

KEEPING OUR

# *Great Lake*

GREAT







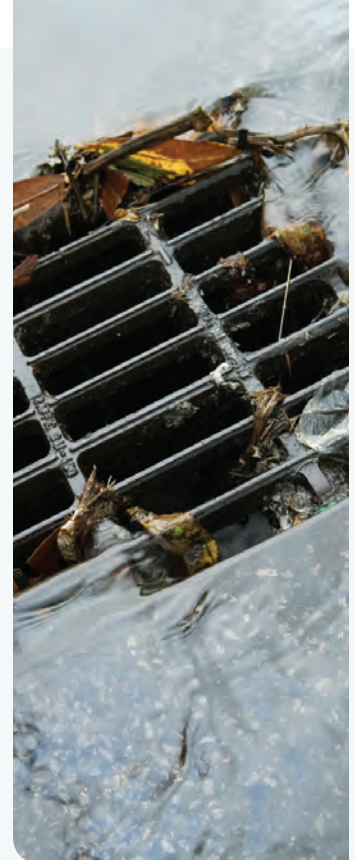




## *Profile of the District*

The Northeast Ohio Regional Sewer District is an independent political subdivision of and organized under the laws of the State of Ohio, specifically Chapter 6119 of the Ohio Revised Code. Originally named the Cleveland Regional Sewer District, it was created in 1972 to assume the operation and management of certain wastewater collection, treatment, and disposal facilities serving the Cleveland metropolitan area. The Sewer District's service area covers approximately 350 square miles. It encompasses 97% of the City of Cleveland and all or portions of 61 suburban communities in Cuyahoga, Lake, Lorain, and Summit Counties. The service area contains a residential population in excess of one million persons and includes a diverse group of service, information, biotechnology, manufacturing, and processing industries. The Sewer District treats more wastewater than any other wastewater treatment system in the State of Ohio.

# *Year in Review*



## **NEW STRATEGIC PLAN**

Our dedication to enhancing quality of life and protecting water resources remains the District's core function, and our new Strategic Plan charts a course towards leading the region as a premier environmental organization.

## **PLANT PERFORMANCE**

All three of our treatment plants continued to demonstrate reliability and excellence in meeting their permits in 2013.

## **MACKENZIE FINISHES DIG**

We celebrated our 1,500-ton Tunnel Boring Machine's successful three-mile excavation of the Euclid Creek Tunnel, completed ahead of schedule and under budget. Mackenzie was named "International Project of the Year" by the Tunnelling Association of Canada.

## **COURT STRIKES DOWN STORMWATER PROGRAM**

In September, the Ohio Eighth District Court of Appeals ruled that the District does not have the authority to implement its Regional Stormwater Management Program or collect a fee. The District has appealed the Court's ruling to the Supreme Court of Ohio and the case is scheduled to be heard in September 2014.





## WATERSHED CENTER OPENS

In June, the District and Cleveland Metroparks celebrated the dedication of the Watershed Stewardship Center at West Creek in Parma. The District supported the Center with a \$3 million contribution and permanent on-site staff. The Center received a 2013 "Award of Excellence" from the Ohio Parks and Recreation Association, and is an opportunity to expand our watershed and environmental education efforts.



## TOURS A-PLenty

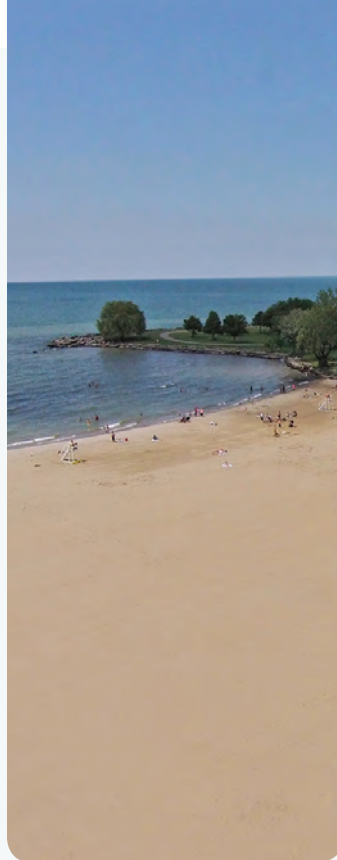
Throughout the year, nearly 900 guests participated on 26 tour events at our Western plant.

## MARVEL FILMING

In May, Lakeview Dam and Southerly Wastewater Treatment Plant served as filming locations for Captain America: The Winter Soldier.

## #WAITTOTWEET NOTICED

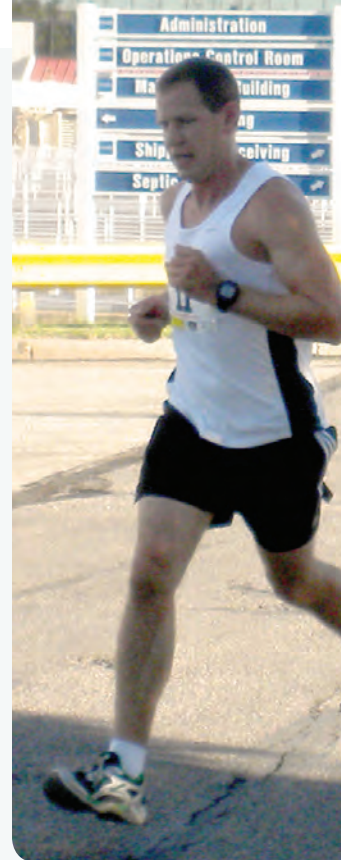
Our infographic and stats about cell-phone-users' toilet-texting trends was our way to educate customers about the flow of water beneath their seats. It received a nod from the Plain Dealer, Cleveland Scene, and Alan Cox's radio show.



## BEACH EFFORTS

In 2013, the District partnered with the Cuyahoga County Board of Health and WKYC TV-3 to educate viewers about the water quality at area beaches, and swimming safety updates were posted via Twitter.

In addition, a new partnership with Cleveland Metroparks that included the District purchasing beach cleaning machines resulted in better overall quality for Euclid Beach and Edgewater Park.



## EMPLOYEE 5K FOR CHARITY

In September, the District held its first-ever Cuyahoga River Clean Water Classic 5K at Southerly. Coordinated by the Employee Charity Committee and the Health & Wellness Committee, the event contributed to the District's total Charity Choice fundraising in 2013 reaching almost \$87,000.

The information in this Popular Annual Financial Report (PAFR) is compiled from our 2013 Comprehensive Annual Financial Report (CAFR). This and our other financial reports are available online at [neorsd.org](http://neorsd.org).

The Sewer District has accomplished a significant amount of work during the past year. We updated and revised the Sewer District's Strategic Plan to chart the organization's direction for the next four years. Through a series of facilitated work sessions, the Strategic Planning Committee revisited and refined the Sewer District's mission, crafted a new vision statement, reaffirmed the organization's core values, and developed strategic goals to guide the organization over the next four years.

Project Clean Lake, the Sewer District's \$3 billion, 25-year combined sewer overflow mitigation program, is progressing on schedule. "Mackenzie," our huge tunnel boring machine, has successfully mined and lined the Euclid Creek Tunnel, the first of six sizeable tunnels designed to capture combined sewage – a mixture of sanitary sewage and stormwater – until it can be treated at one of our three wastewater treatment plants. This tunnel project will be complete in 2015 and fully operational in 2016 when the accompanying pump station is online.

During 2013, the National Association of Clean Water Agencies (NACWA) honored all three of our Wastewater Treatment Plants for excellent performance in 2012. The District's Easterly and Westerly plants earned a Peak Performance Gold award that recognizes facilities with no National Pollutant Discharge Elimination System (NPDES) permit exceedences in a year. The Southerly plant earned a Peak Performance Silver award, which is presented to member agency facilities that have had five or less NPDES permit violations during a calendar year.

2013 was not without challenges, however. In July 2012, parties opposed to the District's Regional Stormwater Management Program filed an appeal to the 8th Appellate Court District to seek a halt to the Regional Stormwater Management Program. On September 26, 2013, the Appellate Court halted the program. The case is now in the briefing phase and it is expected that proceedings in the Supreme Court will be finalized by the end of 2014.

The Sewer District's Business Opportunity Program contributes to the economic health and vitality of the region by providing a greater opportunity for local firms. The Sewer District awarded \$19,874,893 worth of business to MBE/WBE/SBE businesses across Northeast Ohio in 2013, exceeding our targeted goals by more than 8 percent.

The preparation of this comprehensive annual financial report would not have been possible without the services of the Finance and Communications & Community Relations departments. We would like to express our appreciation to everyone who assisted and contributed to the preparation of this report.

Credit must also be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.



Julius Ciaccia, Executive Director

# Communities Served

BY THE DISTRICT AND ESTIMATED POPULATION SERVED | DECEMBER 31, 2013

## Municipality SUBDISTRICT 1

Cleveland City 393,806

## SUBDISTRICT 2

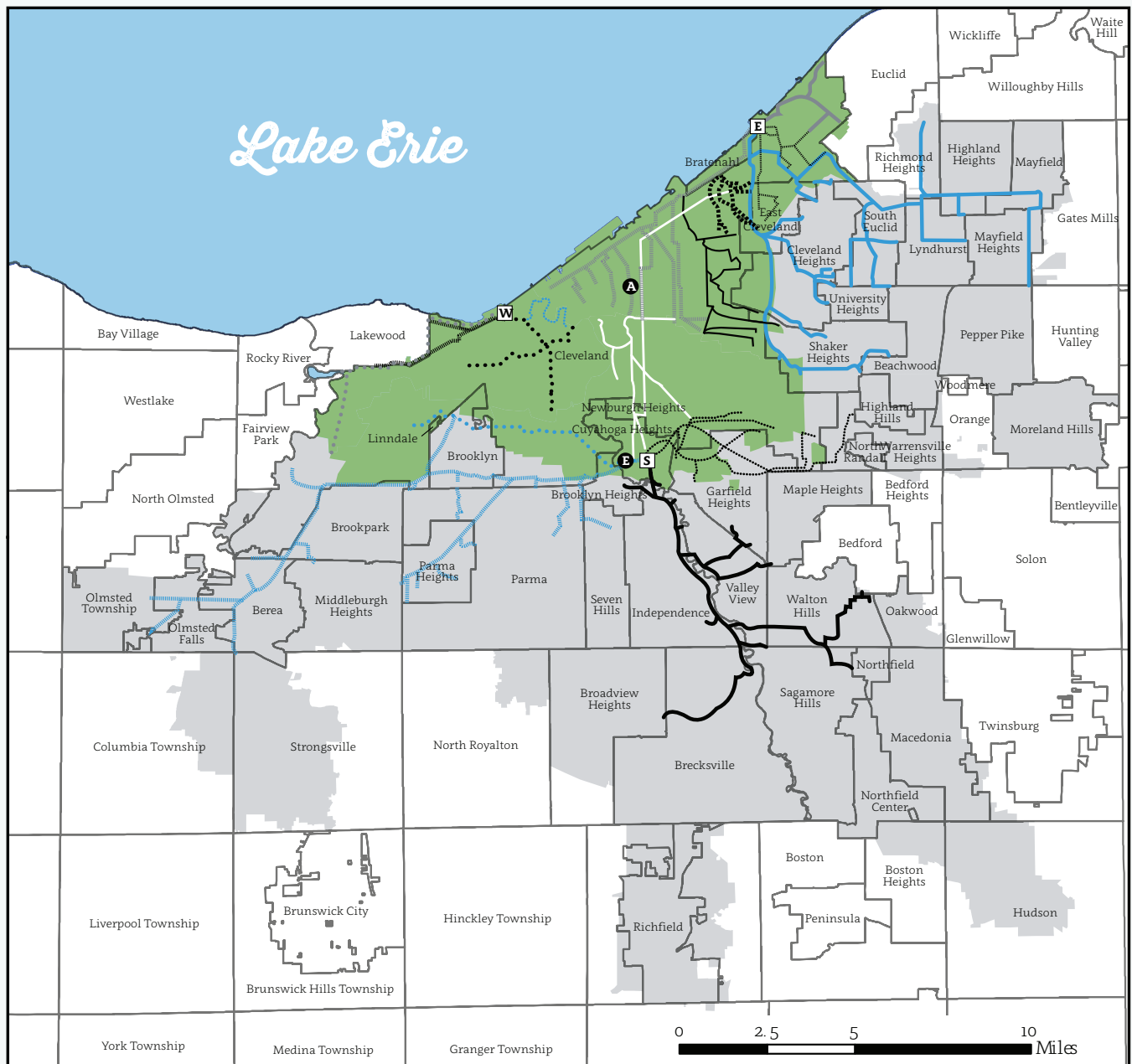
Bath Township	-	(3)
Beachwood City	11,867	
Bedford City	-	(3)
Bedford Heights City	-	(3)
Berea City	18,960	
Boston Heights Village	552	(2)
Bratenahl Village	1,188	
Brecksville City	13,552	
Broadview Heights City	15,580	(2)
Brook Park City	19,063	
Brooklyn City	11,082	
Brooklyn Heights Village	1,531	
Cleveland Heights City	45,764	
Columbia Township	945	(2)
Cuyahoga Heights Village	634	
East Cleveland City	17,705	
Euclid City	180	(2)
Garfield Heights City	28,625	
Gates Mills Village	274	(2)
Glenwillow Village	30	(2)
Highland Heights City	8,280	
Highland Hills Village	1,125	
Hudson City	8,787	(2)
Independence City	7,078	
Lakewood City	-	(3)
Linndale Village	178	
Lyndhurst City	13,893	
Macedonia City	11,147	
Maple Heights City	22,959	
Mayfield Heights City	19,005	
Mayfield Village	3,434	

## Municipality SUBDISTRICT 2

Middleburg Heights City	15,825	
Moreland Hills Village	1,205	(2)
Newburgh Heights Village	2,149	
North Randall Village	1,020	
North Royalton City	4,712	(2)
Northfield Center Township	5,423	
Northfield Village	3,663	
Oakwood Village	1,558	(2)
Olmsted Falls City	7,805	(2)
Olmsted Township	4,993	(2)
Orange Village	579	(2)
Parma City	80,968	
Parma Heights City	20,558	
Pepper Pike City	2,981	(2)
Richfield Township	573	(2)
Richfield Village	1,569	(2)
Richmond Heights City	4,251	(2)
Sagamore Hills Township	10,907	
Seven Hills City	11,711	
Shaker Heights City	28,226	
Solon City	170	(2)
South Euclid City	21,619	(2)
Strongsville City	25,712	(2)
Twinsburg City	6	(2)
Twinsburg Township	630	(2)
University Heights City	13,445	
Valley View Village	2,018	
Walton Hills Village	2,263	
Warrensville Heights City	13,437	
Willoughby Hills City	-	(3)

**Total Subdistrict 2** 573,394  
**Total Estimated Service Population** 967,200

(1) Based on U.S. Census Data and District administrative records.  
 (2) Estimated population for the portion of the municipality within the service area of the District.  
 (3) Service population not applicable. District serves non-residential properties only.



- A** McMonagle Administration Building - 3900 Euclid Avenue
- E** Environmental & Maintenance Services Center - 4747 East 49th Street
- E** Easterly Treatment Plant - 14021 Lakeshore Boulevard
- S** Southerly Treatment Plant - 6000 Canal Road
- W** Westerly Treatment Plant - 5800 West Memorial Shoreway
- Combined Sewer Area
- Separate Sewer Area

#### EASTERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM

- ..... E. 140th / E. 152nd-Ivanhoe Interceptors
- ..... Easterly Interceptor
- Doan Valley Interceptor
- ..... Dugway Interceptor
- Heights-Hilltop Interceptor & ICRS
- Lakeshore-Nottingham Interceptors

#### SOUTHERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM

- ..... Big Creek Interceptor
- Cuyahoga Valley Interceptor
- ..... Mill Creek Interceptor
- Southerly Interceptor
- ..... Southwest, West Leg Interceptors & ICRS

#### WESTERLY WASTEWATER TREATMENT PLANT INTERCEPTOR SYSTEM

- ..... Low Level Interceptor
- ..... Northwest Interceptor
- ..... Walworth Run Interceptor
- ..... Westerly Interceptor



# Historical Numbers

CUSTOMER ACCOUNTS 2011-2013

	2013	2012	2011
<b>SUBDISTRICT 1</b>			
Cleveland (1)	125,422	126,357	125,832
<b>SUBDISTRICT 2</b>			
Master Meter - Suburbs (2)	3	3	3
Direct Service - Suburbs (1)	187,859	186,934	183,985
<b>Subtotal</b>	<b>187,862</b>	<b>186,937</b>	<b>183,988</b>
<b>Total Customers</b>	<b>313,284</b>	<b>313,294</b>	<b>309,820</b>

# Annual Metered

BILLING QUANTITIES 2011-2013

	2013	2012	2011
<b>SUBDISTRICT 1</b>			
Cleveland	1,706,438	1,781,276	1,881,996
<b>SUBDISTRICT 2</b>			
Direct Service - Suburbs (3)	1,859,247	1,977,996	2,005,569
Master Meter - Suburbs (1)	143,503	136,544	209,320
<b>Subtotal</b>	<b>2,002,750</b>	<b>2,114,540</b>	<b>2,214,889</b>
<b>Total Service Area</b>	<b>3,709,188</b>	<b>3,895,816</b>	<b>4,096,885</b>



*Financial*



A large ship is docked at a port, with its silhouette visible against a vibrant sunset sky. The ship's mast and various cranes are prominent. The water in the foreground is calm, reflecting the warm colors of the sky. The overall scene is serene and industrial.

# Highlights

Assets exceeded liabilities by \$1,316,327,734

Retirements of debt principal were \$44,374,851

Operating revenues increased by \$22,548,748

Operating expenses increased by \$4,780,180

# Largest Customers

OF THE DISTRICT AS OF DECEMBER 31, 2013 & NINE YEARS PRIOR

2013

	CONSUMPTION MCF (1)	AMOUNT BILLED	RANK	PERCENTAGE OF OPERATING REVENUE
<b>SUBDISTRICT 1</b>				
Cuyahoga Metropolitan Housing Agency (2)	73,545.1	\$4,045,819	1	1.9%
City of Cleveland Water Filtration Plants	42,901.8	3,194,294	2	1.5%
Case Western Reserve University	30,915.4	1,655,135	3	0.8%
University Hospitals	20,992.7	1,095,548	6	0.5%
Arcelor Mittal Steel (ISG Cleveland)	13,412.2	963,056	7	0.5%
Cuyahoga County (2)	15,824.9	871,189	8	0.4%
Cleveland Clinic (2)	15,106.0	840,219	9	0.4%
Cleveland Board of Education	15,035.5	824,475	10	0.4%
Ferro Corporation (2)	9,913.3	552,779	13	0.3%
Veterans Administration Hospitals (2)	8,819.1	501,018	14	0.2%
MetroHealth Medical Centers	8,240.2	449,193	16	0.2%
Cleveland State University	6,517.1	346,444	17	0.2%
Sherwin Williams (2)	6,208.1	345,704	18	0.2%
Cleveland Metroparks Zoo	3,742.4	270,177	19	0.1%
Inland Waters of Ohio	3,303.2	258,155	20	0.1%
Cleveland Public Power	3,114.6	171,864	24	0.1%
ISG Cleveland	-	-	-	-
Dominion Cleveland Thermal Energy Corporation	-	-	-	-
Synthetic Products	-	-	-	-
General Electric Company	-	-	-	-
Ninth Street - Euclid Ltd	-	-	-	-
Property Management Rental	-	-	-	-
Columbus Road Realty	-	-	-	-
<b>Total Subdistrict 1</b>	<b>277,591.6</b>	<b>16,385,069</b>		<b>7.8%</b>
<b>SUBDISTRICT 2</b>				
Aluminum Corporation of America	23,902.8	1,383,765	4	0.7%
NASA John H Glenn Research Center	22,432.8	1,305,527	5	0.6%
Forest City Management (2)	11,389.1	646,760	11	0.3%
Ford Motor Corporation	18,311.3	624,335	12	0.3%
Eaton Estates / Nagy Park	7,470.2	462,182	15	0.2%
Charter Steel	4,192.7	243,906	21	0.1%
Cuyahoga County Community College (2)	3,431.2	182,437	22	0.1%
Brooklyn Acres Homes (2)	3,025.7	176,521	23	0.1%
Zehman & Wolfe Management	1,820.9	105,019	25	0.1%
<b>Total Subdistrict 2</b>	<b>95,976.7</b>	<b>5,130,452</b>		<b>2.5%</b>
<b>Grand Total</b>	<b>373,568.3</b>	<b>\$21,515,521</b>		<b>10.3%</b>

(1) One (1) MCF = one thousand cubic feet = 7,480 gallons.

(2) Amount represents Subdistrict 1 and Subdistrict 2 billings combined. Customer is listed in the Subdistrict where majority of consumption occurs.

Source: District accounting records and City of Cleveland Division of Water billing records.



2004

CONSUMPTION MCF (i)	AMOUNT BILLED	RANK	PERCENTAGE OF OPERATING REVENUE
107,341.0	\$3,449,045	1	2.6%
33,322.2	1,110,132	4	0.8%
26,712.7	851,079	8	0.6%
18,773.8	617,380	11	0.5%
-	-	-	-
17,333.7	555,292	13	0.4%
55,829.0	1,791,711	2	1.3%
26,165.4	838,758	9	0.6%
14,460.8	456,351	15	0.3%
12,540.3	392,657	16	0.3%
20,159.4	646,685	10	0.5%
10,204.8	341,312	17	0.3%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
31,241.3	1,083,132	5	0.8%
18,034.9	612,831	12	0.5%
6,291.5	203,046	19	0.2%
7,920.6	252,089	18	0.2%
6,084.9	200,439	20	0.1%
5,327.2	171,342	23	0.1%
6,060.8	191,527	21	0.1%
<b>423,804.3</b>	<b>13,764,808</b>		<b>10.2%</b>
31,130.0	912,703	6	0.7%
29,844.3	877,281	7	0.7%
16,217.8	490,690	14	0.4%
58,129.7	1,727,017	3	1.3%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,810.6	173,291	22	0.1%
<b>141,132.4</b>	<b>4,180,982</b>		<b>3.2%</b>
<b>564,936.7</b>	<b>\$17,945,790</b>		<b>13.4%</b>

# Revenues

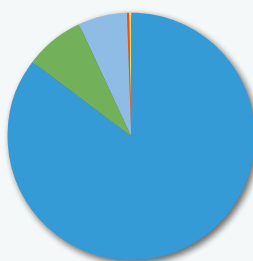
2013

2012

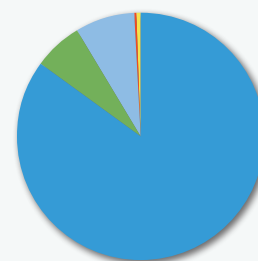
## Operating Revenues

City of Cleveland sewer service fees	\$179,391
Other Billing Agents Sewer Services Fees	\$13,210
Direct Billed Sewer Service Fees	\$16,228
Septic Tank and Municipal Sludge Fees	\$403
Miscellaneous	\$558

	85.5%	
	6.3%	
	7.7%	
	0.2%	
	0.3%	
<b>Total Operating Revenues</b>	<b>\$209,790</b>	<b>100.0%</b>



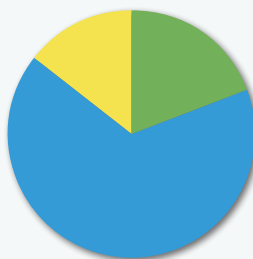
	85.0%	
	6.4%	
	7.8%	
	0.3%	
	0.5%	
<b>Total Operating Revenues</b>	<b>\$187,241</b>	<b>100.0%</b>



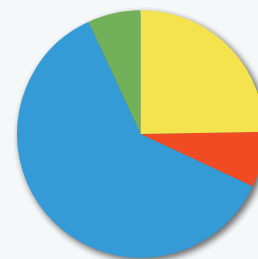
## Non-Operating Revenues

Interest Revenue	\$1,879
Proceeds from Insurance Claim	\$-
Federal Subsidy Revenue	\$6,327
Non-Operating Grant Revenue	\$1,384
Decrease in Fair Value of Investments	\$(417)

	20.5%	
	0.0%	
	69.9%	
	15.1%	
	-5.5%	
<b>Total Non-Operating Revenues</b>	<b>\$9,173</b>	<b>100.0%</b>



	27.1%	
	7.6%	
	66.5%	
	7.3%	
	-8.5%	
<b>Total Non-Operating Revenues</b>	<b>\$10,432</b>	<b>100.0%</b>



Operating revenues increased by \$22,548,748 (12.0%) compared to 2012. The increase was due to higher billing rates in 2013, coupled with a slow decrease in consumption and an increase in delinquencies.

Non-operating revenues decreased by \$1,258,698 (12.1%). The decrease in fair value of investments for 2013 was \$471,921 (53.1%) more than experienced in 2012. The fair value is expected to increase toward face value in the future since these investments in obligations of the U.S. Treasury and its agencies are held to maturity. Non-operating

revenues consist of interest revenue, grant revenue, Federal subsidy revenue, proceeds on insurance claims and the change in fair value of investments. Interest revenue decreased by \$948,636 (33.5%) due to lower interest rates. Non-operating grant revenue increased by \$624,576 (82.3%) due to the increase of funds received for Water Resource Sponsorship Programs. Federal subsidy revenue increased by \$614,314 (8.9%).

No proceeds on insurance claims occurred during 2013.



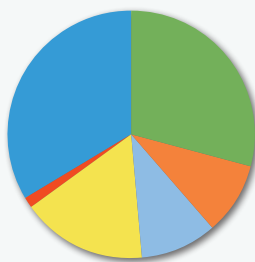
# Expenses

## Operating Expenses

Salaries and Wages	
Fringe Benefits	
Utilities	
Professional and Contractual Services	
Other	
Depreciation	
<b>Total Operating Expenses</b>	

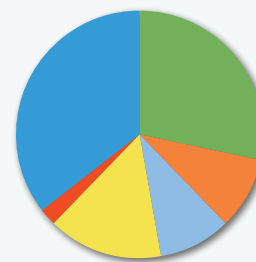
2013

\$43,890	29.3%	
\$14,204	9.5%	
\$14,898	9.9%	
\$24,747	16.5%	
\$2,156	1.4%	
\$50,180	33.4%	
<b>\$150,075</b>	<b>100.0%</b>	



2012

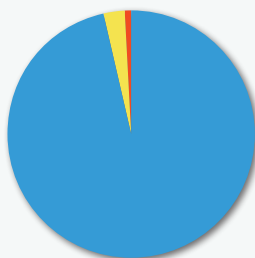
\$41,255	28.4%	
\$13,657	9.4%	
\$13,980	9.6%	
\$21,827	15.0%	
\$3,388	2.3%	
\$51,187	35.3%	
<b>\$145,294</b>	<b>100.0%</b>	



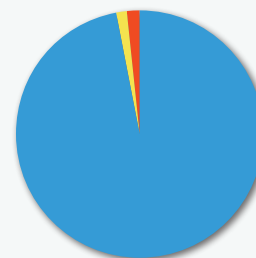
## Non-Operating Expenses

Interest Expense on Long-Term Debt	
Non-Operating Grant Expenses	
Loss on Disposals of Equipment	
<b>Total Non-Operating Expenses</b>	

\$51,758	96.5%	
\$1,520	2.9%	
\$341	0.6%	
<b>\$53,619</b>	<b>100.0%</b>	



\$44,718	97.0%	
\$759	1.6%	
\$622	1.4%	
<b>\$46,099</b>	<b>100.0%</b>	



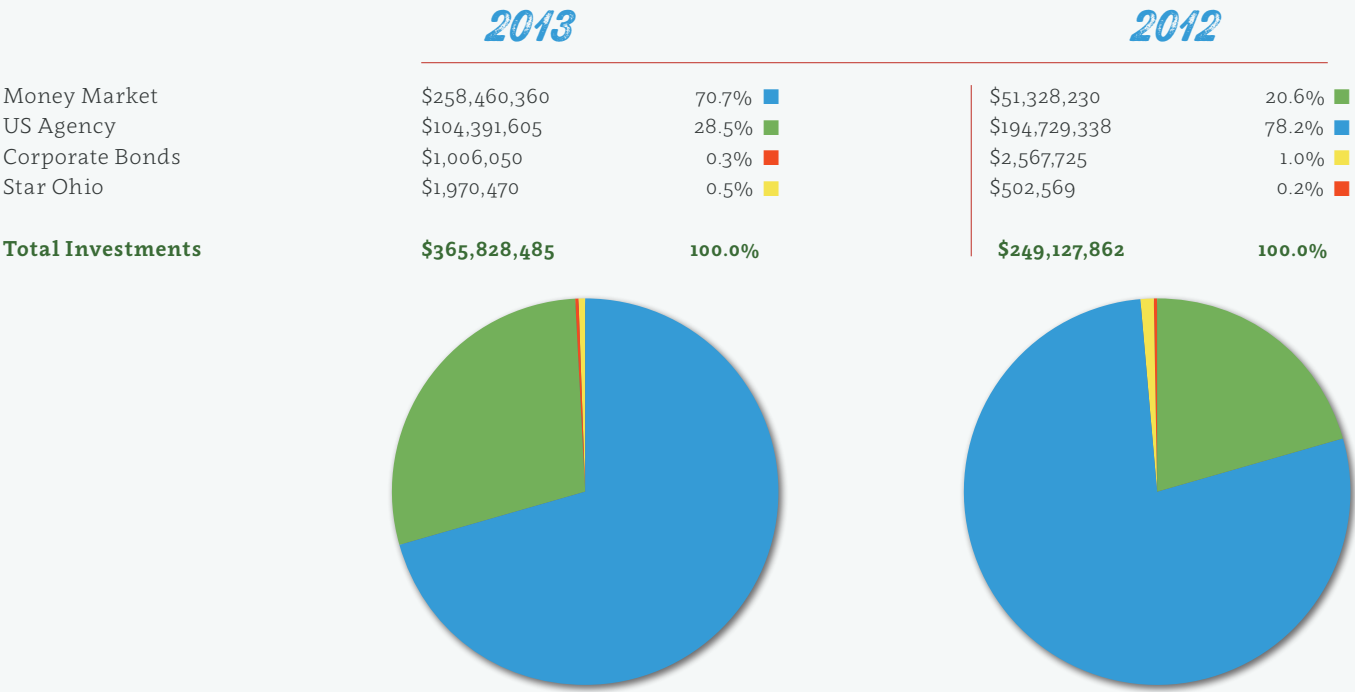
Operating expenses increased \$4,780,180 (3.3%) compared to 2012. Main components of operating expenses are as follows:

- Salary and wages increased \$2,634,408 (6.4%).
- Fringe benefits increased \$546,917 (4.0%).
- Professional and Contractual Services increased \$2,920,138 (13.4%) due to an increase in non-capitalized costs from the Stormwater project and general engineering services.
- Utilities increased \$918,313 (6.6%) due to increases in power and water costs. Solid handling waste removal decreased \$378,704 (20.7%); Materials and Supplies decreased \$980,552 (19.4%) and Judgments

and Awards decreased \$608,816 (90.7%). The decreases were offset by increases in other expenses of: \$41,989 (5.4%) for Insurance to manage our risk of loss; \$290,352 (17.7%) for Chemicals used in the Wastewater Treatment Plants and \$684,045 (32.9%) for Repairs and Maintenance.

Non-operating expenses increased \$7,519,566 (16.3%). Interest expense increased by \$7,039,945 (15.7%). Losses on equipment disposals decreased \$281,916 (45.2%) due to a decrease in disposals of obsolete equipment in 2013. Non-operating grant expense increased \$761,537 (100.3%). No extraordinary events occurred during 2013.

# Investment Policy



The Northeast Ohio Regional Sewer District, giving due regard to the safety and risk of various types of investments, invests the maximum available funds in conformance with the Ohio Revised Code. The Sewer District looks to attain the highest interest rates at the time investments are made. The Sewer District takes advantage of investment interest as a significant supplement to basic sources of revenue to meet operational and capital demands. The Sewer District's portfolio is designed and managed in a manner responsive to the public trust and consistent with the Ohio Revised Code.

- Investments shall be made with the following primary objectives, in order of importance:
- Preservation of capital and protection of principal
  - Security of Sewer District funds and investments
  - Maintenance of sufficient liquidity to meet operating needs
  - Reasonable diversification of investments to minimize risk
  - Maximization of return on the portfolio



# Revenues, Expenses

## AND CHANGES IN NET POSITION

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
User Charges:				
Billed	\$202,134,056	\$202,134,056	\$206,362,246	\$4,228,190
Unbilled	3,585,371	3,585,371	2,467,048	(1,118,323)
Other Revenue	1,002,169	1,002,169	960,830	(41,339)
<b>Total Revenues</b>	<b>206,721,596</b>	<b>206,721,596</b>	<b>209,790,124</b>	<b>3,068,528</b>
<b>EXPENSES</b>				
Salary and Wages	43,874,205	43,874,205	43,889,545	(15,340)
Fringe Benefits	14,489,479	14,489,479	14,203,943	285,536
Power	9,888,801	9,888,801	9,400,085	488,716
Materials and Supplies	5,174,915	5,174,915	4,075,901	1,099,014
Collection Fees	7,424,000	7,424,000	7,812,254	(388,254)
Gas	3,949,160	3,949,160	3,318,117	631,043
Chemicals	2,790,808	2,790,808	1,931,902	858,906
Repairs and Maintenance	3,213,225	3,213,225	2,762,386	450,839
Solids Handling	1,440,457	1,440,457	1,446,497	(6,040)
Water	1,164,184	1,164,184	1,260,155	(95,971)
Professional Services	7,225,121	7,225,121	10,553,455	(3,328,334)
Insurance	747,500	747,500	821,442	(73,942)
Judgements and Awards	65,000	65,000	60,464	4,536
Other Operating Expenses	5,843,215	5,843,215	6,713,695	(870,480)
Capitalized Construction Costs	(7,375,000)	(7,375,000)	(8,355,153)	980,153
Depreciation	52,000,000	52,000,000	50,179,846	1,820,154
<b>Total Operating Expenses</b>	<b>151,915,070</b>	<b>151,915,070</b>	<b>150,074,534</b>	<b>1,840,536</b>
<b>Excess of Revenues Over Operating Expenses</b>	<b>\$54,806,526</b>	<b>\$54,806,526</b>	<b>\$59,715,590</b>	<b>\$4,909,064</b>

# Capital Assets

## AND OUTSTANDING DEBT

### Capital Assets

At the end of 2013, the District had \$2,078,467,492 invested in capital assets. This amount represents a net increase of approximately \$154 million, or 8.0% over 2012. Refer to Notes 2 and 5 to the audited financial statements for more detailed information on capital assets.

	2013	2012	CHANGE	
			Amount	Percent
Land	\$14,846	\$13,901	\$945	6.8%
Construction in Progress	\$516,505	\$448,607	\$67,898	15.1%
Interceptor Sewer Lines	\$959,166	\$975,074	(\$15,908)	(1.6%)
Buildings, Structures and Improvements	\$396,660	\$330,496	\$66,164	20.0%
Sewage Treatment and Other Equipment	\$185,989	\$150,926	\$35,063	23.2%
Right of Use-Intangible	\$5,301	\$5,490	(\$189)	(3.4%)
<b>Total</b>	<b>\$2,078,467</b>	<b>\$1,924,494</b>	<b>\$153,973</b>	<b>8.0%</b>

### Debt Administration

	2013	2012	2011
Revenue Bonds	\$758,795	\$486,684	\$495,096
Water Pollution Loans Payable	\$468,816	\$470,471	\$478,272
<b>Total Debt</b>	<b>\$1,227,611</b>	<b>\$957,155</b>	<b>\$973,368</b>

At December 31, 2013, the District had total debt outstanding of \$1,227,610,847 compared to \$957,154,684 at December 31, 2012. This represents an increase of \$270,456,163 for total debt due to the issuance of the 2013 Wastewater Improvement Revenue Bonds. Loans from the Ohio Water Development Authority Water Pollution Control Loan Fund decreased \$1,654,802; total debt retirements were \$44,374,851. The carrying value of the long-term portion of debt at December 31, 2013 was \$1,183,048,291 and the fair value of the long-term debt was \$1,213,597,101.

At December 31, 2012, the District had total debt outstanding of \$957,154,684 compared to \$973,367,788 at December 31, 2011. This represents a decrease of \$16,213,104 for total debt. Loans from the Ohio Water Development Authority Water Pollution Control Loan Fund decreased \$7,800,701; total debt retirements were \$42,219,347. The carrying value of the long-term portion of debt at December 31, 2012 was \$913,610,744 and the fair value of the long-term debt was \$1,087,062,966.

This information should be read in conjunction with Note 6 to the audited financial statements for more detailed information on long-term debt.

# Capital Assets

STATISTICS 2011-2013

	2013	2012	2011
<b>Number of Buildings</b>			
<b>Operations</b>			
Southerly Plant	42	40	39
Easterly Plant	19	18	18
Westerly Plant	16	16	16
Outlying Pump Buildings	7	7	7
<b>Total Operations</b>	<b>84</b>	<b>81</b>	<b>80</b>
<b>Administration</b>			
District Administration	1	1	1
Environmental and Maintenance Services Center	4	4	4
<b>Total Offices</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Total Buildings</b>	<b>89</b>	<b>86</b>	<b>85</b>
<b>Miles of Interceptor Sewers Installed Annually*</b>	<b>0.25</b>	<b>2.87</b>	<b>5.55</b>
<b>Number of Outlying Systems</b>			
<b>Sewage Collection System</b>			
Interceptor Sewers & Tunnels	21	21	21
Inter-Community Relief Sewers	29	29	27
Automated Regulators	25	25	25
Pumping Stations	7	7	7
Force Mains	4	4	4
<b>Total Sewage Collection System</b>	<b>86</b>	<b>86</b>	<b>84</b>
<b>Support Facilities</b>			
Floatables Control Sites	10	10	10
Biofilter Odor Control Sites	8	8	8
Rain Gauge Sites	25	25	25
Lakeview Dam	1	1	1
<b>Total Support Facilities</b>	<b>44</b>	<b>44</b>	<b>44</b>
<b>Total Outlying Systems</b>	<b>130</b>	<b>130</b>	<b>128</b>
<b>Acres of Land</b>			
<b>Operations</b>			
Southerly Plant	311.2	311.2	311.2
Easterly Plant	92.6	92.6	92.6
Westerly Plant	13.4	13.4	13.4
<b>Administration</b>			
District Administration	2.6	2.6	2.6
Environmental and Maintenance Services Center	14.7	14.7	14.7
<b>Total Acres, Operations and Administration</b>	<b>434.5</b>	<b>434.5</b>	<b>434.5</b>

\*Total interceptor sewers are in excess of 200 miles. Source: District accounting and engineering records.



# Sewage Service

RATES 2004-2013

## Fiscal Years During Which Rates Were Effective

### SUBDISTRICT 1

	Standard		Homestead (2)	
	Rate (1)	% Change	Rate (1)	% Change
2004	24.40	7.5	16.45	7.5
2005	26.20	7.4	17.70	7.6
2006	28.10	7.3	18.95	7.1
2007	30.85	9.8	20.75	9.5
2008	33.85	9.7	22.75	9.6
2009	37.15	9.7	24.95	9.7
2010	40.75	9.7	27.35	9.6
2011	44.75	9.8	30.05	9.9
2012 (3)	49.55	10.7	29.75	-1.0
2013 (4)	55.45	11.9	33.35	12.1

## Fiscal Years During Which Rates Were Effective

### SUBDISTRICT 2

	Standard		Homestead (2)	
	Rate (1)	% Change	Rate (1)	% Change
2004	29.40	5.2	19.70	5.3
2005	30.95	5.3	20.80	5.6
2006	32.60	5.3	21.90	5.3
2007	35.10	7.7	23.55	7.5
2008	37.85	7.8	25.40	7.9
2009	40.90	8.1	27.45	8.1
2010	44.25	8.2	29.70	8.2
2011	48.00	8.5	32.25	8.6
2012 (3)	52.55	9.5	31.75	-1.6
2013 (4)	58.15	10.7	33.15	4.4

(1) Per thousand cubic feet (MCF) of water consumed.

(2) These rates were first established in the 1991 fiscal year.

(3) A Fixed Fee per quarterly bill of \$5.85 was established in the 2012 fiscal year.

(4) For 2013 fiscal year, the fixed rate per quarterly bill increased to \$6.30.

#### Industrial Waste Surcharge

An additional charge is billed to industrial and other types of customers discharging wastewater which contains substances requiring more extensive treatment than effluent from residential customers. The amount of this Industrial Waste Surcharge is calculated in accordance with formulas set forth in the Rate Resolution which take into account concentrations of suspended solids, biological oxygen demand and chemical oxygen demand based on waste loading determined by analysis or otherwise.

#### Minimum Quarterly Billing

Each customer of the District is charged a minimum quarterly amount for sewage service equal to the class of service rate applicable to the metered water usage of 1,000 cubic feet (7,480 gallons). Minimum Quarterly Billing was discontinued starting in 2012.

Source: District accounting records.

# Miscellaneous

OPERATING STATISTICS 2011-2013

	2013	2012	2011
<b>TREATMENT PLANT FLOW</b>			
<b>Billions of gallons of sewage treated per plant</b>			
Easterly	31.7	32.9	41.9
Southerly	44.0	39.1	51.5
Westerly	9.9	9.9	12.6
<b>Total</b>	<b>85.6</b>	<b>81.9</b>	<b>106.0</b>
<b>Total sewage treated, in MCFs (1)</b>	<b>11,443,850</b>	<b>10,949,198</b>	<b>14,171,123</b>
<b>MCFs billed, total District</b>	<b>3,709,188</b>	<b>3,895,816</b>	<b>4,096,885</b>
<b>STAFFING LEVELS</b>			
<b>Number of employees</b>			
Plant Operations & Maintenance	344	339	352
Engineering	61	61	52
Finance (2)	43	39	41
Human Resources	16	15	17
Information Technology	18	19	19
District Administration (3)	69	66	54
Legal (3)	12	11	10
Administration & External Affairs (2)	32	28	25
Watershed Programs	78	70	72
<b>Total</b>	<b>673</b>	<b>648</b>	<b>642</b>
<b>Budgeted employees, total District</b>	<b>719</b>	<b>693</b>	<b>680</b>

(1) Conversion factor: 1 MCF (thousand cubic feet) = 7,480 gallons.

(2) Reclassified Customer Service from Finance to Administration & External Affairs in 2011.

(3) Reclassified Records Management from Legal to District Administration in 2011.

Source: Various District records.

## <sup>2013</sup> *Board of Trustees*

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## *Our Vision*

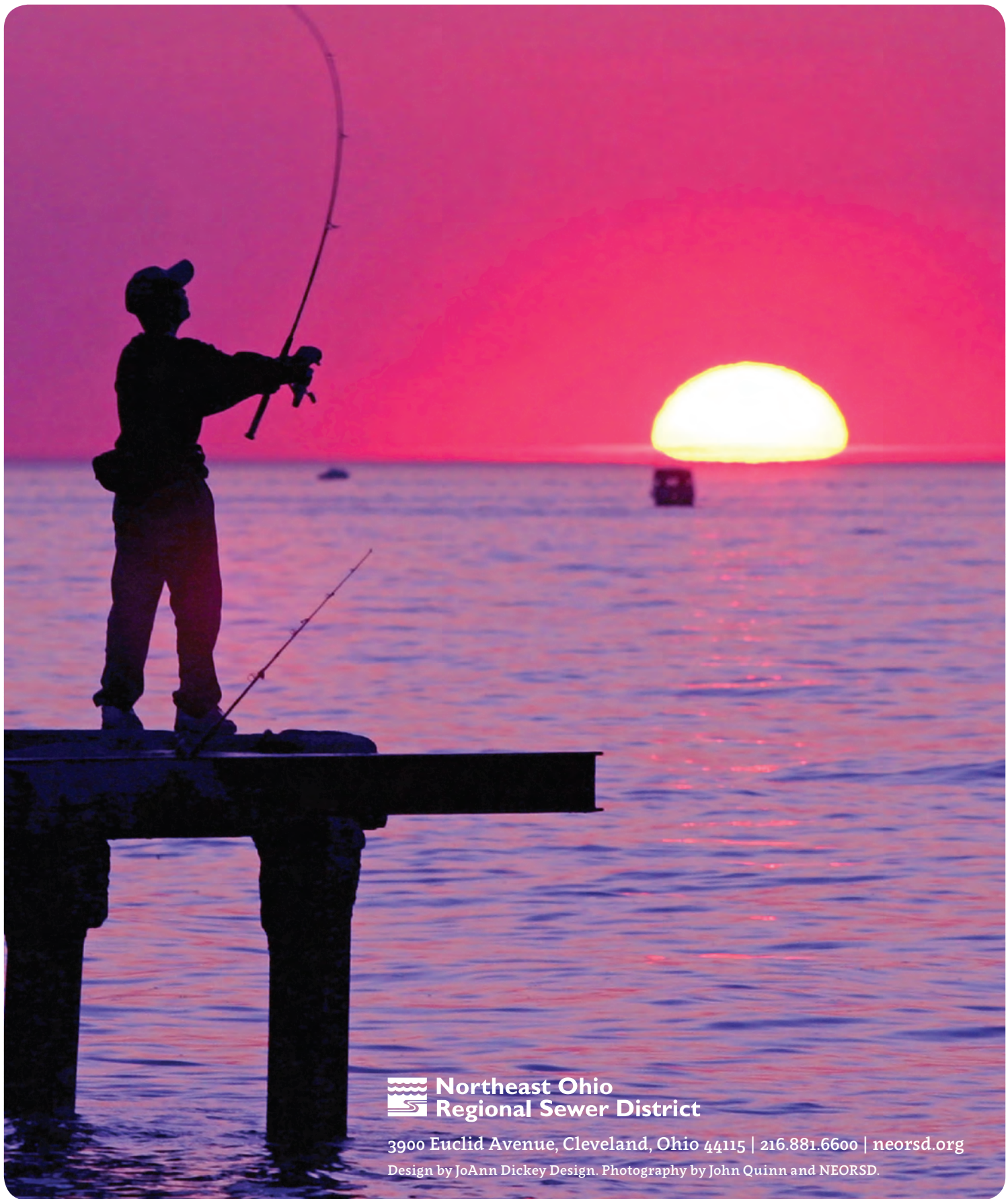
Be the environmental leader in  
enhancing quality of life in the region  
and protecting its water resources.

## *Our Mission*

Provide progressive sewage and  
stormwater management through  
innovation, fiscal responsibility,  
and community partnerships.







 **Northeast Ohio  
Regional Sewer District**

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