

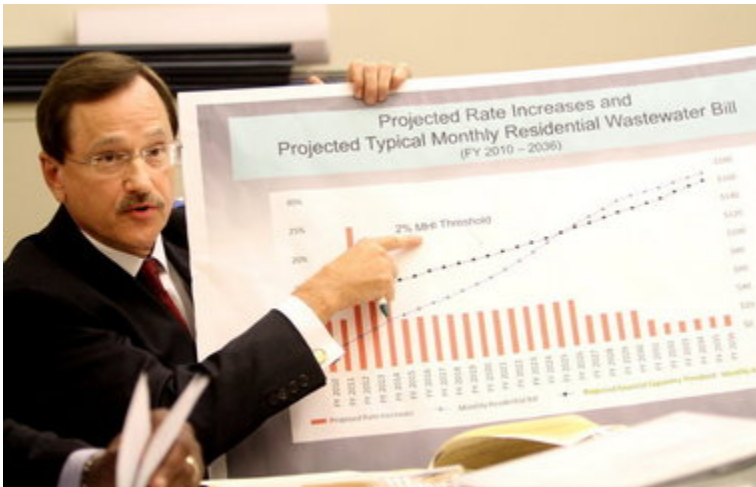


Northeast Ohio Regional Sewer District leaders divided, spar over rate increases, EPA settlement

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Michael Scott, The Plain Dealer



Lisa Dejong/The Plain Dealer

Middleburg Heights Mayor Gary Starr, a member of The Northeast Ohio Regional Sewer District, makes a point about increasing rates Tuesday in a discussion with editors at The Plain Dealer. The district's executive director Julius Ciaccia countered that Starr's chart was based on a predicted 18 percent annual increase, but that the district was now expecting to raise rates about 13 percent a year from 2012-2016.

CLEVELAND, Ohio -- Northeast Ohio is but two weeks out from a historic vote by regional sewer board members that could triple sewer rates in Cleveland and surrounding suburbs over the next 25 years.

Meanwhile, two of the top officials in the **Northeast Ohio Regional Sewer District** on Tuesday sparred testily in an interview with The Plain Dealer, demonstrating that the district is deeply divided over the proposed settlement of a decades-old water quality dispute with the EPA.

Middleburg Heights Mayor Gary Starr -- who was president of the sewer board in 2005 when it first sent a \$1.7 billion, 30-year construction and rate increase plan to the EPA -- said he will vote Dec. 2 against the new proposal.

That new deal is a \$3 billion, 25-year plan negotiated plan between the district, the EPA and the U.S. Department of Justice.

Downloadable details of the plan, called **"Project Clean Lake,"** , are available on its website.

"Absolutely, it's too much money for one million the people in this region and they haven't been given enough time to figure out how to respond to it," Starr said following a meeting Tuesday afternoon with editors at the newspaper. The sewer district serves 330,000 customers, representing more than a million

people in the region.

The district's executive director Julius Ciaccia, however, said the imminent rate increase is an unfortunate necessity. He said Starr has known about the proposal for five years and is now grandstanding at the last minute.

The proposed increases in sewer rates are expected to pay for federally mandated improvements to sewers throughout the region -- including the construction of another half dozen deep tunnels for holding the overflow from combined sanitary and storm sewers.

In the end, the sewer district is expected to reduce the flow of untreated sewage into Lake Erie from the current 4.5 billion gallons a year (down from 9 billion gallons two decades ago at a cost of \$850 million) to less than half a billion gallons each year.

But it also means that the average monthly bill, now less than \$40 a month, would increase to more than \$50 a month by 2016. An average bill could reach \$140 a month by 2035, according to a summary of the agreement released by the district Friday.

Worse, the proposed rate increases also comes at the same time that the sewer district is proposing an average \$57 a year fee on property owners to fund a new storm water management program. That plan is being opposed in court by more than a dozen communities in both Summit and Cuyahoga Counties.

So Starr has called for a one-year delay in signing the settlement with federal authorities, who had threatened to sue the district for violations of the 1972 Clean Water Act over the last several decades.

But Starr has also said he will vote this week in favor of a massive new underground tunnel that is actually the first step in the overall plan that was negotiated with the EPA by district officials. The \$198 million Euclid Creek tunnel will be a massive holding tank for sanitary-storm water sewage overflows.

"This is part of the very program he's said he's opposing and a major part of the rate increase we've proposed for 2012-2016," Ciaccia said. "That's the confusion I'm dealing with right now."

The complex settlement issue can be divided into a handful of disputes:



Julius Ciaccia



Gary Starr

Affordability.

â€¢ Ciaccia, sewer district Trustees President Darnell Brown and Engineer Kellie Rotunno said Tuesday that while the rate increases are a clear burden to ratepayers, they still represent the best deal possible. The district convinced the U.S. Department of Justice to extend the project from 20 to 25 years, for example, because the Northeast Ohio area was considered to be under a "high

burden" economically.

â€¢ But Starr and his city engineer Michael Mackay -- bolstered late last week by the NAACP's contention that the rate increase will hit poor, urban residents harder -- contended that residents and businesses will struggle mightily to pay their sewer bills. "What good does it do to pass a rate that people can't even pay?" Mackay said.

Timing of the settlement.

â€¢ Starr wants to wait a year before signing an agreement with the EPA and U.S. Department of Justice, so the community can weigh in with other ideas to help reduce the cost to ratepayers. He has cited a recent case in Florida where the U.S. EPA appeared to soften its stance, granting more time for that state to meet new water quality rules -- in part because of the poor economy.

â€¢ Ciaccia has said every year of delay will add another \$100 million in inflation to the costs -- maybe more if the EPA were to decide to then sue the district for non-compliance. The Northeast Ohio district is one among more than 770 U.S. communities or districts with combined-sewer overflows who have settled or are in negotiations to do so. "We're in violation," Brown said. "This is the federal government saying 'You will do this.' We've done the best we can to control the terms and conditions."

Timing of Starr's objection

â€¢ Starr said he's speaking out now because sewer district customers may end up getting only a few weeks to scrutinize details of a plan that will raise the average annual sewer bill from about \$360 to nearly \$1,000 by 2035. Board members plan to vote Dec. 2. He said although he voted in favor of the plan in 2005, he did so merely to forward with negotiations -- not issue "a blank check for sewer officials."

â€¢ Ciaccia countered that Starr has long been aware of the details of the pending settlement and its cost.

He said Starr was involved in numerous closed-door sessions with other board members. "No one -- not Mayor Starr or anyone else -- has ever said 'Stop the train, I want to get off' until now when the rubber meets the road," Ciaccia said. "This is grandstanding."

Public records vs. attorney-client privilege

â□ç Ciaccia and Marlene Sundheimer, the district's law director, said that they kept details of the proposed agreement private until last Friday because making them public could have compromised their deal. The privacy was allowed by law because it involved negotiations to avoid an imminent lawsuit. "If I had told the feds that we had an extra \$700 million in there in project contingencies that we don't intend to have to use, how do you think that would have gone over?" Ciaccia asked Starr during the debate.

â□ç Starr, however, said it was "an abuse of attorney-client privilege" when the district kept the proposal under wraps as it was being negotiated over the last five years. He said the public has not been given enough information or enough time to digest "the largest utility increase in history for this region."

Only two public meetings remain (including this Thursday at 12:30 p.m. at sewer district offices at Euclid Avenue and E. 40th Street) for ratepayers to examine a proposed settlement that he says should have been made public long ago.

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