

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES
MAY 23, 2007

A special meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 4:00 P.M. on the above date by President Sulik.

A. Roll Call

PRESENT: D. Brown
D. DePiero
S. Kelly
A. Liberatore
T. Longo
G. Starr
R. Sulik

The Secretary informed the President a quorum was in attendance.

B. Working Session

The Secretary reported that the Board met in Working Session on this date beginning at 4:01 P.M. Executive Director Odeal introduced the Public Participation item. No one in the audience addressed the Board. The Open Session item was also introduced and there were no open session items. The Working Session adjourned at 4:03 P.M.

C. Executive Session

Moved by Mr. Liberatore and seconded by Mr. Brown that the Board meet in Executive Session to discuss two personnel matters. Without objection CARRIED UNANIMOUSLY. Thereafter the Board met in Executive Session from 4:04 P.M. until 4:57 P.M., and the Business Session began at 4:58 P.M.

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D. Administration

Item 1 - Authorizing the engagement of Calfee, Halter & Griswold LLP, 1400 McDonald Investment Center, 800 Superior Avenue, Cleveland, Ohio 44114. Cost: Not to exceed \$200,000.00.

Executive Director Odeal stated it is in the best interests of the District to engage Calfee, Halter & Griswold LLP to provide legal and professional services to the District.

Mayor Starr asked how much the request is for. Director Odeal responded not to exceed two hundred thousand dollars. Mayor Starr asked what the hourly rate is. The District's Deputy Executive Director, F. Michael Bucci, responded approximately two hundred sixty dollars per hour. Director Odeal stated we will be billed an actual rate for actual people on the project, and two hundred sixty dollars an hour is just an average rate. Mayor Starr asked why the request was not sent to the Board ahead of time. Mr. Odeal responded District staff just completed it hours before the meeting.

Mayor Starr stated the District is going to hire a firm to investigate some serious allegations that have been made about an employee where these are questions that only government can independently decide; namely, the Ethics Commission of the State of Ohio and the State Auditors Office should have been called and requested to review and investigate. Mayor Starr further stated he thinks there are serious limitations when you hire an outside firm and pay them to do an investigation. Mayor Starr stated the firm may not be totally neutral and asked if the firm has subpoena powers. The District's Acting General Counsel responded in the

negative. Mayor Starr stated the firm does not have subpoena power, forensic or lab.

Director Odeal stated there are three parts to the firm's work and the examination of allegations that might be made is one part of it and perhaps will not be the major part. Mr. Odeal further stated the firm is also going to do an audit of processes and procedures for purchasing, contracting and so forth to make recommendations first to analyze our business practices and to make recommendations on business practices. Mr. Odeal stated the firm is also going to be acting as interim General Counsel for the District over a period of time so the investigatory work is only one part of the effort. Mr. Odeal said long-term, the most important item is the audit analyzing and developing procedures. Mr. Odeal went on to say the District is 35 years old, and the firm is needed to take a look at our procedures and make recommendations for how they might be improved.

MOTION - Moved by Ms. Kelly and seconded by Mr. Liberatore that the resolution be adopted. President Sulik requested a roll call vote. Roll Call Vote: YEAS: Brown, DePiero, Kelly, Liberatore, Longo, Sulik. NAYS: Starr. ABSTENTIONS: None. RESOLUTION PASSED. Resolution No. 137-07.

Mayor DePiero requested that allegations against Legal Counsel of the Sewer District be referred to the Ohio Ethics Commission for a full investigation to be commenced as soon as possible. Mayor Starr asked why the State Auditor would not be included in the investigation. Mayor DePiero stated he feels the work that is going to be done by Calfee will develop anything that needs to be done and they, in turn, will refer any findings to the appropriate authorities.

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Mayor DePiero further stated because there are serious allegations of conflict of interest that may or may not be true, he thinks it is important that an independent governmental agency review the allegations to ensure the integrity of the organization and further thinks that the work that Calfee will do will serve as Legal Counsel and serve on a parallel path but obviously thinks it's prudent that we have an outside agency review this to determine if any conflicts of interest existed.

MOTION - Moved by Mayor DePiero and seconded by Mayor Longo that the motion be approved. Without objection CARRIED UNANIMOUSLY.

Board Member Brown stated the important issue for him is the fact that the District is taking the necessary and required action to investigate the allegations that are before them, and to also look forensically at whether other things will be uncovered as a result of this investigation, and to look at our policies and procedures that relate to these types of transactions and such, and to do that in a manner that is above reproach. Mr. Brown further stated he thinks it is the right message to the public in terms of our account of the ethics, it's the right message to our customers, it's the right message to our staff who have worked very hard over the last thirty years to establish a reputation not only locally but nationally being a top rate wastewater organization. Mr. Brown stated he, as a Board member, does not take that role or responsibility lightly and wants everyone to understand that what we do we do in the interest of protecting public trust, we do it as our fiduciary responsibility, and stated he does not want anyone to question that so he thinks what the District has done is representative of upholding our responsibility to the public, and he will stand on that.

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Stated business having been concluded, Ms. Kelly moved and Mayor Longo seconded the motion to adjourn the Business Meeting at 5:08 P.M. The next Regular Meeting is scheduled for June 7, 2007, with the Business Session beginning at 12:30 P.M.

Signature on File

Thomas J. Longo, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District

Signature on File

Ronald D. Sulik, President
Board of Trustees
Northeast Ohio Regional Sewer District