

MINUTES
NORTHEAST OHIO REGIONAL SEWER DISTRICT
BOARD OF TRUSTEES MEETING
NOVEMBER 7, 2013

Meeting of the Board of Trustees of the Northeast Ohio Regional Sewer District was called to order at 12:36 p.m. by Darnell Brown.

I. Roll Call

PRESENT: D. Brown
R. Sulik
S. Kelly
J. Bacci
T. DeGeeter
W. O'Malley
G. Starr

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

II. Approval of Minutes

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to approve the minutes of the October 17, 2013, Board Meeting. Without objection, the motion carried unanimously.

III. Public Session

Executive Director Ciaccia informed the Board that no one signed up to speak about a specific agenda topic.

IV. Executive Director's Report

Executive Director Ciaccia advised that staff continues to prepare to file an appeal with the Ohio Supreme Court regarding the Stormwater Management Program (hereinafter "SMP") case. The District's position is well stated in the draft briefs that will be finalized and submitted Tuesday.

A class-action suit is still outstanding as it relates to the SMP fees collected prior to the ruling, which are being put in escrow, pending Board approval under the Action Items. District staff will attend a hearing is scheduled in December as it relates to the class action community. Staff

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is opposed to the suit and thinks putting the money in an interest-bearing escrow account with the intention of returning it to the customers is the best course of action.

Executive Director Ciaccia moved to another litigation matter. The District carried a crime policy for many years with Travelers. A claim toward that policy was denied after the corruption issues the District faced with the previous general counsel and the Mill Creek Tunnel contractor.

A pretrial hearing was held on November 6 in Judge O'Donnell's courtroom on the matter. Judge O'Donnell gave the parties until November 22 to file reply briefs to motions for summary judgment. The next scheduled pre-trial is February 12, 2014. In the meantime they are preparing for depositions and staff will continue to seek any potential for mediation or settlement.

Executive Director Ciaccia advised that staff successfully rolled out the e-procurement module on Monday. He asked Humberto Sanchez, Director of Information Technology, to elaborate.

Mr. Sanchez explained that e-procurement essentially handles all operations related to procurement, purchasing and inventory control. All of those operations were performed in a different information system that was associated with the plan. However, the Purchasing Department required more functionality and additional reporting that the system was not able to provide anymore. Those capabilities were leveraged to the Oracle system with some of the modules.

Executive Director Ciaccia stated that it has been a success so far and thanked Jackie Williams, Donice Bell and the staff for their hard work.

V. Action Items

Authorization to Advertise

Resolution No. 260-13

Advertise for a Fourteen-Month Requirement Contract for the Cleaning of the Ash Lagoons at the Southerly Wastewater Treatment Plant. Anticipated Expenditure: \$2,300,000.00.

Resolution No. 261-13

Advertise for Sludge Cake Removal at the Southerly and Westerly Wastewater Treatment Plants. Anticipated Expenditure: \$5,961,080.00.

MOTION – Mr. O'Malley moved and Mayor Starr seconded to adopt Resolution Nos. 260-13 and 261-13. After discussion and without objection, the motion carried unanimously.

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Mr. Brown noted that Resolution No. 261-13 was necessitated by the less-than-successful startup of the Renewable Energy Facility (hereinafter "REF"). He questioned if this is a stop-gap measure rather than long-term. Executive Director Ciaccia advised that it is intended as a stop-gap measure and is the result of the inability to timely start the REF. There were issues regarding the waste heat boilers and the Zimpro thermal system on the old system that feeds the multiple hearth incinerators must be shut down from both an operations and safety standpoint. As a result, there is a need to haul additional sludge for the foreseeable future.

Executive Director Ciaccia advised that there will be some energy and maintenance savings from shutting down the Zimpro thermal system because it is a high-energy user.

Mr. Brown was also concerned that the delayed startup has created new required expenditures. He asked how that translates with those who were under contract to build the REF. Kellie Rotunno, Director of Engineering & Construction, explained that this action is a \$6 million safety net. Staff is working with the contractor and the supplier and manufacturer of equipment to troubleshoot issues. The startup date has been revised in hope of burning sludge in one of the units by Thanksgiving. If that occurs and is followed subsequently by startups of other units within the first quarter of next year, a large portion of the safety net will not be required.

Ms. Rotunno reiterated that the expenditure of the full amount would be a worst-case scenario that would cover an entire year of hauling that is not anticipated.

Executive Director Ciaccia stated that the contracts for installation and the equipment were bid separately. Costs are being incurred with installation, engineering and construction management even though the problems are with equipment.

Ms. Kelly inquired if the \$6 million is all-inclusive. Executive Director Ciaccia advised that it is just the safety net for hauling sludge. Ms. Kelly questioned other anticipated expenses. Executive Director Ciaccia stated that they have not been tallied at this point because it depends how long it goes on.

Ms. Rotunno advised that staff is tracking the costs. There are engineering costs for the consultant that is employed on site during construction overseeing it. There are construction inspection costs incurred on a daily basis by having inspection staff on site. The contractor installing the equipment must remain on site until they can say they have successfully delivered an operating system. All of these costs are being collected and aggregated in addition to any hauling costs that may be experienced due to being unable to start the system.

The supplier of the equipment that holds a primary contract has been put on notice that they will be held accountable for these expenses. Then we will seek an agreement and compensation for upon the successful startup of the facility. Negotiations will not commence until it is known how long they will be necessary.

Mr. Brown stated that at an appropriate time the Board would expect a briefing as to the final terms and conditions.

Authorization to Issue Request for Proposals (RFPs)

Resolution No. 262-13 RFPs for the Capital Improvement Plan
Environmental Services Project.

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 262-13. After discussion and without objection, the motion carried unanimously.

Authorization to Enter Into Agreement

Resolution No. 263-13 Escrow Agreement with Huntington National
Bank to Deposit Stormwater Fees Pending the
Outcome of the District’s Appeal of the 8th District
Court of Appeal’s Decision to the Supreme Court
of Ohio.

Resolution No. 264-13 Settlement Agreement with Century Tool and
Stamping Company. Amount: \$29,314.17.

MOTION – Ms. Kelly moved and Mr. Sulik seconded to adopt Resolution Nos. 263-13 and 264-13. After discussion and without objection, the motion carried unanimously.

Mayor Starr inquired what percentage of those that could potentially be billed had paid. Executive Director Ciaccia advised that the exact figure was not available but it was much more than 50%.

Authorization to Rescind Resolution and Enter Into Contract

Resolution No. 265-13 Rescind Resolution No. 57-13, which Authorized a
Three-Year Requirement Contract for Uniform
Rental and Cleaning with Coyne Textile Services,
due to Inability to Fulfill the Contract
Requirements; and Enter Into a Three-Year
Requirement Contract with Aramark Corporation
for Uniform Rental and Cleaning at All District
Facilities. Cost: \$478,659.92.

MOTION – Mr. Sulik moved and Mayor DeGeeter seconded to adopt Resolution No. 265-13. After discussion and without objection, the motion carried unanimously.

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Ray Weeden, Director of Operations & Maintenance, explained that this action is very unusual. The District and its current vendor, Coyne, have had numerous conversations regarding problems with the contract. Employees have not been outfitted with the garments required by the collective bargaining agreement. Coyne has decided to forfeit the contract.

The next bidder, Aramark, has agreed to honor their bid prices and assume the contract.

Authorization to Enter Into Contract

Resolution No. 266-13

Two-Year Contract with Consumer's Life Insurance Company for Short-Term Disability and Group Life/AD&D Insurance. Cost: Not-to-Exceed \$1,139,754.72.

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution Nos. 266-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 267-13

One-Year Contract Renewal with HealthSpan, Formerly Kaiser Permanente, for 2014 Medical Insurance Coverage. Cost: Not-to-Exceed \$850,000.00.

MOTION – Mayor Bacci moved and Ms. Kelly seconded to adopt Resolution No. 267-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 268-13

One-Year Contract Renewal with Medical Mutual of Ohio for 2014 Medical Insurance Coverage. Cost: Not-to-Exceed \$6,900,000.00.

MOTION – Mr. Sulik moved and Mr. O'Malley seconded to adopt Resolution No. 268-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 269-13

Contract with Medical Mutual Services, L.L.C. for Medical Claims Administration, Actuarial Services, Stop-Loss Medical Coverage and any Related Agreements Necessary to Implement a Self-Funded Medical Insurance Program from January 1, 2014, Through December 31, 2014. Cost: Not-to-Exceed \$640,766.88.

MOTION – Mayor Bacci moved and Mayor DeGeeter seconded to adopt Resolution No. 269-13. After discussion and without objection, the motion carried unanimously.

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Executive Director Ciaccia asked Holly Woods, Manager of Employee & Labor Relations, to provide an overview of District health benefits and explain the self-funded program.

Ms. Woods advised that in 2008 staff evaluated the District's health plan offerings, utilization of them and analyzed the results. It was determined that the District provided the right offerings to employees but the utilization could be improved, such as educating employees on the benefits available to them. Examples included urgent care, utilizing urgent care versus emergency rooms and eye exams.

District health benefits were compared to those of local agencies such as the RTA and Cuyahoga County as well as similar wastewater agencies. The results concluded that the District offers a very rich plan but utilization could be improved in some areas. Staff needed to engage its providers to ensure that they were educating employees on disease management, wellness plans, annual wellness checks and things available using providers to partner with health fairs and wellness programs.

Ms. Woods advised that since 2009 the District has built a relationship with The Fedeli Group, the benefits consultant, as the plan sponsor. The District moved from communicating with the broker about on a quarterly basis to almost daily and incorporating them into programs.

A wellness program was introduced in 2009 that included activities such as walking groups and healthy cooking. It was determined to develop and centralize a program focusing on lifestyle changes. A theme is developed for each year and month, such as stress management, work-life balance, nutrition and financial wellness. Exercise areas were installed in all facilities. Metrics were developed to help show the benefits these wellness programs, metrics.

The local mammography unit was brought in-house to provide employees with annual screenings and an open house provided employees with flu shots at no cost, which this year included family members and dependents.

The weight-loss initiative incorporated Weight Watchers at Work. From 2009 to 2011 employees lost a total 1,028 pounds. Participation increased in 2012 and employees lost over 2,000 pounds in that year. Overall since 2009 employees participating in Weight Watchers at work have lost 4,893 pounds. This year there are over 200 participants.

Moving to annual renewal rates, Ms. Woods advised that staff determined that employers generally experience 10% increases in healthcare premiums each year. Medical Mutual has averaged a 1.5% increase over the last five years and Kaiser had an average increase of 1.53%. During the last five years the District offered additional benefits to employees such as increased orthodontia.

The percentage of employees involved in the Wellness Plan continues to increase and

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engagement is ongoing. A 5K run was held this year at Southerly which incorporated with Charity Choice. Ms. Woods stated that the District has overall good management of the ratepayers' money. The Wellness Program going forward will focus on lifestyle changes and disease management.

Ms. Woods moved the report to the funding model change from fully insured to a self-insured Medical Mutual plan for 2014.

Self-funded means the District has more involvement paying claims. During previous years the District paid a lump sum amount to Medical Mutual, which received the claim and issued payment. In 2014 the District will retain those reserves. Medical Mutual will still receive the claim and issue an initial payment. On a weekly basis they will send claims to the District for reimbursement.

Ms. Woods stated that there is some risk, but it is good risk. Having stop-loss in aggregate insurance protects the District from unexpected high claims. Moving to the self-funded model also provides a greater ability to manage claims. There is cost savings. Claims the last few years were generally between 65 to 85%. Under a self-funded model the District maintains that money so the difference is not held by Medical Mutual.

The fully-funded model is a packaged healthcare plan; a self-insured package provides significant flexibility to meet employees' needs. Staff has the ability at the year end to assess where adjustments are needed and to make them accordingly.

An overall ability to flex costs and kind of the bottom line, there is going to be no changes to the employee. They are not going to realize any adjustments. It is an internal administrative adjustment and will be seamless for employees. Claims are still submitted to Medical Mutual and are paid. They will not have an impact.

Wellness program continuing for 2014 looking at lifestyle changes, disease management, changing our funding model from fully insured to self-insured for 2014. Looking to 2015 the focus will move to healthy lifestyle premium discounts. That is one of the things we'll engage in committees with employees and management to look at premium discounts.

Mayor Starr stated that this is a step in the right direction and predicted it would lead to savings. The key to have a good third-party administrator and The Fedeli Group is of the best. The employees will find the transition seamless.

Resolution No. 270-13

One-Year Contract with Vantage Financial Group to Provide the District a Flexible Spending Program in 2014. Cost: Not-to-Exceed

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\$20,000.00.

MOTION – Mayor DeGeeter moved and Mayor Bacci seconded to adopt Resolution No. 270-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 271-13

Contract with Nerone and Sons, Inc. for the CSO-063 Relief/Consolidation Sewer Project. Contract Amount: \$2,077,000.00.

MOTION – Mr. O'Malley moved and Mr. Sulik seconded to adopt Resolution No. 271-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 272-13

Contract with Shook Walbridge JV for the Easterly Secondary System Improvements Project. Contract Amount: \$74,336,572.50.

MOTION – Mr. Sulik moved and Mayor Bacci seconded to adopt Resolution No. 272-13. After discussion and without objection, the motion carried unanimously.

Ms. Rotunno advised that this project is to enhance the secondary treatment capacity at Easterly to comply with the consent decree requirement to eliminate the primary affluent bypass at the plant during a typical year which requires a secondary to process 400 million gallons per day.

Currently the secondary has about 330 million gallons a day maximum; this would be a substantial upgrade. There are stipulated penalties if it is not completed on time. Timing is critical to the completion of the project and achieving that milestone under the consent decree.

Ms. Rotunno explained that staff considered three very good bids from reputable contractors and joint ventures, the lowest of which was Shook Walbridge. While none of the bidders met the goal for MBE-WBE of 15% participation and 5% of SBE participation, Shook Walbridge came in with a commitment of 7% MBE-WBE and 4.5% SBE.

Additionally, she received notification from the contractor of the good faith efforts they had reaching out to firms to meet the goal as well as a written commitment that they intend to continue good faith efforts throughout the project to enhance participation of MBE, WBE and SBE contractors.

Ms. Rotunno's staff and the Executive Director met with the joint venture team prior to recommending the award of the contract to verify that they were comfortable with their bid and committed to continuing a good faith effort.

Executive Director Ciaccia advised that they also discussed issues Walbridge had in Michigan

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involving the corruption trial of the former mayor of Detroit. A number of contractors got their names caught up in that process -- including Walbridge -- and they satisfied staff in terms of their role in Detroit. They provided documentation and were cooperative working with the government in pursuit of the case and were not a target of the investigation.

Walbridge was in a contract dispute with Wayne County in Michigan over the construction of a jail that had large cost overruns. That dispute seems to center around the designer rather than the contractor. They are teamed with Shook, a contractor who has done a lot of work for the District in the past. District staff runs a tight ship from a scoping standpoint so overruns are not anticipated. The difference between their bid and the next lowest bid is substantial.

Mr. Brown stated that reasonable goals were set for this contract based upon availability in the area. While they provided documentation that supports their outreach efforts he wondered what companies would say if they were asked why they did or did not elect to participate. He was concerned that with such a large project the floor of the goals are not being met.

Executive Director Ciaccia stated that he should be concerned about that; however, he thought a reasonable goal was set. There were three bidders and none met the goal at the time of the bid. Staff was unsure if the goal was too aggressive because it is unusual that all three did not meet the goal. The District has a good record of exceeding the stated commitments on bids and staff will work with this contractor to achieve the goal originally placed in the bid.

Ms. Rotunno stated that the bigger project value means more dollars. The contractor has committed more than \$8 million of the \$74 million bid to the MBE, WBE and SBE community. While the percentage is low, the dollar figure is significant. It becomes more challenging to achieve higher participation percentages as the projects get bigger. Staff will not rest on this issue during the execution of the project and will continue to look for opportunities to increase and enhance the participation.

Ms. Rotunno explained that the joint venture knows how the District operates and staff expects good faith efforts to continue. Prior to that meeting they preemptively sent documentation which the other bidders did not provide. Executive Director Ciaccia advised that usually in competitive bidding the second and third bidders will raise the issue and that did not occur.

Mr. Brown stated that the world would not come to an end if this gets held for a couple weeks. He asked staff to contact the contractors on their documentation and ask what they were represented and the companies the District identified as potential opportunities for subcontracting to compare and contrast the level of outreach.

Ms. Rotunno stated that she would be happy to do so. The joint venture invited 117 firms from the registration to bid on materials and installation. Of the invited, 63 either responded they were not bidding or did not respond at all. Fifty-four (54) replied "yes" or "maybe." Of the 54

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responses, they received 39 quotations of which they choose 10 to achieve their bid price. There was probably additional participation available but a choice was made at the time of the bid to be low and have participation. Twenty-nine (29) firms were quoted that they chose to not include in their bid because they were trying to combine participation and a low bid.

Ms. Rotunno stated that she would be happy to contact the 39 firms from which they received quotations from to discover what transpired. There are tough choices between trying to be the economically low bidder while trying to fulfill the goals. This is the nature of a subcontracting program like the Business Opportunity Program.

Regarding the non-bidders, Ms. Kelly inquired if there documentation of why they did not bid. Ms. Rotunno advised that she did not know what type of documentation the contractor may have received from them.

Ms. Kelly wished to find out why there were so many non-bidders especially in this environment and this much opportunity. Ms. Rotunno explained that staff will work with the Office of Contract Compliance to contact the bidders. There was ample effort to reach out to firms to put the bid together. As far as response from the marketplace, staff cannot explain why they made the business decision not to respond. Staff can reach out to those firms and report back to the Board.

Ms. Kelly stated that she would like to hold this item until there is additional information.

Mr. Brown stated that he tended to agree but there is a caveat. He understood the explanation and knows the process very well, but he was concerned about having a level of comfort because the contractor is asking for trust in terms of meeting the goal. There is time in terms of how long it takes to execute a contract and other things that would create an opportunity in that regard.

Mr. Brown stated that he would be comfortable with an approval contingent on apprising the Board of progress regarding efforts to meet the contract requirements.

Executive Director Ciaccia stated that if the Board were to approve this today the contract would not be ready for signature until the next Board meeting. Prior to the President of the Board signing the contract a presentation will be made as to the findings. The contract can be rescinded if the Board is not satisfied. This is a consent order project on a tight schedule.

Mr. Brown stated that he hoped that staff and the contract community are hearing the Board. Executive Director Ciaccia stated that he and staff did and he was very confident everything will be satisfied.

Mayor Starr inquired if there are time-sensitive issues associated with this item. Ms. Rotunno advised that this project happens to be time critical due to the need to perform work in the fall to set up work early next year. There are penalties if certain milestone deadlines are not met.

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Mr. Brown stated that the Board's requests must be addressed before he would sign the contract.

Resolution No. 273-13

Contract with Red Oak Consulting, an Arcadis Group, for Professional Services to Develop and Implement an Information Technology Governance Process. Cost: Not-to-Exceed \$121,000.00.

MOTION – Ms. Kelly moved and Mayor Starr seconded to adopt Resolution No. 273-13. After discussion and without objection, the motion carried unanimously.

Authorization of Contract Modification

Resolution No. 274-13

Modify Contract No. 10002562 with The Fedeli Group to Renew Benefits Consultant Services for 2014. Cost: An Increase in the Amount of \$50,000.00 Bringing the Total Contract Price Not-to-Exceed \$200,000.00.

MOTION – Mr. Sulik moved and Mayor DeGeeter seconded to adopt Resolution No. 274-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 275-13

Modification and Final Adjustment of Contract No. 11002636 with Marra Services, Inc. for the East 55th Street Floatables Facility Project. Cost: A Decrease in the Amount of \$15,721.71, Bringing the Total Contract Price to \$223,028.29.

MOTION – Mayor Bacci moved and Mr. O'Malley seconded to adopt Resolution No. 275-13. After discussion and without objection, the motion carried unanimously.

Authorization of Property-Related Transactions

Resolution No. 189a-13

Amend Resolution No. 189-13 to Award a Relocation Payment to All America Relocation, Inc. Necessary for Construction of the Dugway Storage Tunnel Project. Consideration: An Additional Consideration of \$2,623.50 Bringing the Revised Total Consideration to \$14,597.50

MOTION – Mayor Bacci moved and Ms. Kelly seconded to adopt Resolution No. 189a-13. After discussion and without objection, the motion carried unanimously.

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Resolution No. 276-13 Authorize Two Relocation Payments Associated with the District's Permanent Acquisition of Property in the City of Cleveland Necessary for Construction of the Dugway West Interceptor Relief Sewer Project. Consideration: \$3,356.62.

MOTION – Mayor DeGeeter moved and Mayor Starr seconded to adopt Resolution No. 276-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 277-13 Authorize Acquisition from Ferrotherm Corporation, a Permanent Easement Necessary for Construction of the CSO Bundles Project. Consideration: \$1,400.00.

MOTION – Mr. Sulik moved and Ms. Kelly seconded to adopt Resolution No. 277-13. After discussion and without objection, the motion carried unanimously.

Resolution No. 49a-13 Authorize Additional Settlement Amount to be Deposited with Cuyahoga County Probate Court in Order to Obtain Property Owned by Sylvia A. Reeves, Necessary for the Dugway West Interceptor Relief Sewer Project. Amount: An Increase in the Amount of \$1,200.00, Bringing the Total Settlement Price to \$3,800.00.

MOTION – Mayor Bacci moved and Mr. O'Malley seconded to adopt Resolution No. 49a-13. After discussion and without objection, the motion carried unanimously.

Authorization of Compensation

Resolution No. 278-13 Authorize the Executive Director to Grant up to a 2% General Increase to Non-Union Employees for 2014.

Resolution No. 279-13 Adopt the 2014 Compensation Resolution.

Resolution No. 278-13 was withdrawn from the agenda.

MOTION – Mayor Starr moved and Mayor DeGeeter seconded to adopt Resolution No. 279-13. After discussion and without objection, the motion carried unanimously.

VI. Information Items

1. Financial Report and Investment Advisor Performance Report for the Nine Month Period Ending September 30, 2013

Monica Johnson, Manager of Accounting & Reporting, stated that the report will include financial information for sewer-only through September 30, 2013.

The Finance Department considers various indicators to evaluate the District's financial performance, utilizing 2011 sewer-rate study projections, the 2013 adopted budget and September 30, 2012, balances, the capital plan and cash balances, investment performance and other financial metrics.

Actual operating revenue is up \$1 million -- at \$155 million versus projected per the rate study at \$154 million. Operating expenses and debt service are below projections and overall is a positive \$15 million variance.

Actual operating revenue is on target at 75%, or \$155 million versus the budgeted amount of \$206 million. Finance has projected with the information known today operating revenue on December 31, 2013, should be about \$200.1 million.

Ms. Johnson advised that actual operating expenses are below the 75% benchmark at 72%, or \$72 million. Included in this amount is \$2.2 million in stormwater operating expenses that were reclassified into the sewer budget. December 31 operating expenses are projected to be approximately \$98.7 million.

Operating revenues as of September 30, 2013, versus 2012 have increased \$10 million or 7%. The increase is in-line with the District's rate increase coupled with a 5% decrease in consumption.

There is an overall operating expense increase of \$5.2 million or 7.5%. The majority of the increase is due to the reclassification of stormwater expenses.

The capital cash payments as of September 30 were \$156 million. The capital cash balance at September 30 was \$291 million. The projected payments as of December 30 should be \$218 million or 92% of the capital plan amount. The projected cash balance at December 30 should be \$230 million.

The District's investment balance is \$383 million. Sixty-six percent (66%) of the balance is invested in money markets which support the Capital program. Rates are expected to remain low and staff is meeting the three month Treasury bill index of 0.06%. The total return is 0.23%.

Ms. Johnson stated that the District is within or exceeding its targets on financial metrics. The two most important metrics governed by the bond covenant which display the ability to meet debt obligation are the senior debt coverage at 3.9 and total debt coverage at 1.38.

The District is operating within rate-study parameters, has aligned operating revenue and expenses to budget and tracks Capital payments within budget, as planned. The investment rate of return is benchmarked and the District is operating with all financial metrics met.

Mayor Starr stated that the District has very little discretionary funds; most operating funds are contractual obligations either by consent agreement or labor contracts. He questioned if 2% or 3% of the District's operating funds are discretionary. Ms. Johnson agreed.

VII. Public Session (any subject matter)

No members of the public registered to speak during Public Session.

VIII. Open Session

There were no matters for Open Session.

IX. Executive Session

Mr. Brown stated that there were no matters for discussion during Executive Session.

X. Adjournment

MOTION – Mr. Brown stated business having been concluded, he would entertain a motion to adjourn. Mayor Bacci moved and Mayor DeGeeter seconded the motion to adjourn at 1:42 p.m. Without objection, the motion carried unanimously.



Sheila J. Kelly, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District



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