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BURNING RIVER ANNIVERSARY

The year 2014 marked the 45th anniversary of the burning of the Cuyahoga River. While few know debris on the river actually caught fire at least 13 times before 1969, the event was a turning point for the nation's environmental awareness. Over the last 45 years, the river's ongoing resurrection is a testament to the work and people that brought it back to life, and a reminder of how easily it can be taken for granted.

PLANTS EARN TOP AWARDS

Southerly and Westerly were presented with NACWA Gold Awards for permit compliance in 2013, and Easterly took home the prestigious Platinum Award for five straight years of excellence.

WESTERLY HITS FIVE-YEAR MARK FOR NO VIOLATIONS

Thanks to our dedicated Westerly staff and assistance from many other District departments, Westerly operated and maintained the plant without any permit violations for the fifth consecutive year. In addition, the plant had success with Chemically Enhanced High Rate Treatment (CE-HRT) pilot project wet-weather events.

RENEWABLE ENERGY FACILITY

Southerly saw significant electrical and natural gas savings at its Renewable Energy Facility. Plant operators were successful at operating the new incinerators autogenously (without fuel), and the turbine generator has been producing up to two megawatts of electricity per day.

WATER QUALITY & INDUSTRIAL SURVEILLANCE

WQIS aided in the District's Integrated Planning effort by conducting dry-weather and wet-weather sampling and providing data for computer models used to prioritize projects. Other WQIS achievements in 2014 included continued

participation in Operation Medicine Cabinet and the Drug Enforcement Administration's National Take Back Program, collecting unused and expired pharmaceuticals.

ANALYTICAL SERVICES

In addition to participating in large District initiatives, Analytical Services performed 203,000 analyses (an 8% increase over 2013) and the lab analyzed over 30,000 samples (a 10% increase). Major capital investments included equipment to analyze harmful algal blooms and emerging contaminants, and a new gas chromatograph with a mass spectrometer for the analysis of organic compounds.

CLEVELAND HOSTS NATIONAL GREEN INFRASTRUCTURE ROUNDTABLE

Forty agencies from across the country came to be a part of the second annual Green Infrastructure Summit, hosted in Cleveland. The District also led guests on a tour of some of our Project Clean Lake "Green Ambassador" projects.

EASTERLY CONSTRUCTION

Major construction continued at Easterly, to meet Project Clean Lake requirements and expand secondary treatment capacity by 70 million gallons. Easterly also earned OSHA's Safety and Health Achievement Recognition Program (SHARP) designation for illness and injury prevention and a safety award from Ohio Water Environment Association.

COURT HEARS STORMWATER ARGUMENTS

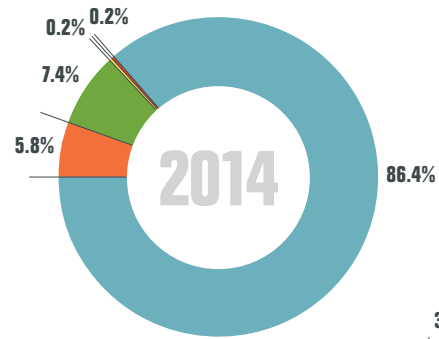
Big storms during the summer brought attention to our Regional Stormwater Management Program, which was suspended in 2013. In 2014, we made oral arguments before the Ohio Supreme Court, making our case that we are authorized to charge a fee and manage problems caused by stormwater runoff across the region. As of the printing of this Annual Report, we await a final decision from the Court.

REVENUES

OPERATING REVENUES

2014

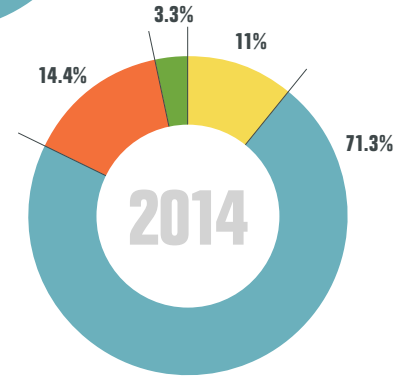
City of Cleveland sewer service fees (NEORSR billing agent)	\$206,720	86.4%
Other Billing Agents Sewer Services Fees	13,901	5.8%
Direct Billed Sewer Service Fees	17,686	7.4%
Septic Tank and Municipal Sludge Fees	452	0.2%
Miscellaneous	426	0.2%
TOTAL OPERATING REVENUES	\$239,185	100.0%



NON-OPERATING REVENUES

2014

Interest Revenue	\$994	11.0%
Federal Subsidy Revenue	6,438	71.3%
Non-Operating Grant Revenue	1,304	14.4%
Decrease in Fair Value of Investments	296	3.3%
TOTAL NON-OPERATING REVENUES	\$9,032	100.0%

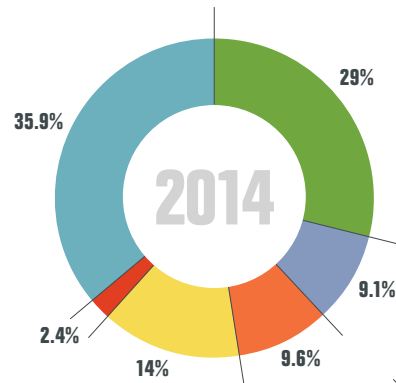


EXPENSES

OPERATING EXPENSES

2014

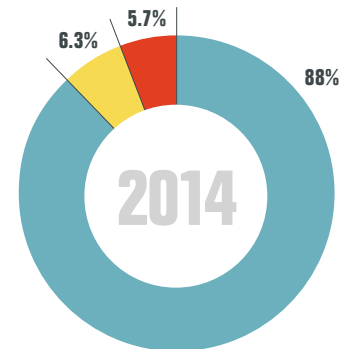
Salaries and Wages	\$46,227	29.0%
Fringe Benefits	14,611	9.1%
Utilities	15,267	9.6%
Professional and Contractual Services	22,286	14.0%
Other	3,807	2.4%
Depreciation	57,172	35.9%
TOTAL OPERATING EXPENSES	\$159,370	100.0%



NON-OPERATING EXPENSES

2014

Interest Expense on Long-Term Debt	\$59,923	88.0%
Non-Operating Grant Expenses	4,259	6.3%
Loss on Disposals of Equipment	3,913	5.7%
TOTAL NON-OPERATING EXPENSES	\$68,095	100.0%



FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources exceeded liabilities by \$1,337,079,842.

Retirements of debt principal were \$116,669,919, of which, \$72,940,000 was for the defeasance of a portion of 2007 bonds.

Operating revenues increased by \$29,395,275. Operating expenses increased by \$9,295,866.