

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
SEPTEMBER 4, 2008

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:32 p.m. by Mr. Brown.

I. Roll Call

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

The Secretary informed the President a quorum was in attendance.

II. Approval of Minutes

MOTION – Ms. Kelly moved and Mr. Liberatore seconded that the minutes of the August 21, 2008 Board meeting be approved. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no one registered to speak at Public Session on a specific agenda topic, however, Mr. Norman Edwards registered to speak about jobs. Mr. Brown advised that this issue will be discussed under the general Public Session.

Mayor Starr requested, for the convenience of the public and persons who may be on their lunch hours that the Board amend the agenda to allow members from the public the opportunity to speak at the first Public Session. Mr. Brown informed Mayor Starr that a motion is required for this type of amendment to the agenda.

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 2 of 15

MOTION – Mayor Starr moved and no one seconded a motion to amend the agenda to allow public speakers to speak on non-agenda specific topics at the meeting’s first Public Session.

Mr. Brown informed the Board that it will proceed with the agenda.

IV. Executive Director’s Report

Included in the Board members’ packets for review was Executive Director Ciaccia’s quarterly report update of his one year performance goals. Executive Director Ciaccia briefly discussed the report.

Executive Director Ciaccia stated that the District is doing well with its capital programs and continues to proceed with development of its Stormwater Management Program (hereinafter “SMP”). The District remains proactive by communicating with its governing legislative bodies. An organizational strategic business plan draft was developed. The disadvantaged business program has been a challenge, however, significant progress is being made in identifying past problems with the District’s Minority Business Enterprise (hereinafter “MBE”) and Women’s Business Enterprise (hereinafter “WBE”) program. The District continues to meet its financial objectives. Executive Director Ciaccia advised that District operations are sound as it continues to meet all permitted metrics. Communication and relations between the Board and staff continue to be open and transparent. Executive Director Ciaccia thanked the Board for its support and stated that, from his perspective, the quarterly update was very positive.

Mr. Brown commented that almost one (1) year ago the Board identified various goals and objectives to be undertaken by newly appointed Executive Director Ciaccia, and Mr. Brown felt that significant progress has been made. As the District undergoes its transition, a diversified senior staff continues to take on organizational challenges. The District faces many significant challenges over the next thirty (30) years including its ability to address issues pertaining to the condition of the region’s lakes, streams and waterways; construction management of its wastewater treatment plants and facilities; and the development of its SMP. A good partnership between the Board and staff is essential in order to ensure that the District meets its goals and objectives. Mr. Brown encouraged staff to continue to indentify issues so that systems may be developed to address any concerns.

Executive Director Ciaccia stated that he appreciated Mr. Brown’s comments, and that it has been a great ten (10) months. Executive Director Ciaccia indicated that he is pleased with the District’s diversified senior staff which continues to work collaboratively. When he joined the District, he was impressed with the organization and its operation and did not feel the need to “totally upset the appplecart.” Although there are some issues the

District needs to improve upon, Executive Director Ciaccia assured that staff is working diligently to address these concerns.

Although he did not want to have an ongoing discussion about non-productive issues, Executive Director Ciaccia stated that he is continuing to research certain allegations that were made at the August 21, 2008 Board meeting, and he wanted to address one claim in particular at this meeting. The issue was raised, by a member of the public, contending that the firm Camp Dresser McKee (hereinafter "CDM") was involved with corruption and therefore barred from working in certain cities. Kellie Rotunno, Director of Engineering and Construction, spoke with the CEO of CDM, Richard Fox, and Executive Director Ciaccia spoke with Ed St. John, a local CDM representative, and it was discovered that CDM is not barred from working in the cities of Tampa, Houston and New Orleans, and in fact, Executive Director Ciaccia was advised that CDM currently holds contracts within these cities. Executive Director Ciaccia was unsure of whether CDM is currently being investigated in these cities, but felt it necessary to inform the Board that CDM is currently working within these communities and that that particular claim from the public holds no validity.

Mayor Starr questioned if Executive Director Ciaccia specifically asked CDM if they were under investigation in Tampa, Houston and New Orleans. Executive Director Ciaccia advised that he did ask this question, and was advised by CDM that they were not aware of any pending investigations in the aforementioned cities.

V. Consent Agenda

No discussion ensued on Resolution Nos. 205-08, 11-08b, 31-08c, 206-08 and 207-08.

Resolution No. 205-08

Authorizing non-discharge status to Treeline Incorporated, 10376 Brecksville Road, Brecksville Ohio 44141, application no. 329, account #12-480-457-006.

Resolution No. 11-08b

Authorizing additional funds for exceeding \$25,000 allotment for single-agency temporary staffing with Ajilon Professional Staffing, LLC. Cost increase of \$240.00 for final payment.

Resolution No. 31-08c

Adding one (1) classification to salary Resolution No. 315-07.

Resolution No. 206-08

Entering into a license agreement with Norfolk Southern Railway Company in connection with the Lee Road Relief Sewer Project. Cost is \$36,000.00.

Resolution No. 207-08

Sale of Permanent Parcel Numbers 541-07-001 and 541-07-002, in the City of Garfield Heights, to 7500 Grand Division LLC, dba Halvorsen including sewer easements and related building restrictions. Consideration: \$8,250.00.

MOTION – Mayor DePiero moved and Mayor Starr seconded to adopt Resolution Nos. 205-08, 11-08b, 31-08c, 206-08, and 207-08. Without objection, the motion carried unanimously.

VI. Action Items

Authorization to Advertise

Resolution No. 208-08

One (1) year requirement contract for the purchase of 120,000 pounds of liquid polymer for use at the Southerly Wastewater Treatment Plant. Expected expenditure is \$272,000.00.

Executive Director Ciaccia advised Board members that liquid polymer is plant chemicals used at the Southerly Wastewater Treatment Plant.

Resolution No. 209-08

Westerly Low Level Interceptor Riverbed Street Bypass Pumping System. Engineer's Estimate is \$900,000.00.

Executive Director Ciaccia informed Board members that the sewer line encased in this hillside is slumping toward the Cuyahoga River. In the event the hillside moves and damages the District's interceptor, the flow will need to be diverted; therefore, plans and specifications have been developed to include the construction of pumps, manholes and temporary piping. Concurrently, the District is developing plans and designs for the possible permanent relocation of this sewer line. Executive Director Ciaccia advised that the District is working with various agencies and stakeholders involved with the hillside and continues to research a long-term solution which may ultimately mitigate some of the proposed remedies, but the District needs to be prepared for the worst possible outcome.

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 5 of 15

Mr. Brown questioned if this project includes construction, or if it is to solely bypass or develop alternate pumping schemes in the event of system failures. Ms. Rotunno replied that in order to accommodate bypass pumps in the event a failure should occur, there will be construction associated with manhole modification, pipe materials, and the purchase of the pumps.

Mr. Brown stated that he was under the impression that the District had built temporary pump stations at certain facilities to address this issue and requested clarification from Ms. Rotunno. Ms. Rotunno stated that she was "not familiar" and deferred the question to Sewer Design Manager, Rick Switalski.

Mr. Switalski presented the Board with various images of the aforementioned sewer line, and according to Mr. Switalski, a number of years ago, it was discovered that the hillside sewer line collapsed 700 feet and then 1300 feet. The District inserted spiral lining into the sewer line and invested \$3 million in construction costs to "shore up the interceptor". The hillside continues to move and in distressed area number one (1) the differential between the two (2) lanes is approximately four (4) feet. Mr. Switalski explained that the District is desirous of inserting a temporary bypass pumping system so if the hillside shifts, the District can bring pumps in to move the flow. Mr. Switalski stated that the District is proposing that the pump heads be inserted in manhole 200, and a "system relying on the west side of the existing pipe on the existing side of the road pumping to manhole 185." Mr. Switalski stated that by the end of the year 2400 feet of High Density Polyethylene (hereinafter "HDPE") pipe on the side of the road and no pumps. The pumps will be brought in, once an imminent failure arises.

Mr. Brown stated that with regard to preparedness, recently a table top exercise in conjunction with the City of Cleveland, Army Corps of Engineers, U.S. Coast Guard, and Public Safety was completed so all parties are aware of their responsibility in the event of an imminent collapse of the Westerly low level interceptor (hereinafter "WLLI"). Mr. Brown questioned what protocol will be in place to inform all involved stakeholders of the District's proposed plan.

Mr. Switalski stated that on August 20, 2008, the U.S. Coast Guard and Army Corps of Engineers had a table top discussion at the District's Environmental Maintenance and Services Center (hereinafter "EMSC"). Approximately sixty (60) representatives attended the meeting and engaged in discussions as to what each entity's responsibility would be in the event of the imminent collapse. Discussions also entailed how other branches of government including the City of Cleveland's Fire and Police Departments would be involved in the emergency response. Grate Lakes Freight Association and other private stakeholders attended the meeting as well which enabled the group to engage in good discussions covering all aspects of the parties involved. A core group has

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 6 of 15

been established and will move forward with a detailed action plan. Furthermore, Mr. Switalski advised that a task force is being established including both private and public stakeholders to address available funding opportunities.

Resolution No. 210-08

**Southerly Wastewater Treatment Center
Biosolids Handling & Incineration
Project – Contract 28B, Fluidized Bed
Incinerator Equipment Procurement
Project. Engineer’s estimate is
\$46,000,000.00.**

Executive Director Ciaccia advised that Resolution 210-08 authorizes the taking of bids for the Biosolids Handling and Incineration Project, more specifically to purchase the fluidized bed incinerators and its associated equipment for the replacement of the multiple hearth incinerators at the Southerly Wastewater Treatment Plant. Executive Director Ciaccia advised that staff participated in an expert workshop regarding advanced technology options, and the option to switch to the fluidized bed incinerator system was determined to be the most prudent decision for the District.

Executive Director Ciaccia indicated that the District will approach the Biosolids Handling & Incineration Project in two (2) stages. The District intends to purchase the equipment to lock in the prices while developing the specifications and plans in order to take bids for the equipment installation. Executive Director Ciaccia explained that Resolution 210-08 strictly authorizes the District to take bids for the purchase of the equipment.

Mr. Brown commented that there is a large capital outlay for the Biosolids Handling & Incineration Project, and he speculated that much of the due diligence was completed prior to Ms. Rotunno joining the District. He identified an ongoing concern to be the assurance that the technology being purchased to replace the outdated equipment is the most advanced and practical approach with regard to system upgrades for this particular application. Mr. Brown questioned if Ms. Rotunno had an opportunity to review the proposed project specifications and if she was satisfied with the technology.

Ms. Rotunno stated that a lot of due diligence was completed on this project prior to her joining the District five (5) months ago. Per Executive Director Ciaccia’s recommendation, Ms. Rotunno was compelled to initiate further due diligence which is why the District participated in the validation workshop. According to Ms. Rotunno, the sole purpose of said workshop was to “validate the due diligence that had been performed in selecting this top technology to date.” Ms. Rotunno participated in this workshop with some of the nation’s most renowned experts in Biosolids handling. They discussed various methods of Biosolids handling including land application, digestion and

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 7 of 15

incineration. Subsequent to the validation workshop and the good work conducted by the staff, Ms. Rotunno stated that she is convinced that the fluidized bed incineration technology is the “best economic and environmental choice for the District to handle its Biosolids moving into the future.”

Mayor Longo requested clarification as to why the First Energy utility lines no longer need to be relocated to provide power to the new dewatering pump station. Ms. Rotunno advised that a preliminary alternative required the power lines be relocated, but the building will now be constructed at a location which does not require the relocation of the First Energy lines. Furthermore, per the recommendation from the Biosolids experts at the validation workshop, the building construction will include waste heat boilers and turbines which will generate electricity.

Resolution No. 211-08

Mill Creek Interceptor Rehabilitation Project, Phase 2. Engineer’s estimate is \$4,700,000.00.

Executive Director Ciaccia stated that the Mill Creek Interceptor Rehabilitation Project, Phase 2 involves the rehabilitation of 2,650 feet of the Mill Creek Interceptor. Said project is a continuation of the ongoing Mill Creek Interceptor Project. Phase 2 is not associated with the District’s pending litigation involving Phase 1 of the Mill Creek Interceptor project.

MOTION – Mayor Longo moved and Mr. Sulik seconded to adopt Resolution Nos. 208-08 through 211-08. Without objection, the motion carried unanimously.

Authorization to Issue RFP

Resolution No. 212-08

Issuance of RFP for Combined Sewer Overflow Rehabilitation Project.

Executive Director Ciaccia advised that Resolution No. 212-08 allows the District to advertise for engineering proposals for design improvements to some of the District’s combined sewer overflows (hereinafter “CSO”). Many of the District’s CSOs need to be maintained and upgraded. The District added some CSOs to its system through an agreement with the City of Cleveland.

MOTION – Mr. Liberatore moved and Mayor Starr seconded to adopt Resolution No. 212-08. Without objection, the motion carried unanimously.

Authorization to Award

Resolution No. 213-08

**Vista Branch Connection Sewer Contract
MCI-VB to Terrace Construction Co.,
Inc. Cost not to exceed \$1,571,388.60.**

Mayor DePiero inquired as to why the District is not recommending the lowest bid and why the bids received were low compared to the engineer's estimate of \$2.2 million. Executive Director Ciaccia stated that Marous Brothers was the lowest bidder on this project and submitted a proposal of \$852,000, but the other bidders' proposals were much closer to the engineer's estimate. When the District reviewed the contractor's bids, it was evident that Marous Brothers had made a mistake in their proposal. Marous Brothers submitted a letter to the District stating that an error was made by its estimator, and in accordance with the Ohio Revised Code (hereinafter "ORC"), Marous Brothers withdrew its bid resulting in Terrace Construction becoming the lowest bidder.

Executive Director Ciaccia stated that the District was pleased with the bid proposals submitted because the engineer's estimate was \$2.2 million. Terrace Construction submitted a bid of \$1.57 million, and while Chivers Construction submitted a bid of \$1.7 million. Two additional companies that have bid on District projects in the past also submitted bid proposals, but their bids were higher. Executive Director Ciaccia speculated that due to competition, the District received good bids on this project, and was pleased to receive bid proposals from Terrace Construction and Chivers Construction because they had not bid on District projects in the past.

In response to Executive Director Ciaccia's comment about two (2) contractors bidding on this project who have not bid in the past, Mayor Starr inquired if Executive Director Ciaccia could speculate as to why these contractors are bidding now. Executive Director Ciaccia stated that he did not want to speculate, but advised that the District is seeking additional bidders through its outreach efforts. Executive Director Ciaccia stated that although the District is not ready to bid for its CSO Long-term Control Plan (hereinafter "LTCP") project, it will be important to attract many bidders on these projects in order to receive good and competitive bid proposals.

Ms. Kelly inquired whether Terrace Construction and Chivers Construction are local companies. Executive Director Ciaccia advised that Terrace Construction is a local company based in Cleveland, and Chivers Construction is located in Pennsylvania.

Mr. Brown stated that contractors are becoming aware that the District's bidding process is no longer "business as usual", and that the "playing field has been leveled". Therefore, he is not surprised and in fact believes that contractors, who may have not bid on District

projects in the past for various reasons, will be more inclined to submit proposals from this point forward and into the future.

MOTION – Mr. Liberatore moved and Mr. Sulik seconded to adopt Resolution No. 213-08. Without objection, the motion carried unanimously.

Authorization of Contract Modification

No discussion ensued on Resolution No. 214-08.

Resolution No. 214-08

Entering into a two (2) year renewal option with Ohio Bulk Transfer Company for the removal, transportation and disposal of 5,000 tons of incinerator ash at the Westerly Wastewater Treatment Plant. Cost not to exceed \$305,025.00.

Mayor DePiero advised Board members that Ohio Bulk Transfer Company is a client of the law firm McDonald Hopkins, LLC, where he is Of Counsel; therefore he abstained from the vote.

MOTION – Mayor Starr moved and Ms. Kelly seconded to adopt Resolution No. 214-08. The motion carried with one (1) abstention vote by Mayor DePiero.

Authorization to Certify Delinquent Sewer Accounts

No discussion ensued on Resolution No. 215-08.

Resolution No. 215-08

Authorizing the certification of delinquent sewer service charges to the Cuyahoga and Knox County Auditors for collection pursuant to Section 6119.06(W) of the Ohio Revised Code.

MOTION – Mr. Sulik moved and Mr. Liberatore seconded to adopt Resolution No. 215-08. Without objection, the motion carried unanimously.

Authorization to Pay Dues

No discussion ensued on Resolution No. 216-08.

Resolution No. 216-08

NOACA dues for fiscal year 2009. Cost is \$54,834.00.

MOTION – Mr. Liberatore moved and Ms. Kelly seconded to adopt Resolution No. 216-08. Without objection, the motion carried unanimously.

Mr. Brown stated that the District is in the process of conducting its disparity study. He asked Executive Director Ciaccia if the District continues to enforce its current MBE/WBE goals. Executive Director Ciaccia stated that the District continues to use its existing MBE/WBE program which set its MBE/WBE goals of 15% and 5%. For each job, staff assesses its certified MBE/WBE contractor list, and adjustments are sometimes made to the goals contingent upon the availability of certified MBE/WBE contractors within that particular field of expertise.

VII. Information Items (no items on agenda)

VIII. Open Session (no items on agenda)

IX. Public Session

Executive Director Ciaccia informed Board members that Mr. Norman Edwards registered to speak at public session regarding the topic of jobs.

Mr. Edwards stated that he would like to discuss a couple of things in addition to the topic of jobs. Mr. Edwards advised that a letter was sent to Congressman Dennis Kucinich. Mr. Edwards stated that he received “a letter of approval from him asking for a government take over of the Sewer District.” Mr. Edwards stated that having been in the construction field as a contractor for over 35 years, he felt insulted and has “tried to work with different entities including the District...and cannot be slapped around anymore.”

Mr. Edwards stated that he has seen no change within the District and that the Board has been in place, “except for Mayor DePiero and Mr. Liberatore, for a number of years,” and that the ongoing “corruption and fraud is totally unacceptable.” Mr. Edwards stated that “I do not see under the direction of Executive Director Julius Ciaccia it cleaning up.”

Mr. Edwards stated that he has dealt with Director of Administration and External Affairs, Constance Haqq, in the past, and that a number of contractors, present at the meeting, have also tried to do business with the District, and Mr. Schatz “shut us out.”

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 11 of 15

Mr. Edwards stated that they have been spit on and their tax dollars have been taken, but it will be no more.

Mr. Edwards stated that Mr. Brown is a 9-year Board member, Ms. Kelly is a 14-year Board member, he passed on Mr. Liberatore, Mayor Starr is a 14-year Board member, Mr. Sulik has been off and on from 1985 to 1994, and Mayor Longo has been a Board member for quite some time. He questioned how the Board "can sit up there" and say that they are "moving in another direction" when they have "been here the whole time?" Mr. Edwards stated that "we [African-American] contractors have been totally abused" when Mr. Schatz was here.

Mr. Edwards stated that his mother-in-law is on a fixed income and the District is now discussing rate increases. Mr. Edwards suggested the District "go back over 30 years" and review its contracts, and he will provide the District with the list of contractors to be looked into.

Mr. Edwards stated that Mr. Liberatore has known him for quite some time and that his father was "one of the greatest construction people ever in the City of Cleveland, fair to all blacks and minorities 24/7, and ensured that they worked on every project in the City of Cleveland." Mr. Edwards alleged that this is no longer the case, and that minorities are losing their homes and cars.

Mr. Edwards referred to previous discussions and information provided to the District regarding Adrian Maldonado and Contract Compliance Manager, Tiffany Jordan and the "blatant fraud that they committed at Cuyahoga County." Mr. Edwards alleged that he is being viewed "as an idiot...and doesn't know what he is talking about." Mr. Edwards stated that he is "not an idiot and does know what I [Mr. Edwards] is talking about." Mr. Edwards stated that Ozanne Construction is being pursued concerning the "fraudulent documents [submitted] to be certified as a SBE contractor [with Cuyahoga County]." Mr. Edwards stated that Ozanne Construction is a \$28.5 million dollar company.

Mr. Edwards was skeptical as to the District stating that there is change within its subcontracting process and its goals, and he called it another "smoke screen".

Mr. Edwards stated "President Brown, for you to be an African-American and to sit on that Board, and you, Ms. Kelly, for as long as you have, and Ms. Haqq for me to sit down with you in your [Ms. Haqq's] office with Mr. Schatz and you tell me that all of these blacks and minorities were working...you and another young lady who is an attorney...three (3) years ago...you can shake your head...it's all true." Mr. Edwards stated that the District hired Tiffany Jordan from Cuyahoga County "who did absolutely nothing."

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 12 of 15

Mr. Edwards referred to his comment regarding the construction work at the Juvenile Detention Facility wherein he stated "it started off okay because they only had 10 people working and I saw 2 African-Americans" and he was overjoyed, however, it was still early in the project.

Mr. Edwards inquired from the Board why they would hire individuals involved with "fraud and cover-ups".

Mr. Edwards stated that he possesses documentation supporting his allegations, but is reluctant to turn it over to the District. Mr. Edwards stated that he and his workers are taxpayers and questioned why the District continues to burden taxpayers "from the fraud and corruption that has been committed here."

Mr. Edwards stated that Terrace Construction "did a horrible job at the Euclid Corridor." Mr. Edwards stated that he spoke to Mark Adzema of Terrace Construction, and Mr. Edwards alleged that Mr. Adzema stated that "he didn't need any 'niggers on the job'".

Mr. Edwards directed his comments toward Executive Director Ciaccia and stated "go ahead and write it down. We know you like to write. You wrote down over at the City of Cleveland while you were the Water Commissioner. And you did nothing for blacks and minorities at the City of Cleveland...so for you to sit here, Mr. Ciaccia..."

Mr. Brown interjected and stated that the Board has a five (5) minute rule and it will grant Mr. Edwards an additional three (3) minutes to make his point, and then the Board will respond.

Mr. Edwards stated that "unless the government takes this place over, we don't see a change with Mr. Ciaccia. The Board brought in an Executive Director who is under a corruption probe with the City of Cleveland, and for all we know, he still is! He still is! So you bring him here to let the plague grow on! And the same little circle of contractors that never did anything for blacks and minorities...the band plays on. The band plays on. It's terrible. It's a terrible disservice to every African-American and every minority contractor and construction worker." Mr. Edwards stated that "he worked the tunnels and it was 50/50 or better." He worked as a "top man, down in there and mucked, set the mining machines, and ran a crew...so from the grouting I can do it all." He stated that he can bid the jobs. Mr. Edwards stated that he told both Mr. Schatz and Ms. Haqq that "they don't want black contractors," but they want the tax dollars. Mr. Edwards stated that until "we get someone in here that is going to watch over our money, we're asking the government to shut this place down!" Mr. Edwards exclaimed that there must be changes and "Mr. Ciaccia is not the guy!" Mr. Edwards stated that "you can laugh and smile all you want...tell your buddies on Murray Hill to whack me! That's what you told me at a city council meeting. Whack me buddy! Whack me!"

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 13 of 15

Mr. Brown interjected and requested that Mr. Edwards direct his comments directly to the Board.

Mr. Edwards stated that "it is totally unfair and that Ms. Kelly, you need to look startled because for 14 years you sat there and done nothing...absolutely nothing. Sad...very sad.

Mr. Edwards stated that "Adrian Maldonado, who Mr. Ciaccia was so high on, was hired as a consultant and he has a construction company called L-O-G-I-K. So he has been busy at the County, making \$115,000 a year, and he had a company and he is the president." Mr. Edwards requested the District search this information on the internet. Mr. Edwards stated "\$20 million dollars worth of work as a minority, and we've got nothing from Adrian, and you bring him over here and Tiffany was his little pet on the shoulder, pet on the head, and that's exactly what's going to happen here, zero, no chance." Mr. Edwards asked if Board could please explain to him "how we get inclusion with the Sewer District? We're not going away. We're not going away."

Mr. Brown explained to Mr. Edwards that he has a right to believe in what he chooses, however, the Board has rules of engagement, and the District is required by law to engage in the public bid process in which Mr. Edwards is familiar with. Mr. Brown stated that the District is required to competitively bid its projects, and has established MBE/WBE goals for each project. Mr. Brown acknowledged Mr. Edwards' comments regarding past practice as it relates to construction contracts within the District, however, he stated that the focus should be on the present.

Mr. Brown stated that an MBE/WBE subcontracting program is not legally defensible; therefore, the District is contemplating a small business program model. In order for the program to be effective and successful, Mr. Brown advised that merely setting MBE/WBE subcontracting goals will not suffice, but that Contract Compliance Officers are needed to actually monitor the program. Payroll records and invoices will need to be certified as well as vouchers for materials to show that materials were ordered by a particular subcontractor.

Mr. Brown stated that he understands what is required to have an effective subcontracting program in place, and that staff has been instructed to ensure that the District provides contracting opportunities for minority businesses. Mr. Brown emphasized that the District "intends to stand behind its word, that it will have a level playing field, and that opportunities for engagement and inclusion will exist." Staff will work with contractors who demonstrate that they are qualified and capable to do the work on bonding or any other issues. The District can only present the opportunity for people to contract with it.

BOARD OF TRUSTEES

Regular Meeting

September 4, 2008

Page 14 of 15

Mr. Edwards referred to a meeting held between himself, Mr. Brown and Executive Director Ciaccia, at the Red Room at City Hall approximately three (3) years ago. Mr. Edwards stated that what Mr. Brown is saying may sound good, but it is the same thing that was said in previous discussions. Mr. Edwards stated that he understands the "political side...you have to make a presentation," but this problem cannot be fixed by Executive Director Ciaccia or people that have "abused the program" and not complied with its components. Mr. Edwards commented that "it's 2008" and questioned as to "why are even talking about black and minorities not being on a Sewer District project?"

Mr. Edwards stated that African-Americans make up approximately 33% to 34% of the population in Cuyahoga County. And that they have "been totally denied...all we've [African-Americans] asked for is inclusion." Mr. Edwards stated that "nobody is coming in here with a gun sticking anybody up...and the same things are pushed over, the same contracts...fraudulently...and I have documentation...you better believe that I have some strong documents, and Congressmen Kucinich has them. So when you are told that Norm Edwards is a cuckoo bird, you better get the information straight, because I'm not."

Mayor Starr questioned how long the District's MBE/WBE program was effective, 10, 15 or 20 years? Deputy Director Michael Bucci stated that he recalls the MBE/WBE program being in place since he joined the District in 1985.

Mayor Starr commented that for a five (5) year period, nobody was hired to manage the District's MBE/WBE program. Mr. Bucci replied that the person running the program passed away and her job was not filled immediately, and that various individuals within the legal department handled the program.

Mayor Starr stated for the record that, "in terms of accountability, we relied on the previous administration to implement the program that was legally in place, and for almost a five-year period, we have reason to believe that it may not have been implemented." In response to Mayor Starr's comment, Executive Director Ciaccia stated that individuals within the Law Department administered the MBE/WBE program, but it certainly was not a significantly managed program. Mr. Brown stated that Mayor Starr raised a very valuable point, and a partnership must remain between the Board and staff. The Board cannot rely on staff to carry the weight for the District. The Board must provide a level of oversight and a system of checks and balances. This is why the Board and staff have spent the past couple of years trying to build systems that allow for transparency and accountability. Mr. Brown stated that he believes the District now has a process in place that will reach its desired outcome. Mr. Brown explained that having a process in place is only one part of the equation and that everyone will need to do what is required of them in order for this to program to be effective and successful.

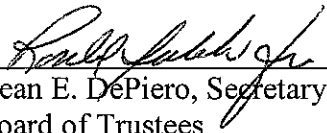
X. Executive Session

MOTION – Mayor Longo moved and Ms. Kelly seconded to adjourn to Executive Session to discuss legal matters related to the MCT-3 and BCI-3D litigation issues, and that all discussions be kept confidential pursuant to ORC §102.03(b), and as attorney-client privilege communications. The secretary called a roll and without objection, the motion passed unanimously.

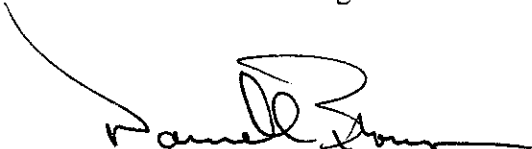
The Board met in Executive Session from 1:25 p.m. to 2:35 p.m.

XI. Adjournment

Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. The meeting adjourned at 2:37 p.m.



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



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