. . . passing on a legacy



















Northeast Ohio Regional
Sewer District
annual report | 2001

Message from the President and Executive Director







Erwin J. Odeal Executive Director

In honor of our 30th anniversary, we thought it would be illuminating to share the stories of the employees who were here in the early days of the District's inception.

Most long time employees started around the same time and recall very clearly the passion they had - and still have - for what we do . . . that is

protecting your health and environment by safely transporting and effectively treating Greater Cleveland's wastewater.

They also remember the backdrop against which this passion was nourished; inside you will find colorful stories of changing management styles, political conflicts and environmental challenges. It would be accurate to say that these were characterbuilding experiences from which we all learned and have grown to appreciate.

We have chosen to profile employees from a variety of jobs to get a balanced perspective of the past. Despite varying backgrounds, major components of these stories remain the same. The interviewees all felt a connection to the environment and that through their jobs, they had the privilege to act as stewards of the public's health and the environment. You will also find an undying commitment to excellence and a real pride in the work they do.

As many of these long-time employees near the end of their formal careers, we cherish this opportunity not only to share their stories, but also to assure you that they have passed this passion and commitment to excellence to the next generation of Sewer District employees.











Mayor Gerald M. Boldt President

Mayor Thomas J. Longo Vice President

Michael L. Nelson, Sr. Secretary

(pictured at right) (TOP TO BOTTOM):

Mayor Gary W. Starr

Andrew T. Ungar

Darnell Brown

Sheila J. Kelly









senior staff

(pictured below) (LEFT TO RIGHT):

F. Michael Bucci Director of Finance

Ana I. Maldonado Director of Information Technology

Charles J. Vasulka Director of Engineering & Construction

Timothy M. Tigue Director of Operation & Maintenance

Kenneth A. Pew Deputy Executive Director

William B. Schatz General Counsel

Thomas E. Lenhart Director of Employee Resources

Erwin J. Odeal Executive Director

















After finishing college in 1967, I worked for the Ohio Department of Health and the Three Rivers Watershed District for the Cuyahoga, Rocky and Chagrin River basins. Together the two organizations worked on regional water quality issues.

The Sewer District expressed an interest in my work with these agencies, which is one of the reasons I came here. So, in 1974 I started my District career as an Engineer and Planning Manager.

It's funny. When I worked for the regulatory organization, I was trying to force people to do things. When I worked for the planning organization, I was trying to convince people to do things. At the District, I finally had the resources to help get things done.

Part of my responsibilities included going out and talking to communities. I also helped to secure federal grants. We were successful in part because federal regulations were much simpler. And at the time, EPA had a wealth of construction grants.

In May 1983, I officially became Executive Director. I decided to stay at the District because I felt we were doing good work and that we could make things happen.

But, the late 70s and early 80s were a difficult time for me. We were in the process of developing a clearer direction for the District. Additionally,

we were competing for federal funds and the City of Cleveland was in default.

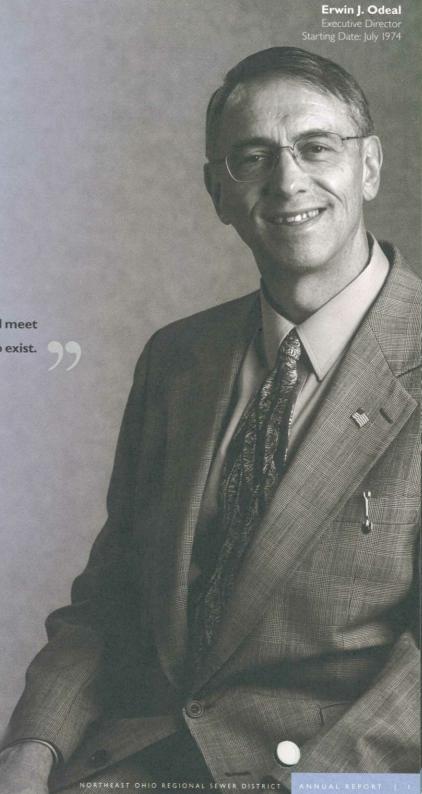
With time and the efforts of a committed staff, however, the District gained
more focus and momentum.

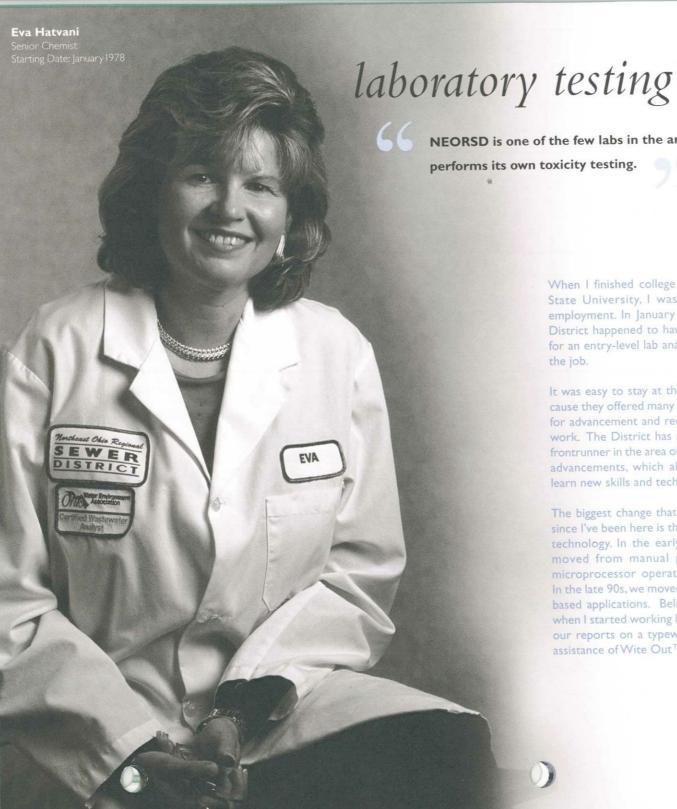
leadership

I feel that unless we continue to understand and meet our customers' needs, we don't have the right to exist.

During my time here, the biggest change I've witnessed is the transformation of our management style to a more participative process. The decision process involves more people and therefore takes longer. Yet, the top person is still accountable; I honestly feel my biggest accomplishment has been helping to keep the District at the highest level of integrity throughout our continuing evolution.

As far as the next 30 years is concerned, I feel that unless we continue to understand and meet our customers' needs, we don't have the right to exist. We must justify our existence or some one else will fill the role and meet those needs in cost effective, efficient ways. I hope that we will recognize that we are not in a static environment and continue to embrace beneficial change.





NEORSD is one of the few labs in the area that

When I finished college at Cleveland State University, I was looking for employment. In January of 1978, the District happened to have an opening for an entry-level lab analyst and I got the job.

It was easy to stay at the District because they offered many opportunities for advancement and recognized hard work. The District has always been a frontrunner in the area of technological advancements, which allowed me to learn new skills and technologies.

The biggest change that has occurred since I've been here is the evolution of technology. In the early 80s, the lab moved from manual processes to microprocessor operated processes. In the late 90s, we moved to computer based applications. Believe it or not, when I started working here, we did all our reports on a typewriter with the assistance of Wite Out TM.

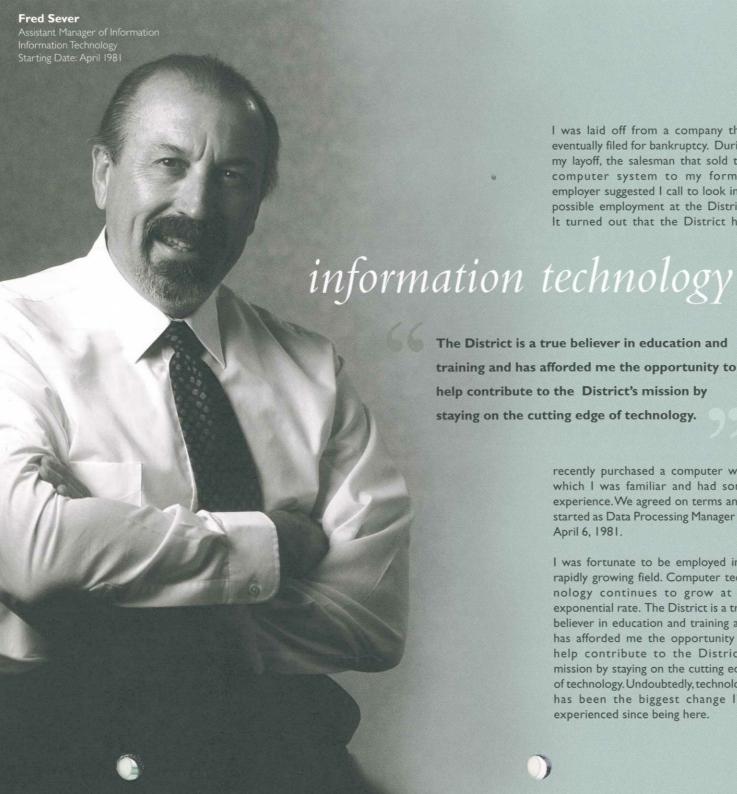
In 1988, I implemented the Bioassay Monitoring testing for Analytical Services. This test uses short-term methods for measuring the toxicity of our treated effluent on the mortality, growth and reproduction of certain organisms. NEORSD is one of the few labs in the area that performs this test internally. Other laboratories contract private labs for this purpose. I am proud of this accomplishment.

The most difficult challenge for me has been helping employees adapt to the changes this organization has been going through. We have undergone a change in our management philosophy that requires employees to take on more responsibility and make more decisions regarding their work. It has been difficult for some employees, but ultimately good for the entire

During my years of employment, the District has always been a leader in protecting the environment. For this reason, I am proud to be a District employee. I am confident that we will remain a leader in the wastewater treatment industry in the decades to come.

Ray Hannikman I don't like change, which is one of the reasons I've stayed here for my entire professional career. I liked the District because it was consistent and safe. I earned a liberal arts degree from financial integrity Case Western Reserve University. I then earned my master's degree in Business Management from CWRU soon thereafter. I feel my biggest accomplishment Luckily, when I got to the District, is being a part of an organization I was able to put some of these learned skills to use. I worked on manual conwhose financial integrity and stability tract ledgers, reviewed time cards and have never been in dispute. processed accounts payables. Another reason I've stayed put is because working for the District is my The biggest challenge I have experiway of contributing to the quality of life enced in my career here has been the in greater Cleveland. As an avid bird onslaught of technology and the watcher who has an appreciation for information age which of course I have the outdoors, this type of contribution been reluctant to embrace, since I is important to me. don't like change. However, I admit computers have improved efficiency and enabled quick accessibility to information. I feel my biggest accomplishment is being part of an organization whose financial integrity and stability have never been in dispute. In the next 30 years, I think the District will find a solution to storm water drainage issues and continue to meet its goals.

THEAST OHIO REGIONAL SEWER DISTRICT



I was laid off from a company that eventually filed for bankruptcy. During my layoff, the salesman that sold the computer system to my former employer suggested I call to look into possible employment at the District. It turned out that the District had

My biggest challenge was to maintain two computer systems in a production environment. I was responsible for day-to-day business functions across multiple platforms which meant I had to wear various hats at various times of the business day depending on which software application was running on which platform.

The District is a true believer in education and training and has afforded me the opportunity to

help contribute to the District's mission by staying on the cutting edge of technology.

> recently purchased a computer with which I was familiar and had some experience. We agreed on terms and I started as Data Processing Manager on April 6, 1981.

> I was fortunate to be employed in a rapidly growing field. Computer technology continues to grow at an exponential rate. The District is a true believer in education and training and has afforded me the opportunity to help contribute to the District's mission by staying on the cutting edge of technology. Undoubtedly, technology has been the biggest change I've experienced since being here.

When I first got here, the District participated in time-sharing with the Regional Income Tax Agency. This meant we did not even have our own computer system to process payroll, inventory or anything else for that matter. There was no room for mistakes. What I feel is my most significant accomplishment occurred at this time; I was able to get the data processing department business functions off of a time share environment and onto its own computer. Our department finally had control of its own destiny. We produced payroll checks on the WANG system for the first time in mid September 1981.

As far as the District's future is concerned, I see us serving more people in Northeast Ohio with quality wastewater treatment. I see the District continuing to provide an important service to its members and to our fragile environment. I think employees will continue to feel proud of what we do.

I started working here in 1977 as Assistant General Counsel. Previously, I worked as an Assistant Director of Law for the City of Cleveland responsible for non-tort litigation for the Department of Public Utilities. I was hired at the District to handle construction law. What attracted me most to the District was their aggressive capital construction program.

In 1978, General Counsel Lou Rego announced he was going to leave the District and go into private practice. I was named Acting General Counsel, and soon thereafter, the Board appointed me General Counsel.

During the late 1970s and early 1980s, there was considerable political turmoil at the City of Cleveland which also affected the District. This led to a change in management, marking the beginning of a new era at the District. That's when we began to appreciate the professional District staff that worked here. We built momentum and worked so hard that we often didn't have time to notice the positive changes taking place.

The biggest change since I've been here has been the transformation of our management philosophy from the traditional top down paradigm to the use and reliance on teams. Management now takes a District-wide approach to the challenges confronting our organization and industry.

I was proud to be personally involved in the conversion of the Westerly plant from a physical chemical treatment process to biological treatment. This was one of the District's major accomplishments. I managed the litigation and worked with Congressman Stokes to secure \$60 million in direct Federal funding for the plant's rehabilitation.

I am also very proud of the District's leadership at the national level. Many of our employees have made significant contributions to the wastewater treatment industry.

Over the next 30 years, I expect that the District's mission will expand to include storm water and watershed permitting. Also, I think we very well may assemble an integrated collection and treatment system and will determine a better strategy to deal with nonpoint source pollution in our service area.

legal counsel

We were working so hard, we really didn't have time to notice the positive changes taking place.





employee resources management

I found out about the District through volunteer work. They were advertising for an Accounting Clerk position in Payroll. I had several interviews for the position and started in March of 1983.

My family and I had just relocated from DC and I wanted a job where I could work 8 am to 5 pm, Monday through Friday - with weekends and holidays off. Since I had worked such irregular hours in retail, a conventional schedule was important to me. Also, after some investigation, I discovered that the District offered good health and retirement benefits.

I found the District's working environment less formal than private industry. Everyone was on a first name basis regardless of position. However, there was still the traditional chain of command.

I never intended to stay this long; I wanted to be a homemaker. At the time that we relocated, I had two daughters: one five, and one nine. Initially, I wanted to work three or four years, and then return home for my daughters' teenage years - but I genuinely enjoyed what I was doing. I began in Payroll, went to Accounting and then had the opportunity to become Manager of Human Resources. From that point, I was promoted to my current position of Assistant Director of Employee Resources.



We have gone from operating like a stereotypical government organization to operating like a real business.

The biggest change I've experienced while here has been the integration of the Human Resources Information System (HRIS.) All of a sudden, we had personal computers instead of a mainframe system. My initial reaction to my PC was "I'm not a secretary. What do I need a PC for?" However, when the HRIS system was implemented, the staff was able to operate more autonomously. Helping to implement this system was probably my most significant accomplishment.

In terms of challenges, I think my most difficult has been helping to implement the Strategic Plan. Although, the process was stressful, the benefits have been amazing; finally, all District employees have the opportunity to offer input and be involved in the decision making process.

Where will we be in 30 years? No doubt we will continue to be industry leaders on several levels. We are now functioning as a real business by focusing on servicing our employees better. Our Employee Resources department is now the model other businesses emulate.



Depreciation: \$31.5 Equity: \$1,135.7 Plant and Equipment: \$1,140.6 User Charges: \$134.6 Utility Costs \$15.5 \$17.4 Construction Fund: \$254.3 Personnel Costs: Long Term Other Assets: \$75.5 Interest: \$21.9 Debt: \$359.6 \$31.3 Other Costs: Cash and Investments Other Liabilities: \$16.7 \$70.9 \$46.0

Assets

AS OF DECEMBER 31, 2001 (in millions)

Total Assets: \$1,541.3

Revenues

FOR THE YEAR ENDED DECEMBER 31, 2001 (in millions)

Total Revenues: \$156.5

Equity & Liabilities

AS OF DECEMBER 31, 2001 (in millions)

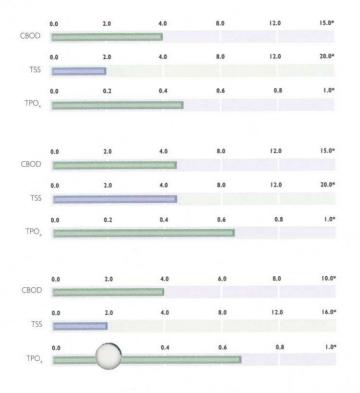
Total Equity and Liabilities: \$1,541.3

Expenses

FOR THE YEAR ENDED DECEMBER 31, 2001 (in millions)

Total Expenses: \$112.4

Plant Performance



Easterly

Average annual effluent concentration in milligrams per liter.

Number represents NPDES permit limit 30 day average

Average annual effluent concentration in milligrams per liter.

* Number represents NPDES permit limit 30 day average

National Pollutant Discharge Elimination System

Average annual effluent concentration in milligrams per liter.

 Number represents NPDES permit limit 30 day average

Key For Plant Performance Graphs:

CBOD

Carbonaceous Biochemical Oxygen Demand

Total Suspended Solids

TPO

Total Phosphorus

NPDES



All District Plants Earn AMSA Awards

The Association of Metropolitan Sewerage Agencies (AMSA) recognized our Easterly and Westerly wastewater treatment plants with Gold Awards for meeting all of the National Pollutant Discharge Elimination System (NPDES) permit limits in 2001. Our Easterly Wastewater Treatment Plant received AMSA's Silver Award for only one permit limit violation in 2001.

Westerly Earns Another Safety Award

Westerly earned its third consecutive Safety Award from the Ohio Water Environment Association (OWEA) for an over-30-person treatment facility. OWEA also recognized Sewer Systems Maintenance and Operation for outstanding safety with a Safety Award for an over-20-person collection system. These awards recognize outstanding safety records during operation.

Financial Report Earns Top Honors

The District's Comprehensive Annual Financial Report (CAFR) received its sixth award of recognition in governmental accounting and financial reporting from the Government Finance Officers Association. The report met a strict set of reporting criteria and received the highest possible ranking in each category.