. Kelly seconded to adopt Resolution No. 59-09. Without objection, the motion carried unanimously.

Authorization to Enter into Contract

No discussion ensued on Resolution No. 60-09.

Resolution No. 60-09

Annual maintenance and support of the Oracle E-Business Application and Oracle databases with Oracle, USA, Inc. Cost not to exceed \$122,417.30.

MOTION – Mayor Longo moved and Mr. O'Malley seconded to adopt Resolution No. 60-09. Without objection, the motion carried unanimously.

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Authorization to Pay Dues

Resolution No. 61-09

2009 Build Up Greater Cleveland stakeholder membership dues. Cost is \$40,000.00.

Ms. Kelly inquired if these dues were the same dues that appeared on February's action items for approval. Executive Director Ciaccia clarified that February's dues were for NOACA, a different agency.

MOTION – Mayor Starr moved and Mr. Sulik seconded to adopt Resolution No. 61-09. Without objection, the motion carried unanimously.

Add-On

No discussion ensued on Resolution No. 62-09.

Resolution No. 62-09

Authorization to rebid Train Avenue Relief Sewer Project – Contract TARS. Engineer's estimate is \$2,500,000.00.

MOTION – Mayor Longo moved and Ms. Kelly seconded to add and adopt Resolution No. 62-09. Without objection, the motion carried unanimously.

VIII. Open Session

Mayor Starr commented that he has a 92-year old resident residing in Middleburg Heights. He advised that "92-year olds should be concerned about how they pay their co-pays, their drugs, their healthcare, whether they are going to stay in their house or not, and utility rate increases." According to Mayor Starr, this resident and her daughter received a \$1,400 combination water and sewer bill. Mayor Starr stated that they "were going through the system" and "channels" for "months and months" and that he "tried to intervene" without success. Mayor Starr indicated that Mr. Bucci intervened and solved the problem, and that he wanted to publicly thank Mr. Bucci for resolving this situation.

Mr. Bucci stated that he wanted to thank Sheila Fantroy, Customer Service Manager, and Karen Cooney, Customer Service Representative, "who did the real work."

IX. Public Session (any subject matter)

Executive Director Ciaccia informed the Board that eight individuals registered to speak at Public Session. In order to provide all parties an opportunity to speak as well as have

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enough time to hold Executive Session, Mr. Brown limited each person three minutes to speak while addressing their comments to the Board.

Mr. Al Lewis advised that two contractors from the previous Board received multiple bids from Minority Business Enterprises (hereinafter "MBE"), and these MBE firms never heard back from them. Mr. Lewis indicated that he had correspondence regarding this issue and would be willing to share this information with the Board. Mr. Brown advised that the Board would be glad to receive this information.

Mr. Lewis stated that he was surprised at the pronouncement made by these contractors regarding having to complete "a lot of the work" that was "granted." Mr. Lewis stated that if they completed "part of the masonry work" and "did 80% of it" and "did not want to" or "felt that they had to hire other people to do part of that work, that's just the way that works."

Mr. Lewis stated that his surveillance company completed a project in Akron last year and hired outside companies to complete 30% of the work in order to be in compliance with the City of Akron's goals. Mr. Lewis indicated that he "did not understand how that was a legitimate concern or excuse" made by those contractors regarding having to do "that work." Mr. Lewis alleged that these contractors did not feel like giving the work to somebody else, and that "all regulatory agencies mandate that you give a percent, you meet the goal and you meet that."

Mr. Lewis made reference to the bid lists that were presented at the previous Board meeting, and he advised that his company receives bids from companies, and that one of those companies sent a bid to his surveillance company "less than 48 hours before the open date."

Mr. Lewis claimed that these companies are capable of manipulating the specifications sheet. They may request from one company the need for "16 cameras with a half gig hard and then tell another company they want 8 cameras with a 250 hard drive." According to Mr. Lewis, there are many ways to verify this data.

Mr. Lewis moved discussion to address commitment to diversity, and he indicated that his first job's responsibilities included being "in charge of EEO and diversity for a Fortune 500 company" having less than 1% minority and female employees in the plant which was located in a rural area wherein he was "told to get 17% within 18 months." Mr. Lewis advised that he "got 22%" and that his "directors did not accept any excuses." Mr. Lewis stated that he did not "coach people on what to say to meet goals and requirements," instead he "went out in the community" and "outreached" in order to meet his "company's goals and desires."

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Mr. Lewis stated that when “you guys mandate a percent for your own staff to come back and say well, we couldn’t do it,” this is “a reflection on your management team.” Mr. Lewis indicated that he “could do it.”

Executive Director Ciaccia advised that Mr. Richard Jones registered to speak regarding diversity follow-up. Mr. Jones indicated that he no longer wished to speak at Public Session.

Executive Director Ciaccia advised that Terach Yisrael registered to speak regarding diversity.

Mr. Yisrael stated that the “first part was kind of long and drawn out” and this was his “third time down here.” The last time he “was down here,” he “didn’t think much was accomplished,” and that he spoke on “diversity as far as the minority community goes” and this organization has “very little of it.”

Mr. Yisrael stated that “we don’t have anything else to do but come down here and sit with you until you make some changes. We’ll come down here and sit with you until you make some changes and we’ll go out on the job sites to the contractors that you’ve given the jobs to that have excluded us and watch them and see about making some changes. We’ve got to move on. We’ve got to move on. This can’t keep going on where you keep ignoring us.”

Mr. Yisrael stated that at the last Board meeting he attended, the District was supposedly conducting a study on minority participation, and he questioned what has been done since then, and that this was two weeks ago. Mr. Yisrael inquired if anything came from that, and if the District selected a “local firm to check us out to see if we qualify or do we have the potential” to complete the District’s work.

Mr. Yisrael stated that “we don’t want this to go on another year where blacks or minorities are excluded from making a living or being looked over. We can’t keep letting this go on from year to year. We have to do something. We have to make some changes, otherwise the system as well as the country is going to fall apart.”

Mr. Yisrael claimed that people will not “sit back and be ignored year after year” and “this has to change.” Mr. Yisrael was hopeful that the District is putting its “best foot forward to make some changes” and provide more minority participation on District contracts and at job sites.

Executive Director Ciaccia advised that Mr. Norman Edwards registered to speak regarding diversity, Independence Excavating, East Bank Flats, methane gas and attorneys.

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Mr. Edwards indicated that he also registered to speak on "some agenda items" which were listed on the "left-hand side"; however, at that time, he had to "go out into the hallway" but had "some agenda items that were initially at the beginning."

Mr. Edwards suggested that the Board "follow the guidelines that they still have" and that he understood that the District is conducting a disparity study. The City conducted a disparity study as well, and Mr. Edwards indicated that he met with the "Mayor on Monday."

Mr. Edwards stated that "80%" of the "170 million the lady read, comes from the City of Cleveland residents and we're still being shut out from projects" which is "totally unacceptable" and "the mayor totally agrees."

Mr. Edwards stated that he "cannot understand how we can have an Executive Director who has relationships with the contractors, meets with the contractors and then coaches the contractors to say hey, we'll sue. You don't have to use black people. You don't have to use minorities. This should not be happening in 2009."

Mr. Edwards stated that he "requested the documentation from Independence" including the "contract, this, that or the other" which was "tabled two months ago here" and has "never been brought back up at all." Mr. Edwards alleged that "contract steering" was "done with Independence Excavating who we have a problem with as far as hiring black contractors and subcontractors, so, the Ferris wheel keeps going around and around and around."

Mr. Edwards stated that "there has been a disparity study in Cuyahoga County" and it was indicated that "80% of all your revenue comes from the City of Cleveland, yet these black people here in this audience who are City of Cleveland residents, 95% of them cannot get a job at the Sewer District."

Mr. Edwards advised that he has "been coming down here for five years" and that the "shenanigans keep going the same way" and it has to stop.

Mr. Edwards alleged that he is "talking with Washington D.C. on the stimulus package" and that "we do have some ears that are listening." The District's "minutes are passed around up there" and "they cannot believe them." Mr. Edwards stated that the "socks are blown off" of "Congresswoman Maxine Waters" and representatives from other states that "we would have somebody coaching contractors on how to bypass black and minority participation."

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Mr. Edwards advised that students from the UCIP-ASAP program were present at the meeting. According to Mr. Edwards, UCIP-ASAP is funded by the City and the County wherein both entities pay \$2,900, and there are over "100 students that took place in there for about \$5,800 that the City and the County paid for and these students were promised-- this is a pre-apprenticeship and they've been denied into the apprenticeship program with the Cleveland building trades unions."

Mr. Edwards stated that "we won't stop. We'll keep coming down here. We're going to keep pounding the pavement. It's absolutely unfathomable for this to be happening now. You got an Executive Director that wants to sit and laugh-- this is not a joke to us."

Mr. Brown informed Mr. Edwards that he exceeded his time limit.

Mr. Edwards requested that "Mayor Jackson come to the next meeting." Mr. Edwards asked Mr. Brown to request the Mayor's presence at the next Board meeting, and he stated that "we have to inclusion here."

Mr. Brown suggested that if Mr. Edwards desired Mayor Jackson's presence at the next Board meeting, then Mr. Edwards should "send him an invitation."

Mr. Edwards stated "wait a minute, I'm asking the president of the Sewer District-- who does 80% of your revenue come from-- the City of Cleveland residents." Mr. Edwards stated "that's the protocol, okay-- I'm asking you [Mr. Brown] from this Board to ask the Mayor to be in attendance at the next meeting. Thank you. Do your job."

Mr. Brown thanked Mr. Edwards and stated "I'll do my job" and "you do yours."

Executive Director Ciaccia advised that Kathy Coleman registered to speak about diversity.

Ms. Coleman stated that "this is shameful; when you have to have black men come down and urge you to be more sensitive to the needs of the community. The City of Cleveland is approximately 57% black and Cuyahoga County is 27% black.

Ms. Coleman stated that "maybe you might not like the approach that Norm Edwards may use" or "you might not like the aggressive approach" used by Richard Jones, the "representative from Al Sharpton's camp, but apparently something is going on." Ms. Coleman stated that "this community cannot function unless we work together regardless of race, ethnicity, gender, socioeconomics, or sexual orientation."

Ms. Coleman suggested that the Board "listen to what these men are saying," "take it seriously," and "develop a committee" to "work toward diversity" and ensure that "a

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number of them [contractors] are minorities.” Ms. Coleman stated that this should not be considered “because you are told” but addressed because a “community cannot function unless it’s diverse.”

Ms. Coleman stated that “this forum is not diverse enough” and that there are no “white women” or “Latinos” on the Board. Ms. Coleman stated that this is, “with all due respect, a discrepancy model” and that she did not observe “one black give a presentation today” and indicated that this is to “no offense to the people that have spoken.”

Ms. Coleman suggested that “if you want this community to function,” then “a committee be developed and you take these issues seriously and you work toward making sure that the City of Cleveland is reflective of what President Obama talks about. He won because he understood inclusion. He did not make smart aleck comments to the speakers. Don’t do that.”

Ms. Coleman suggested the District to “work with these gentlemen” and “try to make this community better. These contractors need jobs and I would urge you-- Don’t drag Norman Edwards out of here-- Richard Jones-- criminal charges. I would urge you, Mr. Brown, and I understand that you are respected in the black community, to take this very seriously. I am a journalist. I am a community activist. I don’t like what I see in this forum. Thank you very much.”

Executive Director Ciaccia advised that Denise Harper registered to speak on jobs for our future.

Ms. Harper advised that she is the Director of Durham Brothers Construction Trade School and several of her students need employment. She inquired as to what methods or approach should be taken to ensure that her students, with their intelligence, knowledge and hands-on training, can submit an application, cover letter and resume to the District and be “assured that they will be looked at and know that there is a chance for them to receive a job here.”

Ms. Harper advised that she is “new to the area” and “still kind of wet behind the ears with the knowledge of what it takes to find jobs and get jobs in Cleveland.” Ms. Harper stated that when she first arrived in Cleveland, she received “five job offers in one day, so, it’s not that it’s not possible, it’s what you got to do to do it.”

Mr. Brown stated that he did not have a definitive answer, but these comments do not fall on deaf ears. This is an ongoing debate resulting in much discussion about increased inclusion which is a significant challenge but a desired outcome by the Board. Mr. Brown advised that the Board and staff are undertaking many initiatives in order to achieve this accomplishment. The disparity study as well as setting participation goals

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based on the study results are tools to be utilized by the District. Mr. Brown stated that many trade unions are diverse and inclusive and the District needs to explore options on securing a diverse workforce on District projects. There has been much discussion as to workforce goals and contracting opportunities. Mr. Brown indicated that many people "hide behind" laws and barriers making it difficult for the District to accomplish its goals.

Mr. Brown stated that he takes "no delight in sitting here and hearing these comments" and knowing that people believe that the "Board sanctions those outcomes." The Board does not support those outcomes. People "hide behind laws" and the Board "tasked the staff" to identify the District's rights in order to ensure that the District receives its desired outcome.

Mr. Brown stated that past discussions included the formation of an ad hoc committee or advisory group so that the "voices" could be part of the development process; therefore, at program implementation, people were provided with an opportunity to learn about the process.

Mr. Brown assured that the "we are not fighting this" and "we do not support the numbers that we get" and "there is a lot of gaming that goes on." The District has to award its contracts to the lowest and best bidder and there are definitions as to what constitutes a good faith effort.

Mr. Brown indicated that the District needs clarification on how to use the government's tools in order to achieve the desired outcome while staying in compliance with the law and creating opportunities for the people within this community. Mr. Brown stated that the desired outcome is to bring positive closure to this issue, and he advised that he is unsure how long it will take, but "we will get there."

Mr. Brown stated that the District has a "direct relationship with the building trades" and supports students becoming part of the workforce; however, this does not guarantee them a job, but there are opportunities. Cleveland Public Power provides ten students the opportunity to go through an apprentice program resulting in students securing employment with CPP working on the trucks. Mr. Brown stated that tools and systems can be created, but this requires dialogue on how to achieve this goal.

Mr. Brown turned discussion over to Constance Haqq, Director of Administration and External Affairs, who oversees community outreach as well as developing relationships with different entities to their involvement and "get their attention on the issues that are important to the Board."

Ms. Haqq advised that through a joint effort between the District, the Cleveland Metropolitan School District, and the Urban League, developed a Wastewater Prep

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Program, established in 2008, which “identifies young people for careers in the wastewater industry at the District.”

The District started with 11th grade students at Collinwood interested in learning about the wastewater industry. These students reported to the District after school to learn about this operation. These students were hired to work at the District during the summer preceding their senior year of high school. Throughout their senior years, these students study and prepare for the Wastewater I licensing test; therefore, they are eligible upon graduation to apply for District positions.

Ms. Haqq advised that the District chose the Wastewater Prep Program because the District has a need for Wastewater I Operators. The District’s program will expand this year to include two schools; Max Hayes and Collinwood.

Ms. Haqq recognized that although Wastewater Prep is not the program that Ms. Harper administers at her school, this is the District’s effort to identify, encourage and provide opportunities to young people within the community and prepare them for a needed job position within the District.

Ms. Haqq recommended that students eligible to work for the District should contact the Human Resources Department, and she suggested that Ms. Harper stay after the meeting to speak with one of the Human Resources representatives. Executive Director Ciaccia suggested that Ms. Harper discuss her program with Ms. Haqq and Jan Gyevat, Human Resources Manager, after the meeting.

Ms. Harper stated that she appreciated the “community of taking that effort and going into the school systems” but unfortunately there are many “African American women, Hispanic and even Caucasian people not educated in particular fields because they weren’t given opportunity right outside of school.” Ms. Harper stated that Mr. Durham “provided this education for them.”

Ms. Harper inquired if the “community and Board” will consider developing an apprenticeship program for some of the male and female graduates. Mr. Brown advised that this can be discussed after the meeting.

Executive Director Ciaccia advised that Robert Lyles registered to speak on jobs for a future; however, Mr. Lyles declined to comment.

Executive Director Ciaccia advised that Ken Bender registered to speak at Public Session but did not list a topic.

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Mr. Bender reported to the podium and stated "let's talk about laws for a minute. What is a law? A law depends on the individual, depends on the person because every man that interprets a law has his own way of interpreting that law."

Mr. Bender alleged that "three young men are being incarcerated for life for one reason," and he indicated that he was not making excuses for these men; however, if these men were provided opportunities to work, and "if the Sewer District had opened up the doors of what we call inclusion instead of exclusion, these young men would not be facing a life sentence."

Mr. Bender advised that he will "stand here until" he has to leave this place, but he wanted to "leave this place with this thought-- each and everyone one of us has an obligation to something or somebody, whether we hold it to our kids, our friends, our mothers, our sisters. We have an obligation to do the right thing, but who determines the right thing? What determines the right thing? Determining the right thing is doing the right thing, basically saying, that African Americans are being excluded from certain types of work or certain types of jobs."

Mr. Bender stated "let's change the dynamics a little bit. Let's say that Barack Obama tomorrow woke up and said that all the little white kids will be discriminated against. Let's say that Strongsville tomorrow said that no whites can work in Strongsville. Let's use that, because this is what it's about. It's not about me. It's not about my kids. It's about my kids' kids. It's about me standing up here fighting for the very kids that I love." Mr. Bender stated that "you guys wake up every single morning and come to work not for yourselves," but "you come to work for the kids" and the "grandkids" in order to ensure that they have opportunities.

Mr. Bender claimed that the "playing field" is "level to a point" and that "you know what I'm saying." Mr. Bender indicated that "they won't be discriminated against merely because of who they are," or "because they lack the encouragement and confidence to keep them moving."

Mr. Bender stated that "this body owes not me" but "owes themselves because at the end of the day, everything that we've acquired in life, we have to leave it here." Mr. Bender commented that "you guys have fancy cars and fancy houses" but "when you stand before Him, everything we've accomplished in life, we have to leave it here. So the \$50 million that we had, somebody else has the opportunity."

Mr. Bender stated "let's do the right thing because at the end of the life, no matter how much we don't want to, the same way that I'll die, LeBron James will die. The same way that they'll split his back, they'll split my back and they'll stuff me in a metal basket like they'll stuff him in a metal basket, and they'll throw rich dirt on him and they'll throw

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poor dirt on me. Who defines poor? What is poor? Poor is a condition that they allowed me to believe that I am so that they may establish superiority over me. Who are they to determine whether I live or die?"

Mr. Bender claimed that "this body owes the resident of the City of Cleveland. Do the right thing. It's not about me. It's not about you. It's about doing the right thing because at the end of life, we all die the same way."

X. Executive Session

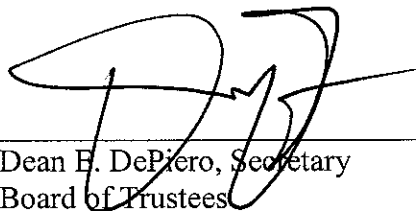
Mr. Brown stated that there were matters for discussion in Executive Session.

MOTION – Mr. Sulik moved to enter into Executive Session to discuss the pending KMM&K litigation matters and to specifically designate that all matters discussed in Executive Session be protected from public disclosure in accordance with the Ohio Revised Code Section 121.22(g)(3) and attorney/client privilege, and that a roll call be taken. A roll call vote was taken and without objection, the motion carried unanimously.

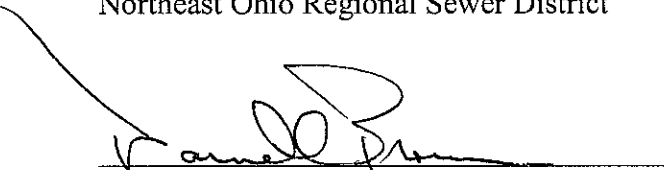
The Board met in Executive Session from 2:13 p.m. to 3:03 p.m.

XI. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mr. Sulik moved and Mr. O'Malley seconded the motion to adjourn at 3:03 p.m. Without objection, the motion carried unanimously.



Dean E. DePiero, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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