

2008
Annual Budget

an annual budget report for fiscal year 2008

NORTHEAST OHIO REGIONAL SEWER DISTRICT

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NORTHEAST OHIO REGIONAL SEWER DISTRICT

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Northeast Ohio Regional Sewer District

For the Fiscal Year Beginning

January 1, 2007

Oliver S. Cox

President

Jeffrey R. Egan

Executive Director



**Northeast Ohio Regional
Sewer District**

Protecting Your Health and Environment

LETTER OF TRANSMITTAL

March 20, 2008

To the Board of Trustees and the Citizens served by the
Northeast Ohio Regional Sewer District

Pursuant to the statutory requirements of the Ohio Revised Code and the policies of the Board of Trustees, the amended Northeast Ohio Regional Sewer District 2008 Operating and Capital Budget has been compiled and adopted by the Board. The budget document identifies the 2008 fiscal year's operating and capital financial and personnel resources necessary to carry on the mission of the District. The budget has been prepared using the accrual accounting basis and incorporates an allocation of financial resources to the 23 budget centers that they require to meet their 2008 goals and objectives. The budget also identifies the monetary requirements of the Northeast Ohio Regional Sewer District's Capital Improvement Plan and minor capital procurement needs.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Ciaccia". The signature is stylized and cursive.

Julius Ciaccia
Executive Director



Protecting Your Health and Environment

2008 EXECUTIVE SUMMARY

March 20, 2008

To the Board of Trustees and the Citizens served by the
Northeast Ohio Regional Sewer District

The mission of the Northeast Ohio Regional Sewer District has always been to serve the public by providing cost-effective wastewater collection and treatment services to protect public health and the environment. The mission is achieved because of the dedication of the Board of Trustees, the experience and perseverance of the Senior Staff, the concern for excellence and ethical behavior of the District's employees and the support and cooperation of the citizens and public officials served by the District. Without this level of commitment and focus on our responsibilities, we could not meet the high standards of quality service that have been achieved for over thirty-five years.

With the retirements and departures of several key employees, including former Executive Director Erwin J. Odeal, the District has undergone significant administrative and staffing changes. As the new Executive Director, I have made it clear that my top priority is to continue the District's award winning operation while making improvements where necessary. Successfully conquering the challenges presented by the numerous staffing and restructuring changes will take a very high level of commitment from the new leadership as well as each and every employee of the organization.

I have generated and communicated to the entire organization my goals for the District in 2008. These directives include:

- Developing a 10-year capital improvement program
- Introducing program management principles into capital project delivery
- Continuing efforts to create a stormwater management program
- Establishing a government affairs function
- Exceeding debt service coverage targets
- Completing implementation of the Leadership Sustainability Program
- Assuring budgetary cost-containment controls are established in carrying out both capital and operations budgets
- Maintaining excellent wastewater treatment service
- Establishing a monthly reporting mechanism that keeps the Board and the public well-informed about capital expenditures and projections

These goals are intended to ensure that the District maintains and grows its reputation as one of the most effective and efficient publicly owned wastewater treatment facilities in the country.

2008 EXECUTIVE SUMMARY - (continued)

Achieving the 2008 goals and continuing to improve on the highly successful operations will support the effort to achieve the long established mission of the Northeast Ohio Regional Sewer District; “Protecting Your Health and Environment.”

In addition, the District’s Board of Trustees adopted a Code of Ethics for all employees, including the Board and staff, to increase public confidence in the integrity of the Sewer District, to ensure that all Board Members and employees are independent and impartial in the performance of their job duties, and to eliminate conduct not consistent with good ethical practices, without creating unnecessary barriers to public service.

The District’s diversified staff of employees executes a multitude of tasks and responsibilities. Maintaining and improving public health through effective wastewater treatment requires a tremendous amount of leadership, planning, technical skills, infrastructure, financial and human resources, communication and cooperation. Infrastructure in the form of sewers, pump stations, treatment plants and office buildings must be constructed and maintained. Human resources, the backbone of the District, must be hired, trained and developed to perform the various jobs within the District. Working relationships with the community leaders and ratepayers must be developed and nurtured to gain the cooperation and feedback necessary to respond to their needs as well as the needs of the environment. All these operational and environmental challenges place high demands on the workforce and the financial resources of the District. The compilation and adoption of the annual budget is one of the major tasks that must be completed to perform the District’s work.

The 2008 Operating and Capital Budget appropriates the funds necessary to continue the day-to-day wastewater treatment processes, maintain the machinery, buildings and equipment, compensate the employees and finance tactical and strategic initiatives that support the District’s mission. The Board of Trustees and Senior Management, along with the individual Budget Center managers, worked diligently to prepare the budget. The adopted appropriation contains the necessary financial resources required to accomplish the goals and objectives set for 2008.

As in previous budgets, the 2008 Adopted Operating and Capital Budget reflect a high level of fiscal responsibility. The budget appropriation has gone through a series of reviews by finance managers, senior managers, the Executive Director and a Board of Trustees’ committee before being adopted by the Board. This review process assures the ratepayers that the District continues to practice good stewardship of public funds. The 2008 budget appropriates a level of financial resources required for the ongoing operations and maintenance activities of the District. It also supports the Capital Improvement Plan necessary to maintain the current infrastructure and to build new infrastructure needed to address future demands.

2008 EXECUTIVE SUMMARY - (continued)

The 2008 budget reflects staffing levels that are considered adequate to perform the routine tasks and to participate in new tactical and strategic initiatives that must be addressed to ensure future success. Coupled with the staffing levels are high medical coverage premiums and other employee benefits costs. As reflected in the budget, these benefits costs continue to be a major factor in the level of funds required. The District's senior management has spent a considerable amount of time researching and investigating benefit package options that provide the employees significant value at the most reasonable cost.

The revenue projections presented in the 2008 Adopted Budget reflect the billing rates that were adopted by the Board of Trustees for the 2007-2011 fiscal years. These rates were applied to the results of the consumption analysis generated by the finance staff. A schedule comparing 2008's revenue projections and preliminary actual revenue are shown in the Operating Accounts Budget Summary schedule in the Financial Resources Required section of the Budget. Various operating expense schedules, minor capital procurement schedules and the 2008-2012 Capital Improvement Plan are also presented in the Financial Resources Required. The level and justifications for all expenditures, including operating expenses, minor capital purchases and the capital improvement plan projects, were thoroughly scrutinized and evaluated by senior and executive level management.

As always, the efforts of the Budget Center managers, Senior Staff, Board of Trustees and the other District employees participating in the budget process has produced a budget that will financially support the mission of the District in 2008 and beyond.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julius Ciaccia', written in a cursive style.

Julius Ciaccia
Executive Director



Protecting Your Health and Environment

2008 BUDGET MESSAGE

March 20, 2008

To the Board of Trustees and the Citizens served by the
Northeast Ohio Regional Sewer District

As Executive Director of the Northeast Ohio Regional Sewer District, I am privileged to submit to you the District's January 1 through December 31, 2008 Operating Expense and Capital Projects Budget. On March 20, 2008, the budget was presented to the Board of Trustees at their regular public meeting and subsequently adopted.

Adopting an annual budget is a primary responsibility of the District's Board of Trustees. Preparing and compiling a budget for adoption is primarily the responsibility of the Executive Director, Senior Staff, all the Budget Center Heads and the employees of the District.

Reflecting on the 2008 Budget

When the Cleveland Regional Sewer District was created by Judge George J. McMonagle in 1972, the Sewer District provided service to the City of Cleveland and 38 suburban communities. During the past thirty-six years, the service area of what is now named the Northeast Ohio Regional Sewer District has grown to 61 communities, including the City of Cleveland. This change in the service area and the overall organizational growth of the District has a significant impact on the financial resources required to do its work. The Adopted 2008 Operating Expense and Capital Budget depicts these increasing financial demands in its total budget appropriation adopted by the Board of Trustees and presented in this Annual Budget 2008 document. It is projected that the Northeast Ohio Regional Sewer District will generate over \$169.5 million dollars of revenue, incur over \$142.2 million dollars in operating expenses, depreciation, capitalizable costs and reserve transfers and payout over \$110.0 million to contractors for the construction of capital projects in fiscal year 2008.

The increase in the annual budget appropriation is due not only to the changes in the level of service but also infrastructure growth of the organization, inflation, increased staffing and benefits costs, plant and equipment maintenance expenditures and significantly higher National Pollution Discharge Elimination Standards.

The Combined Sewer Overflow (CSO) controls and wastewater facility improvements, which is technically an unfunded Federal Government mandate, also contributes to an increased level of operating expenditures and investment in capital improvements. The CSO controls mandate, alone, may require more than \$3.2 billion dollars of capital investments. And that figure does

2008 BUDGET MESSAGE – (continued)

not include the additional personnel and maintenance costs associated with the increased infrastructure.

In order to meet its mission of **Protecting Your Health and Environment**, the District must continue to be proactive in maintaining and improving its facilities. The asset management program and capital improvement plan are designed to minimize any dramatic changes or impacts on its highly effective and efficient operations, its success in complying with the current National Pollutant Discharge Elimination Permit limits and the integrity of its sewerage collection and wastewater treatment processing plant infrastructure. The 2008-2012 Capital Improvement Plan includes major construction and rehabilitation projects that are required to meet the current and future operational and infrastructure needs. The 2008-2012 CIP budget, which is separate from the operating budget, totals approximately \$792.5 million dollars. This includes major construction projects that are either currently in progress or are projected to be awarded at some point during the next five years

At the strategic planning level, the continued growth in the District's service area, unfunded Environmental Protection Agency mandates, stormwater control, infrastructure maintenance and construction and the changing environmental circumstances will continue to challenge the District's executive management to make decisions that allow the Northeast Ohio Regional Sewer District to continue to meet its mission.

Budget Overview

The amended operating and capital budget proposals for the calendar year 2008, as reflected in the attached resolution on Page A-4 and supporting schedules, have been prepared by the staff, subjected to a detailed review by certain Board members and adopted as amended by the Board of Trustees.

The 2008 Operating Budget has been prepared using the accrual basis of accounting. Revenues and expenses are recorded when an activity takes place. For example, revenues are not projected cash collections but projected net billings for 2008 plus the change in unbilled revenues between the beginning and end of 2008. Unbilled revenue is for estimated services provided to District customers but not yet billed because their billing cycles have not ended.

For expenses, the costs of services and non-inventoriable operating goods and supplies are recorded when performed or received. This may precede the date of invoicing by the vendor and will precede by weeks or months the actual cash payment. Inventoriable items are not charged to expense when received but recorded as an asset; the budget centers are charged for inventory items when they actually use them. The single biggest dollar item in the budget

2008 BUDGET MESSAGE – (continued)

is estimated depreciation expense. This is an allocation to expense over time of the cost of fixed assets on a basis that roughly approximates the rate of wear and tear. Depreciation is presented separately and not allocated to the budget centers.

Throughout the schedules analyzing the 2008 Operating Budget are comparisons to “2007 Preliminary Actual” expenses. Since the accrual method of accounting is designed to record expenses related to activities in the same period as the activities occur, it sometimes takes time to gather the information to be recorded. Vendor invoices, for example, often are received after year’s end. Consequently, it is necessary to “keep the books open” to record transactions for the year. This year we used February 1, 2008, as a cut-off date to capture transactions for the prior year for reporting purposes.

Total operating revenue for 2008 is projected at \$169.5 million. Sewer Service Fees of \$143.9 million billed through the City of Cleveland, the largest revenue component, have been calculated using 2007 consumption, adjusted down slightly based on historical trends, at scheduled 2008 user charge rates. This agent’s budgeted revenue is net of an estimated \$3.5 million for the effect of summer discounts.

The proposed 2008 operating expense budget, which totals \$98.7 million, is \$3.1 million or 3.2% over the adopted 2007 operating expense budget and is also in line with our Rate Study. When comparing the proposed budget to the 2007 preliminary actuals, there is an increase of \$9.8 million, or 11.0%. The Budget Centers accountable for most of the increase are Southerly WWTP (\$2.5 million), Easterly WWTP (\$0.8 million), Administration & External Affairs (\$1.1 million), Legal (\$2.1 million) and Watershed Programs (\$3.6 million), which is a new Budget Center in 2008. An operating expense comparison by Budget Center is provided in the Budget Data section.

Based on the District’s Bond Covenant, net revenues available for debt service must annually be greater than 115% of debt service required for the 2007 Bonds or 100% of all District debt service. The Director of Finance has elected to tighten the coverage requirements by setting goals of 125% of debt service required for the 2007 Bonds or 105% of all District debt service. The latter test is currently the most rigorous. All coverage tests exceed the Bond Resolution requirements and the Director’s goals.

Scheduled quarterly trust payments on the Series 2007 Bonds, OWDA and WPCLF semi-annual payments totaling \$62.8 million are provided from Operating Accounts cash flow and do not impact the accrual basis operating expense budget.

2008 BUDGET MESSAGE – (continued)

The Insurance Reserve will total approximately \$20.8 million by December 31, 2008. The Equipment Replacement Reserve is budgeted for an addition of \$1.0 million and interest income of \$1.4 million. This year's addition will continue the building of the reserve. Since no expenditures are budgeted, the reserve balance is projected to be \$50.6 million by December 31, 2008. These reserves are considered part of the normal operating assets for financial reporting purposes but are reported separately for budgeting purposes. The Bond Project Account will have a balance of approximately \$657,634 at December 31, 2008. There is no Bond Issue anticipated in 2008.

Sincerely,

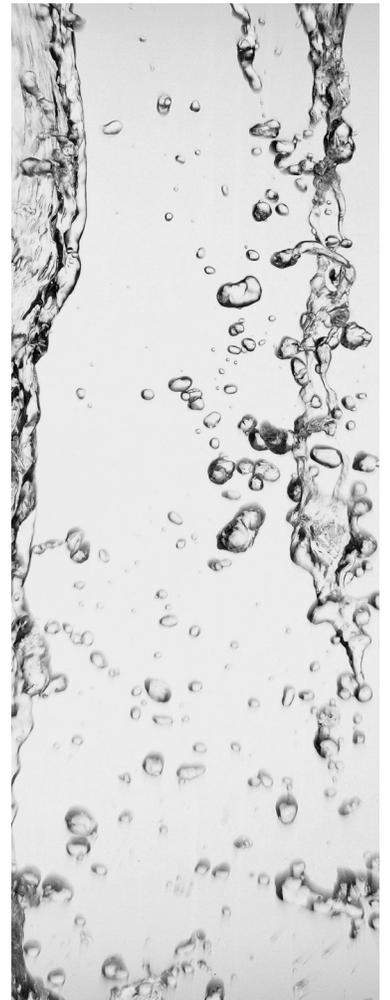


Julius Ciaccia
Executive Director

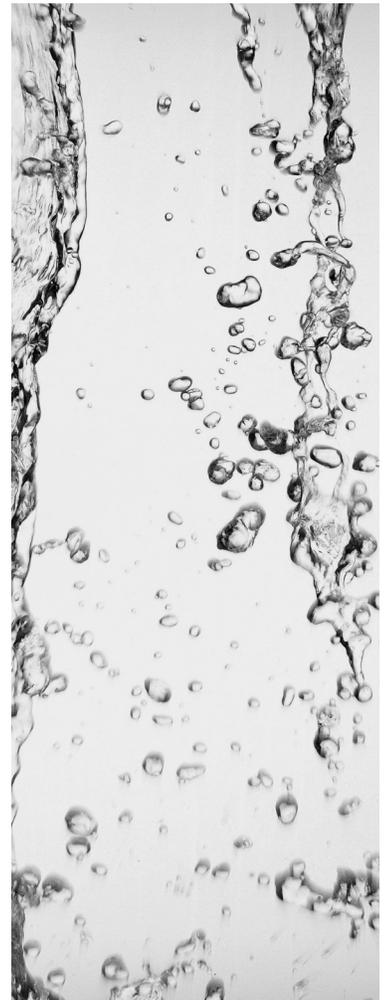


Jennifer L. Demmerle
Director of Finance

GENERAL INFORMATION



who we are



NORTHEAST OHIO REGIONAL SEWER DISTRICT

SERVICE AREA MAP



LEGEND

- A **McMonagle Administration Building** — 3900 Euclid Avenue
- E **Environmental & Maintenance Services Center** — 4747 E. 49th Street
- E **Easterly Treatment Plant** — 14021 Lakeshore Boulevard
- S **Southerly Treatment Plant** — 6000 Canal Road
- W **Westerly Treatment Plant** — 5800 Cleveland Memorial Shoreway

- Easterly service area**
- Southerly service area**
- Westerly service area**

EASTERLY INTERCEPTOR SYSTEM

- Easterly
- Doan Valley
- - - - Dugway
- Heights/Hilltop
- Collinwood (Hayden/Ivanhoe)
- Lakeshore/Nottingham

SOUTHERLY INTERCEPTOR SYSTEM

- Big Creek
- Cuyahoga Valley
- - - - Mill Creek
- Mill Creek (under construction)
- Southwest (West Leg)
- Southerly

WESTERLY INTERCEPTOR SYSTEM

- - - - Low Level
- Northwest
- - - - Westerly
- Walworth Run



NORTHEAST OHIO REGIONAL SEWER DISTRICT

MUNICIPALITIES SERVED BY THE DISTRICT

<u>Municipality</u>	<u>Estimated Service Population(1)</u>		<u>Municipality</u>	<u>Estimated Service Population(1)</u>	
SUBDISTRICT 1					
Cleveland	437,047				
SUBDISTRICT 2					
Bath Township	0	(3)	Mayfield Village	3,335	
Beachwood	13,611		Middleburg Heights	16,149	
Bedford	0	(3)	Newburgh Heights	2,427	
Bedford Heights	0	(2)	North Randall	810	
Berea	18,494		North Royalton	6,409	(2)
Boston Heights	578	(4)	Northfield	3,810	
Bratenahl	1,289		Northfield Center Township	4,380	
Brecksville	14,843		Oakwood	3,052	(2)
Broadview Heights	17,869		Olmsted Falls	8,549	(2)
Brook Park	18,994		Olmsted Township	6,753	(2)
Brooklyn	11,218		Orange	544	(2)
Brooklyn Heights	1,645		Parma	81,480	
Cleveland Heights	46,159		Parma Heights	21,448	
Columbia Township	939	(3)	Pepper Pike	2,156	(2)
Cuyahoga Heights	497		Richfield Village	3,267	(2)
East Cleveland	20,324		Richfield Township	1,102	(4)
Euclid	1,967	(2)	Richmond Heights	3,694	(2)
Garfield Heights	29,009		Sagamore Hills Township	7,942	
Gates Mills	320	(2)	Seven Hills	11,550	
Glenwillow	0	(3)	Shaker Heights	27,250	
Highland Heights	9,981		Solon	162	(2)
Highland Hills	1,244		South Euclid	22,697	
Hudson	9,231	(2)	Strongsville	27,713	(2)
Independence	7,636		Twinsburg	0	(3)
Lakewood	0	(3)	Twinsburg Township	203	(2)
Linndale	99		University Heights	13,155	
Lyndhurst	14,201		Valley View	2,181	
Macedonia	8,192	(2)	Walton Hills	2,383	
Maple Heights	24,604		Warrensville Heights	14,107	
Mayfield Heights	18,487		Willoughby Hills	0	(3)
			Total Subdistrict 2	590,137	
Total estimated service population				<u>1,027,186</u>	

NORTHEAST OHIO REGIONAL SEWER DISTRICT

MUNICIPALITIES SERVED BY THE DISTRICT – (continued)

- (1) Based on 2000 U.S. Census Block Data as presented in the Northeast Ohio Areawide Coordinating Agency (NOACA) using the Service Area Boundary.
- (2) Estimated population for that portion of the municipality within the service area of the District.
- (3) Service population not applicable; District serves commercial properties only.
- (4) Part of the community is not within the District service area. Service population is to be determined by ongoing service area verification project.

Principally as a result of the general migration of individuals and businesses from the northern industrial states to other regions of the country, the District and Cuyahoga County have experienced a decline in population as reported in the 1970, 1980, 1990 and 2000 U.S. Census.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

HISTORY OF THE DISTRICT

The 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 for the purpose of assuming the operation and management of certain wastewater collection and treatment facilities serving the Cleveland metropolitan area. Prior to 1972, these facilities were owned and operated by the City of Cleveland. For accounting purposes, the District is a single enterprise fund

Presently, the District provides wastewater treatment and interceptor sewer facilities to the City of Cleveland and all or part of 60 suburban municipalities in Cuyahoga and Summit counties (the “Service Area”). The District’s existing service area encompasses approximately 350 square miles. The area contains a residential service population in excess of one million and includes a diverse group of service, information, biotechnology, manufacturing and processing industries. The District treats more wastewater than any other wastewater treatment system in the State of Ohio.

Prior to 1972, the City of Cleveland (“Cleveland”) owned and operated the three major wastewater treatment plants and their tributary intercepting sewers which continue to provide for the conveyance, treatment and disposal of the wastewater from Cleveland and many of the surrounding communities. These facilities were operated by the Division of Water Pollution Control of the Cleveland Department of Public Utilities.

Operations of the Division of Water Pollution Control were financed through sewer service charges collected from both suburban and Cleveland customers. The suburban charges were developed on a utility rate basis, with rate increments to cover operation and maintenance costs, depreciation, and return on the investment made by Cleveland in constructing the intercepting sewers and treatment plants providing service. The Cleveland charges were determined on a net cash basis; that is, they were designed to provide all additional funds required to pay current operating costs and debt service on outstanding indebtedness.

Following several years of controversy between Cleveland and the suburbs over rates and at a time when State and Federal regulatory agencies were pressuring for faster progress in pollution abatement, the Cleveland Regional Sewer District was created by an Order of the Cuyahoga County Court of Common Pleas dated June 15, 1972 (the “Court Order” or the “Order”). This Order settled an action brought by the Water Pollution Control Board (the predecessor to the Ohio Environmental Protection Agency) against Cleveland (to which the tributary suburban communities were joined), and a second action brought by the suburban communities contesting sewer rate increases. The District was charged with the responsibility for planning, financing, constructing, operating and controlling wastewater treatment and

NORTHEAST OHIO REGIONAL SEWER DISTRICT

HISTORY OF THE DISTRICT – (continued)

disposal facilities, major interceptor sewers and other water pollution control facilities within its service area.

The initial Court Order provided that the District would acquire the treatment plants and intercepting sewers from Cleveland and that in return the District would make an equitable equalization payment to Cleveland to provide ownership participation for suburban users.

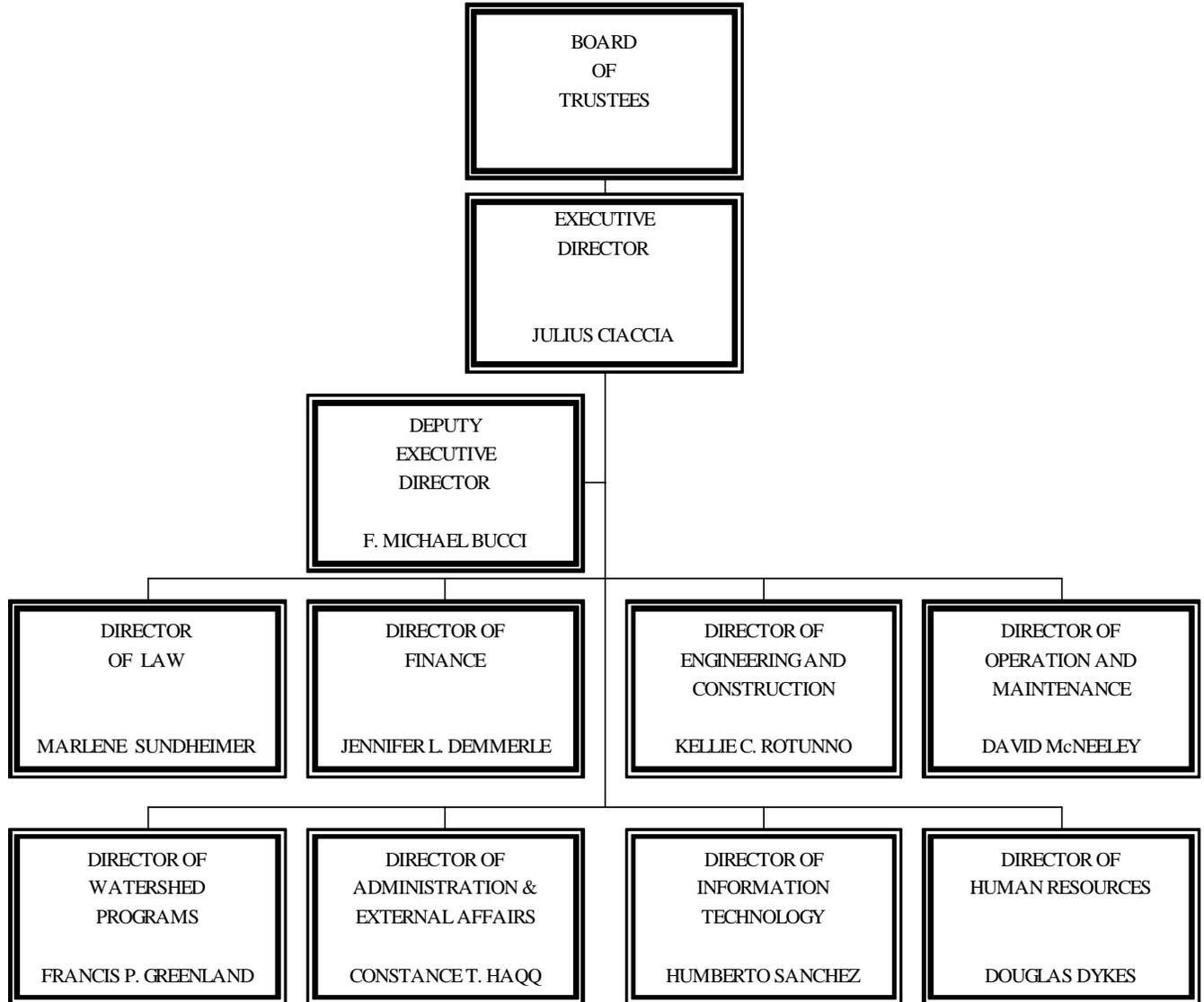
For rate-making and financing purposes, the Court divided the District into two subdistricts. Subdistrict 1 includes all of the service area within Cleveland; Subdistrict 2 includes all of the area served in the suburbs. The Court stipulated that operating expenses would be shared uniformly throughout the District, but that the capital costs for the construction of some of the then proposed intercepting sewers would be allocated to the appropriate subdistrict. Thereafter costs for other projects were to be shared uniformly. The cost of the equitable equalization payment was allocated entirely to Subdistrict 2.

In 1979, the name of the District was changed to the Northeast Ohio Regional Sewer District.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

TABLE OF ORGANIZATION

A chart indicating the District's organizational relationship is set forth below



NORTHEAST OHIO REGIONAL SEWER DISTRICT

OFFICIALS

**Northeast Ohio Regional Sewer District
3900 Euclid Avenue
Cleveland, Ohio 44115-2506
Tel: 216.881.6600 – Fax: 216.881.8018**

BOARD OF TRUSTEES

Darnell Brown.....	President
Mayor Thomas J. Longo.....	Vice President
Mayor Dean E. DePiero.....	Secretary
Sheila J. Kelly.	Member
Anthony D. Liberatore, Jr.	Member
Mayor Gary W. Starr	Member
Ronald D. Sulik.....	Member

EXECUTIVE STAFF

Julius Ciaccia	Executive Director
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SENIOR STAFF

F. Michael Bucci.....	Deputy Executive Director
Jennifer L. Demmerle	Director of Finance
Marlene Sundheimer.....	Director of Law
Constance T. Haqq.....	Director of Administration & External Affairs
Francis P. Greenland.....	Director of Watershed Programs
Kellie C. Rotunno	Director of Engineering & Construction
David McNeeley	Director of Operation & Maintenance
Douglas Dykes.....	Director of Human Resources
Humberto Sanchez.....	Director of Information Technology

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BOARD OF TRUSTEES



Darnell Brown,
Board President



Mayor Thomas J. Longo,
Vice President



Mayor Dean E. DePiero,
Secretary



Sheila J. Kelly



Anthony D. Liberatore, Jr.



Mayor Gary W. Starr



Ronald D. Sulik

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BOARD OF TRUSTEES

The District is governed by its Board of Trustees (the “Board”). The Board consists of seven members, each of whom serves a five-year term and who are appointed as follows: (i) two by the Mayor of the City of Cleveland; (ii) two by a council of governments (the “Suburban Council”) comprised of representatives of all the suburban communities served by the System; (iii) one by the Board of County Commissioners of Cuyahoga County; (iv) one by the appointing authority of the subdistrict with the greatest sewage flow (currently the Mayor of the City of Cleveland); and (v) one by the appointing authority of the subdistrict with the greatest population (currently the Suburban Council). Accordingly, the Mayor of the City of Cleveland and the Suburban Council each currently appoint three members of the Board.

The Board meets twice each month in regular public meetings to discuss and determine policy and to act upon resolutions presented by the District’s staff. The present members of the Board are:

Darnell Brown	President
Mayor Thomas J. Longo.	Vice President
Mayor Dean E. DePiero	Secretary
Sheila J. Kelly.....	Member
Anthony D. Liberatore, Jr.	Member
Mayor Gary W. Starr.....	Member
Ronald D. Sulik	Member

Darnell Brown, President

Darnell Brown was appointed to Board by the City of Cleveland Mayor in September, 2001. Mr. Brown is the Chief Operating Officer for the City of Cleveland. He attended Ohio University and is also a member of numerous professional agencies, including the Cuyahoga River Remedial Action Plan Coordinating Committee and the Doan Brook Watershed Partnership.

Thomas J. Longo, Vice President

Thomas J. Longo was appointed to the Board by the Suburban Council in 1988. He was elected Mayor of Garfield Heights in 1983 and re-elected six times thereafter. Mayor Longo is past President of the Cuyahoga County Mayors and Managers Association, is a founding member of the First Suburbs Consortium and Vice Chair of the Cuyahoga County Planning Commission. He is also a member of various civic and community organizations, and was named 2006 Distinguished Citizen of the Year by the Garfield Heights Chamber of Commerce. Mayor Longo is a graduate of Cleveland State University.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BOARD OF TRUSTEES

Dean E. DePiero, Secretary

Dean E. DePiero was appointed to the Board in March, 2007 by the Board of County Commissioners. Prior to taking office as the Mayor of the City of Parma in 2004, he represented the 15th Ohio House District for five years. A graduate of Cleveland Marshall College of Law, Mayor DePiero is a member of the Ohio Bar Association and is second vice president of the Ohio Municipal League.

Sheila J. Kelly, Member

Sheila J. Kelly was appointed to the Board by the Mayor of the City of Cleveland in May of 1994. She has been Vice President of Villa Realty since 1982.

Anthony D. Liberatore, Jr., Member

Anthony D. Liberatore, Jr. was appointed to the Board in January, 2006. Mr. Liberatore is the Laborer's Local Union 860 Business Manager and Secretary-Treasurer. He has been a delegate for Local 860 since 1982, Business Manager since 1993, and Secretary-Treasurer since 1995. He has been an Ohio Laborer's District Council Executive Board member since 1995, serving on the Apprenticeship Committee since May 2005. He has been Vice President of the District Council for over six years. Liberatore has served as a Trustee for five different Ohio Labor-associated funds since 1995.

Gary W. Starr, Member

Appointed by the Suburban Council of Governments in 1994, Gary Starr has been Mayor of Middleburg Heights since 1981. He is also a member of the Cuyahoga County Mayors and City Managers Association. Mayor Starr has served various civic organizations, including the Southwest General Hospital, New Stadium Corporation and Northcoast Harbor Development Corporation.

Ronald D. Sulik, Member

A former District Trustee from 1985 to 1994, Ronald D. Sulik was reappointed to the Board for his second term by the Suburban Council of Governments in February, 2007. He served as Mayor of the Village of Newburgh Heights for 12 years and has more than 30 years experience in public and private accounting, budgeting, cost analysis and financial planning.



Protecting Your Health and Environment

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SENIOR STAFF



Julius Ciaccia,
Executive Director



F. Michael Bucci,
Deputy Executive Director



Jennifer Demmerle,
Director of Finance



Marlene Sundheimer,
Director of Law



Constance Haqq,
Director of Administration
& External Affairs



Frank Greenland,
Director of Watershed
Programs



Kellie Rotunno
Director of Engineering
& Construction



David McNeeley
Director of Operations
& Maintenance



Douglas Dykes
Director of Human
Resources



Humberto Sanchez
Director of Information
Technology

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SENIOR STAFF

The day-to-day operation of the District and the implementation of the policies set by the Board are the direct responsibility of the District's Executive Director and senior staff. The following individuals currently comprise the District's senior staff:

Julius Ciaccia	Executive Director
F. Michael Bucci.....	Deputy Executive Director
Jennifer L. Demmerle	Director of Finance
Marlene Sundheimer.....	Director of Law
Constance T. Haqq.....	Director of Administration & External Affairs
Francis P. Greenland.....	Director of Watershed Programs
Kellie C. Rotunno	Director of Engineering & Construction
David McNeeley	Director of Operation & Maintenance
Douglas Dykes.....	Director of Human Resources
Humberto Sanchez.....	Director of Information Technology

Julius Ciaccia, Executive Director

Mr. Ciaccia served the City of Cleveland's Clerk of Courts office for two years before his appointment as Assistant Director of Public Utilities in 1977. He was promoted to Acting Water Commissioner in 1979, Assistant to the Commissioner in 1981, and eventually Commissioner in 1988. He was appointed Director of the city's Department of Public Utilities in 2004 and began his tenure as Regional Sewer District Executive Director in November 2007. Mr. Ciaccia's professional affiliations include the American Water Works Association and other state and national committees and organizations.

F. Michael Bucci, Deputy of Executive Director

F. Michael Bucci has worked in finance and accounting for 26 years, including 22 years with the District. He earned his Bachelor of Business Administration degree in Accounting from Cleveland State University and is also a 1999 graduate of the CSU Local Officials Leadership Academy and attended the UNC Water and Wastewater Leadership Center in 2002. Mr. Bucci is a member of numerous state and national accounting organizations including the Ohio Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and the Government Finance Officers Association. Mr. Bucci also serves on the Board of two agencies, appointed in January 2005 to the City of Willowick Board of Zoning Appeals and elected in 2003 to the Ohio Government Finance Officers Association Board. He was appointed Deputy Executive Director March 1, 2007.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SENIOR STAFF

Jennifer L. Demmerle, Director of Finance

Ms. Demmerle joined the District in December of 2005 as Deputy Director of Finance. She became Director of Finance in August 2007. As Director she oversees four budget centers, Purchasing, Customer Service, Inventory Control and Finance. Ms. Demmerle holds a Bachelor of Arts in Accounting & Finance from Baldwin-Wallace College, is a Certified Public Accountant (CPA), and is currently seeking certification as a Public Finance Administrator. She is a member of the Government Finance Officers' Association, the Ohio Society of Certified Public Accountants, and Municipal Finance Officers' Association Past President. Prior to the District, Ms. Demmerle served as the Assistant Director of Finance for the cities of Brook Park and Lakewood.

Marlene Sundheimer, Director of Law

Ms. Sundheimer joined the Sewer District in December of 2007. Her experience as Deputy Commissioner of Water for the City of Cleveland included strategic planning, assuring fiscal responsibility related to construction contracts, and capital and financial planning.

Constance T. Haqq, Director of Administration & External Affairs

Ms. Haqq joined the District in 2005 and is responsible for overseeing the organization's internal and external communications and public-outreach programs. A native Clevelander, Haqq holds a Bachelors degree from Tufts University and a Masters in Social Science Administration from Case Western Reserve University. Ms. Haqq has held several leadership positions including her former role as Executive Director of the Nordson Corporation Foundation. She has served on numerous philanthropic boards and is currently a member of the In Counsel With Women's executive committee and a trustee for the LWL Foundation and Business Volunteers Unlimited, Inc.

Francis P. Greenland, Director of Watershed Programs

Mr. Greenland has worked for the District since 1988. Formerly a Planning Engineer, Project Engineer, Planning Manager, Deputy Director of Engineering & Construction, and Director of Capital Programs, he is now Director of Watershed Programs. He has been involved in a variety of wet-weather projects, including the District's \$2 billion Combined Sewer Overflow (CSO) Control Program. A registered Professional Engineer, he earned his degree in Environmental Engineering Technology from the University of Dayton and Masters in Civil Engineering from Cleveland State University.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SENIOR STAFF

Kellie C. Rotunno, Director of Engineering and Construction

Ms. Rotunno comes to the District from the consulting-engineering firm Brown & Caldwell. There, she worked on a variety of water and wastewater projects while managing its Middleburg Heights office. Rotunno holds a degree in geological engineering from Michigan Technological University. She brings 21 years of consulting and engineering experience to the District.

David McNeeley, Director of Operation & Maintenance

Mr. McNeeley joined the District in 1977 and has worked in several capacities including Assistant Superintendent of the Southerly Wastewater Treatment plant and Acting Director of Human Resources. He became Director of Operations & Maintenance in May 2008. Mr. McNeeley holds a Bachelor of Arts degree in Urban Studies from Cleveland State University (CSU), is a Certified Class III Wastewater Operator, and is a graduate of two leadership programs. He is also a trustee on the CSU Leadership Academy Board, and a member of several professional organizations including: the National Association of Clean water Agencies (NACWA) Utility Management Committee, the Business Advisory Council for Central State University, and the Water Environment Federation.

Douglas Dykes, Director of Human Resources

Douglas Dykes was hired as Director of Human Resources in May 2008. He previously served as Director of Human Resources at the Holden Arboretum, in Kirtland, Ohio, and worked for the Regional Transit Authority for over a decade.

Humberto Sanchez, Director of Information Technology

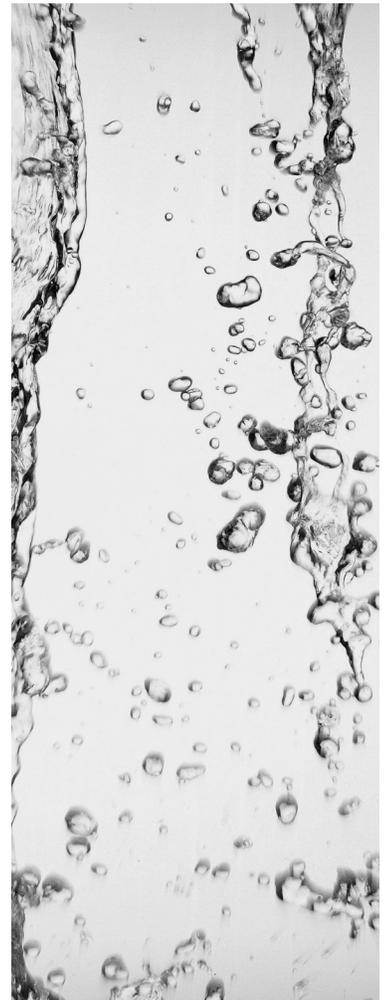
In July 2008, the District's Manager of IT Project Management Services Humberto Sanchez becomes Director of Information Technology.



**Northeast Ohio Regional
Sewer District**

Protecting Your Health and Environment

how we are doing



NORTHEAST OHIO REGIONAL SEWER DISTRICT

MANAGEMENT DISCUSSION & ANALYSIS – 2007

The following discussion provides a summary overview of the financial activities of the Northeast Ohio Regional Sewer District (the “District”) for the year ended December 31, 2007.

Financial Highlights

- Assets exceeded liabilities by \$1,274,568,287 as of December 31, 2007
- Net assets increased by \$20,361,381 in 2007.
- Investment in capital assets, net of related debt decreased by \$1,335,269.
- Unrestricted net assets increased \$21,696,650.
- Debt increased \$152,563,182 due to the issuance of Wastewater Improvement Revenue Bonds in 2007. Retirements of debt principal were \$31,076,641.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are the Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Net Assets, the Statements of Cash Flows and the accompanying notes to the financial statements. These statements report information about the District as a whole and about its activities. The District is a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Statements of Net Assets present the District’s financial position and report the resources owned by the District (assets), obligations owed by the District (liabilities) and District net assets (the difference between assets and liabilities). The Statements of Revenues, Expenses and Changes in Net Assets present a summary of how the District’s net assets changed during the year. Revenue is reported when earned and expenses are reported when incurred. The Statements of Cash Flows provide information about the District’s cash receipts and disbursements during the year. They summarize net changes in cash resulting from operating, investing and financing activities. The notes to the financial statements provide additional information that is essential for a full understanding of the financial statements.

Financial Analysis of the District’s Financial Position and Results of Operations

The tables below provide a summary of the District’s financial position and operations for 2007, 2006 and 2005 respectively. Certain reclassifications have been made to restate the 2006 and 2005 financial statements in order to conform to the 2007 presentation. Certain amounts may vary slightly due to differences caused by rounding to thousands.

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Condensed Statements of Net Assets December 31, (In Thousands)

	2007	2006	Change	
			Amount	%
<u>Assets</u>				
Current assets	\$184,294	\$190,479	\$(6,185)	(3.2%)
Capital assets, net	1,499,963	1,466,812	33,151	2.3%
Other noncurrent assets	222,811	107,266	115,545	107.7%
Total assets	1,907,068	1,764,557	142,511	8.1%
 <u>Liabilities</u>				
Current liabilities	60,134	59,142	992	1.7%
Long-term debt	572,366	451,208	121,158	26.9%
Total liabilities	632,500	510,350	122,150	23.9%
 <u>Net assets</u>				
Invested in capital assets	993,131	994,467	(1,336)	(1.0%)
Unrestricted	281,437	259,740	21,697	8.4%
Total net assets	\$1,274,568	\$1,254,207	\$20,361	1.6

Net assets may serve as a useful indicator of financial position. As noted earlier, District assets exceeded liabilities by \$1,274,568,287 as of December 31, 2007, of which \$993,131,336 is for net investment in capital assets.

The largest portion of the District's net assets is reflected in its capital assets, less accumulated depreciation and related debt outstanding used to fund these asset acquisitions.

During 2007, net assets increased by \$20,361,381. The majority of this increase was due to the following:

- Sewage service fees receivable from customers increased by \$6,474,194.
- Receivables from Federal and state agencies decreased by \$7,159,267.
- Construction funds in the capital project account increased by \$104,405,279.
- Capital assets increased by \$33,151,138 due mainly to construction of the wastewater treatment and conveyance system.
- Total debt increased by a net amount of \$121,486,541. Additions of \$152,563,182 were for the issuance of Wastewater Improvement Revenue Bonds for various construction projects. Reductions were \$31,076,641 for repayment of debt principal.

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Condensed Statements of Net Assets December 31, (In Thousands)

	2006	2005	Change	
			Amount	%
<u>Assets</u>				
Current assets	\$190,479	\$174,248	\$16,231	9.3%
Capital assets, net	1,466,812	1,398,569	68,243	4.9%
Other noncurrent assets	107,266	146,610	(39,344)	(26.8)%
Total assets	1,764,557	1,719,427	45,130	2.6%
 <u>Liabilities</u>				
Current liabilities	59,142	55,406	3,736	6.7%
Long-term debt	451,208	428,742	22,466	5.2%
Total liabilities	510,350	484,148	26,202	5.4%
 <u>Net assets</u>				
Invested in capital assets	994,467	950,167	44,300	4.7%
Unrestricted	259,740	285,112	(25,372)	(8.9)%
Total net assets	\$1,254,207	\$1,235,279	\$18,928	1.5%

Net assets may serve as a useful indicator of financial position. As noted earlier, District assets exceeded liabilities by \$1,254,206,906 as of December 31, 2006, of which \$994,466,605 is for net investment in capital assets.

The largest portion of the District's net assets is reflected in its capital assets, less accumulated depreciation and related debt outstanding used to fund these asset acquisitions.

During 2006, net assets increased by \$18,927,424. The majority of this increase was due to the following:

- Sewage service fees receivable from customers increased by \$3,800,387.
- Receivables from Federal and state agencies decreased by \$791,956.
- Construction funds in the capital project account decreased by \$41,002,940.
- Capital assets increased by \$68,242,492 due mainly to construction of the wastewater treatment and conveyance system.
- Total debt increased by a net amount of \$25,282,164. Additions of \$52,242,468 were for new borrowings from the Water Pollution Control Loan Fund for various construction projects. Reductions were \$26,960,304 for repayment of debt principal.

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Condensed Statements of Revenues, Expenses and Changes in Net Assets For the years ended December 31,

(In Thousands)

	2007	2006	Change	
			Amount	%
<u>Operating revenue</u>				
Sewer service fees				
Billing Agents				
City of Cleveland	\$135,186	\$123,898	\$11,288	9.1%
Other Billing Agents	10,036	11,835	(1,799)	(15.2%)
Total Billing Agents	145,222	135,733	9,489	7.0%
Direct billed sewer service fees	13,063	13,221	(158)	(1.2%)
Total sewer service fees	158,285	148,954	9,331	6.3%
Other operating revenue				
Septic tank and municipal sludge fees	525	543	(18)	(3.3)%
Miscellaneous	280	657	(377)	(57.4%)
Total other operating revenue	805	1,200	(395)	(32.9%)
Total operating revenue	159,090	150,154	8,936	6.0%
<u>Non-operating revenue</u>				
Interest revenue	12,417	8,646	3,771	43.6%
Increase (decrease) in fair value of investments	3,158	1,775	1,383	77.9%
Total non-operating revenue	15,575	10,421	5,154	49.5%
Total revenue	174,665	160,575	14,090	8.8%
<u>Operating expenses</u>				
Salaries & Wages	33,725	33,022	703	2.1%
Benefits	10,732	11,225	(493)	(4.4%)
Utilities	18,893	17,815	1,078	6.1%
Professional & Contractual	14,809	14,076	733	5.2%
Other	7,986	6,918	1,068	15.4%
Depreciation	43,261	40,093	3,168	7.9%
Total operating expenses	129,406	123,149	6,257	5.1%
<u>Non-operating expenses</u>				
Interest expense on long-term debt	24,429	20,641	3,788	18.4%
Loss on disposals of equipment	469	4,217	(3,748)	(88.9%)
Total non-operating expenses	24,898	24,858	40	0.2%
Total expenses	154,304	148,007	6,297	4.3%

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Condensed Statements of Revenues, Expenses and Changes in Net Assets For the years ended December 31, (In Thousands)

	2007	2006	Change	
			Amount	%
Income before contributions	20,361	12,568	7,793	62.0%
Capital contributions	-	6,360	(6,360)	(100%)
Change in net assets	20,361	18,928	1,433	7.6%
Net assets at beginning of year	1,254,207	1,235,279	18,928	1.5%
Net assets at end of year	<u>\$1,274,568</u>	<u>\$1,254,207</u>	<u>\$20,361</u>	<u>1.6%</u>

Operating revenue consists of user charges for sewage service fees based on water consumption. Operating expenses reflect the cost of providing these services. For the year ended December 31, 2007

- Operating revenue increased by \$8,935,669 (6.0%) compared to 2006. The increase was due mainly to higher billing rates in 2007.
- Non-operating revenue increased by \$5,154,191 (49.5%). Non-operating revenue consists of interest income and the change in fair value of investments. Interest income increased by \$3,771,952 (43.6%) due to higher balances available for investment. The increase in fair value of investments for 2007 was \$1,382,239 (77.9%) higher than in 2006. This increase is expected to continue to reverse in the future since these investments in obligations of the U.S. Treasury and its agencies are held to maturity.
- Operating expenses increased \$6,257,013 (5.1%) compared to 2006. Components of operating expenses increased as follows.
 - Utilities increased \$1,078,787 (10.0%) due to increases in usage and rates.
 - Professional and Contractual expenses increased \$732,430 (5.2%) due mainly to higher legal fees relating to regulatory environmental and construction matters.
 - Increases in Other Expenses include \$104,163 (7.3%) for Chemicals used in the treatment processes at the Wastewater Treatment Plants; \$135,820 (2.3%) for Materials and Supplies to operate and maintain facilities; \$899,008 (28.9%) for Repair and Maintenance to buildings, equipment, sewer and roads; and \$202,802 (27.5%) for Contributions to Capital Projects. The increases were offset by decreases in Other Expenses of \$231,549 (27.2%) for Travel and Education.
- Non-operating expenses increased \$36,253. Interest expense increased by \$3,787,566 due to the issuance of Wastewater Improvement Revenue Bonds in May 2007. Losses on equipment disposals decreased \$3,748,313 due mainly to disposals of obsolete equipment parts in 2006.

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Condensed Statements of Revenues, Expenses and Changes in Net Assets For the years ended December 31,

(In Thousands)

	2006	2005	Change	
			Amount	%
<u>Operating revenue</u>				
Sewer service fees				
Billing Agents				
City of Cleveland	\$123,898	\$120,579	\$3,319	2.8%
Other Billing Agents	11,835	11,359	476	4.2%
Total Billing Agents	135,733	131,938	3,795	2.9%
Direct billed sewer service fees	13,221	12,624	597	4.7%
Total sewer service fees	148,954	144,562	4,392	3.0%
Other operating revenue				
Septic tank and municipal sludge fees	543	565	(22)	(3.9)%
Miscellaneous	657	169	488	288.8%
Total other operating revenue	1,200	734	466	63.5%
Total operating revenue	150,154	145,296	4,858	3.3%
<u>Non-operating revenue</u>				
Interest revenue	8,646	8,816	(170)	(1.9)%
Increase (decrease) in fair value of investments	1,775	(3,190)	4,965	(155.6)%
Total non-operating revenue	10,421	5,626	4,795	85.2%
Total revenue	160,575	150,922	9,653	6.4%
<u>Operating expenses</u>				
Salaries & Wages	33,022	31,283	1,739	5.6%
Benefits	11,225	10,945	280	2.6%
Utilities	17,815	17,595	220	1.3%
Professional & Contractual	14,076	13,390	686	5.1%
Other	6,918	5,567	1,351	24.3%
Depreciation	40,093	35,968	4,125	11.5%
Total operating expenses	123,149	114,748	8,401	7.3%
<u>Non-operating expenses</u>				
Interest expense on long-term debt	20,641	19,822	819	4.1%
Loss on disposals of equipment	4,217	776	3,441	443.4%
Total non-operating expenses	24,858	20,598	4,260	20.7%
Total expenses	148,007	135,346	12,661	9.4%

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Condensed Statements of Revenues, Expenses and Changes in Net Assets For the years ended December 31, (In Thousands)

	2006	2005	Change	
			Amount	%
Income before contributions	12,568	15,576	(3,008)	(19.3)%
Capital contributions	6,360	45	6,315	14033.3%
Change in net assets	18,928	15,621	3,307	21.2%
Net assets at beginning of year	1,235,279	1,219,658	15,621	1.3%
Net assets at end of year	<u>\$1,254,207</u>	<u>\$1,235,279</u>	<u>\$18,928</u>	<u>1.5%</u>

Operating revenue consists of user charges for sewage service fees based on water consumption. Operating expenses reflect the cost of providing these services. For the year ended December 31, 2006:

- Operating revenue increased by \$4,857,514 (3.3%) compared to 2005. The increase was due mainly to higher billing rates in 2006.
- Non-operating revenue increased by \$4,794,471 (85.2%). Non-operating revenue consists of interest income and the change in fair value of investments. Interest income decreased by \$170,736 (1.9%) due to lower balances available for investment. The increase in fair value of investments for 2006 was \$4,965,207 higher than in 2005. This increase is expected to continue to reverse in the future since these investments in obligations of the U.S. Treasury and its agencies are held to maturity.
- Operating expenses increased \$8,400,546 (7.3%) compared to 2005. Components of operating expenses increased as follows.
 - Salaries increased 5.6% due mainly to general wage increases.
 - Professional and Contractual expenses increased \$686,486 due mainly to higher legal fees relating to regulatory environmental and construction matters.
 - Increases in Other Expenses include \$263,312 (22.8%) for Chemicals used in the treatment processes at the Wastewater Treatment Plants; \$330,340 (8%) for Materials and Supplies to operate and maintain facilities; \$460,254 (17.4%) for Repair and Maintenance to buildings, equipment, sewer and roads; and \$210,343 (36.7%) for Travel and Education; \$737,214 for Contributions to Capital Projects. The increases were offset by decreases in Other Expenses of \$160,215 (94.0%) for Judgments and Awards; \$37,477 (35.2%) for Accrued Vacation; and \$452,959 (14.0%) for Capitalized Construction Costs – wages, fringe benefits and indirect costs.
- Non-operating expenses increased \$4,259,991 (20.7%). Interest expense increased by \$819,280 due to increased Water Pollution Control Loans. Losses on equipment disposals increased \$3,440,711 (443.4%) due mainly to disposals of obsolete equipment parts.

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Capital Assets

At the end of 2007, the District had \$1,499,962,871 invested in capital assets. This amount represents a net increase of approximately \$33 million, or 2.3% over 2006. Refer to Notes 2 and 5 to the audited financial statements for more detailed information on capital assets.

Capital Assets at December 31, (Net of Depreciation, in Thousands)

	2007	2006	Change	
			Amount	%
Land	\$8,950	\$7,404	\$1,546	20.9%
Construction in Progress	198,545	198,850	(305)	(0.2%)
Interceptor Sewer Lines	764,732	732,167	32,565	4.4%
Buildings, structures and improvements	377,308	379,180	(1,872)	(0.5%)
Sewage treatment and other equipment	150,427	149,210	1,217	0.8%
Totals	<u>\$1,499,962</u>	<u>\$1,466,811</u>	<u>\$33,151</u>	<u>2.3%</u>

Major additions in 2007, at cost included:

Interceptors:

Land for Euclid Creek/Dugway Tunnels	\$1,546
Easterly District Interceptors Relining & Replacement	5,269
Big Creek Interceptor Rehabilitation	3,631
Broadway Relief Sewer	1,791
Southerly Early Action CSO (Area 2A)	10,660
Southerly Early Action CSO (Area 2C)	4,908
East 90 th Street Relief Sewer	7,614
Southerly/Westerly Interceptors Relining, Replacement and Hydraulics	8,778

Wastewater Treatment Plants:

Easterly Aerated Channel Piping	3,635
Southerly South Fill Area & Dome	3,661
Southerly Outside Lighting Improvements	2,644
Easterly Final Clarifier Repair	6,233
Southerly Traveling Bridges	7,559
Southerly Interceptor Repair	1,029
	<u>\$68,958</u>

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Capital contributions increased in 2006 by \$6,314,504 due to completion of a project funded by the U.S. Environmental Protection Agency.

Capital Assets

At the end of 2006, the District had \$1,466,811,732 invested in capital assets. This amount represents a net increase of approximately \$68 million, or 4.9% over 2005. Refer to Notes 2 and 5 to the audited financial statements for more detailed information on capital assets.

Capital Assets at December 31, (Net of Depreciation, in Thousands)

	2006	2005	Change	
			Amount	%
Land	\$7,404	\$7,406	\$(2)	0.0 %
Construction in Progress	198,850	180,401	18,449	10.2 %
Interceptor Sewer Lines	732,167	694,201	37,966	5.5 %
Buildings, structures and improvements	379,180	385,595	(6,415)	(1.7) %
Sewage treatment and other equipment	149,210	130,966	18,244	13.9 %
Totals	<u>\$1,466,811</u>	<u>\$1,398,569</u>	<u>\$68,242</u>	<u>4.9 %</u>

Major additions in 2006, at cost included:

Interceptors:

Tuxedo Road Relief Sewer	\$16,255
Easterly District Interceptors Relining & Replacement	9,135
Big Creek Interceptor Rehabilitation	6,505
Bryden-Farnsleigh Relief Sewer	5,012
Lee-Superior Relief Sewer 2 & 3	3,353
Lake Avenue Relief Sewer	2,574

Wastewater Treatment Plants:

Standby Power Improvements at all facilities	10,245
Gravity Belt Thickening Improvements	8,209
Combined Sewer Overflow Floatable Netting Facilities	3,623
Standby Power Generator	5,504
Easterly Boiler System Modifications	3,598
Southerly Electrical Infrastructure Cable	2,272
Southerly Interceptor Repair	2,123
	<u>\$78,408</u>

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Debt Administration

At December 31, 2007 the District had total debt outstanding of 603,361,142 compared to \$481,874,602 at December 31, 2006. This represents an increase of \$121,486,540. Loans from the Ohio Water Development Authority Water Pollution Control Loan Fund increased \$485,093; total debt retirements were \$31,076,641. The carrying value of the long-term portion of debt at December 31, 2007 was \$572,365,514 and the fair value of the long-term debt was \$575,670,008.

At December 31, 2006 the District had total debt outstanding of 481,874,602 compared to \$456,592,438 at December 31, 2005. This represents an increase of \$25,282,164. Loans from the Ohio Water Development Authority Water Pollution Control Loan Fund increased \$52,242,468. Total debt retirements were \$26,960,304. The carrying value of the long-term portion of debt at December 31, 2006 was \$451,207,570 and the fair value of the long-term debt was \$447,926,854.

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

Outstanding Debt at December 31, (In Thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenue Bonds	\$184,905	\$63,525	\$68,280
Ohio Water Development Authority Loans	194	573	932
Water Pollution Control Loans Payable	<u>418,262</u>	<u>417,777</u>	<u>387,380</u>
Total Debt	\$603,361	\$481,875	\$456,592

Economic Factors

In February, 2007 the District's Board of Trustees approved a schedule of rate increases for the five years 2007 through 2011. Effective March 1, 2007, rates charged to District customers increased 9.7% to \$30.85 per mcf for City of Cleveland customers, and 8% to \$35.10 for suburban customers. The rates are scheduled to increase similarly on January 1 of each year, for years 2008 through 2011.

Increasingly stringent federal regulations and remaining legal obligations are key factors that led to the increases. A rate study of a projected five-year period concluded that the need to finance \$580 million in federally mandated capital projects between 2007 and 2011, combined with the repayment of existing debt service for past projects and an anticipated decrease in billed consumption, necessitated the rate increases.

MANAGEMENT DISCUSSION & ANALYSIS - 2007

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Director of Finance, Northeast Ohio Regional Sewer District, 3900 Euclid Avenue, Cleveland, Ohio 44115, or by telephone at (216) 881-6600.

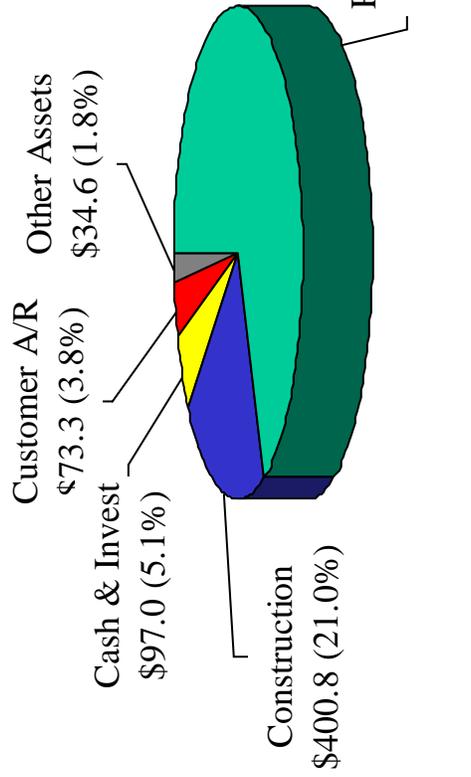
Northeast Ohio Regional Sewer District

Statement of Net Assets

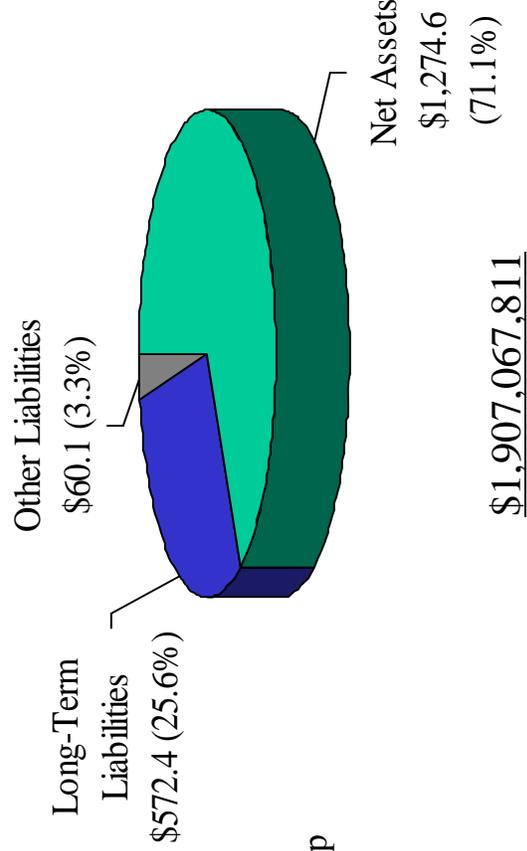
As of December 31, 2007

(In Millions of Dollars)

Assets



Liabilities and Net Assets



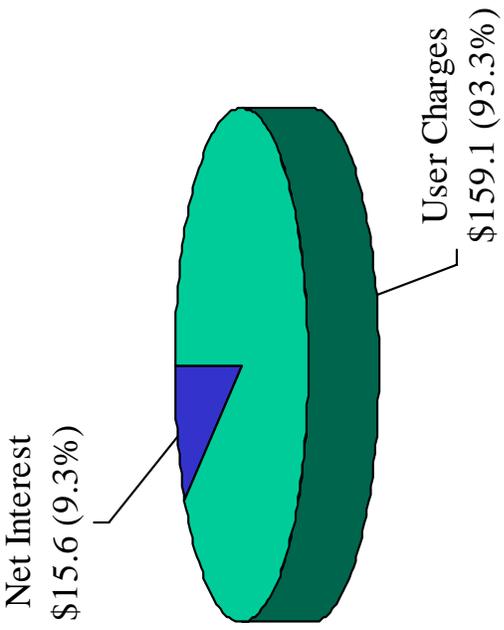
Northeast Ohio Regional Sewer District

Total Revenues and Expenses

For The Period Ending December 31, 2007

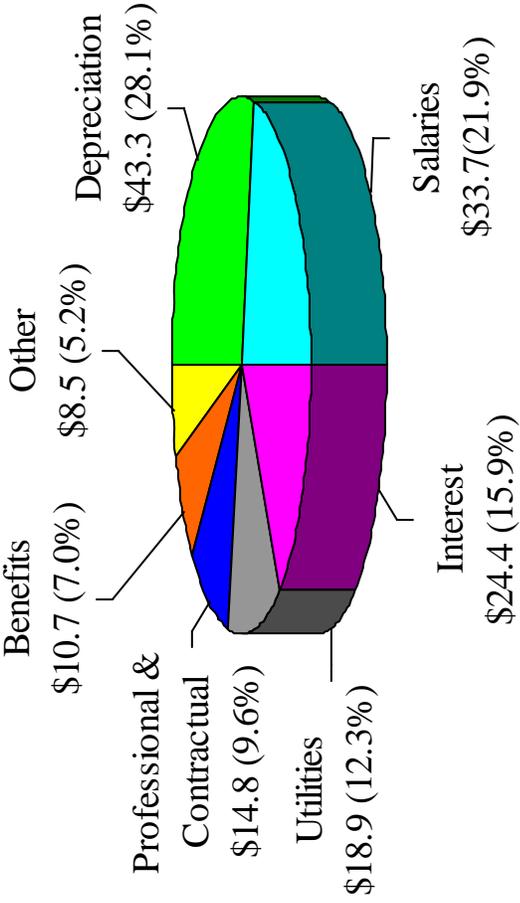
(In Millions of Dollars)

Revenue



\$174,664,407

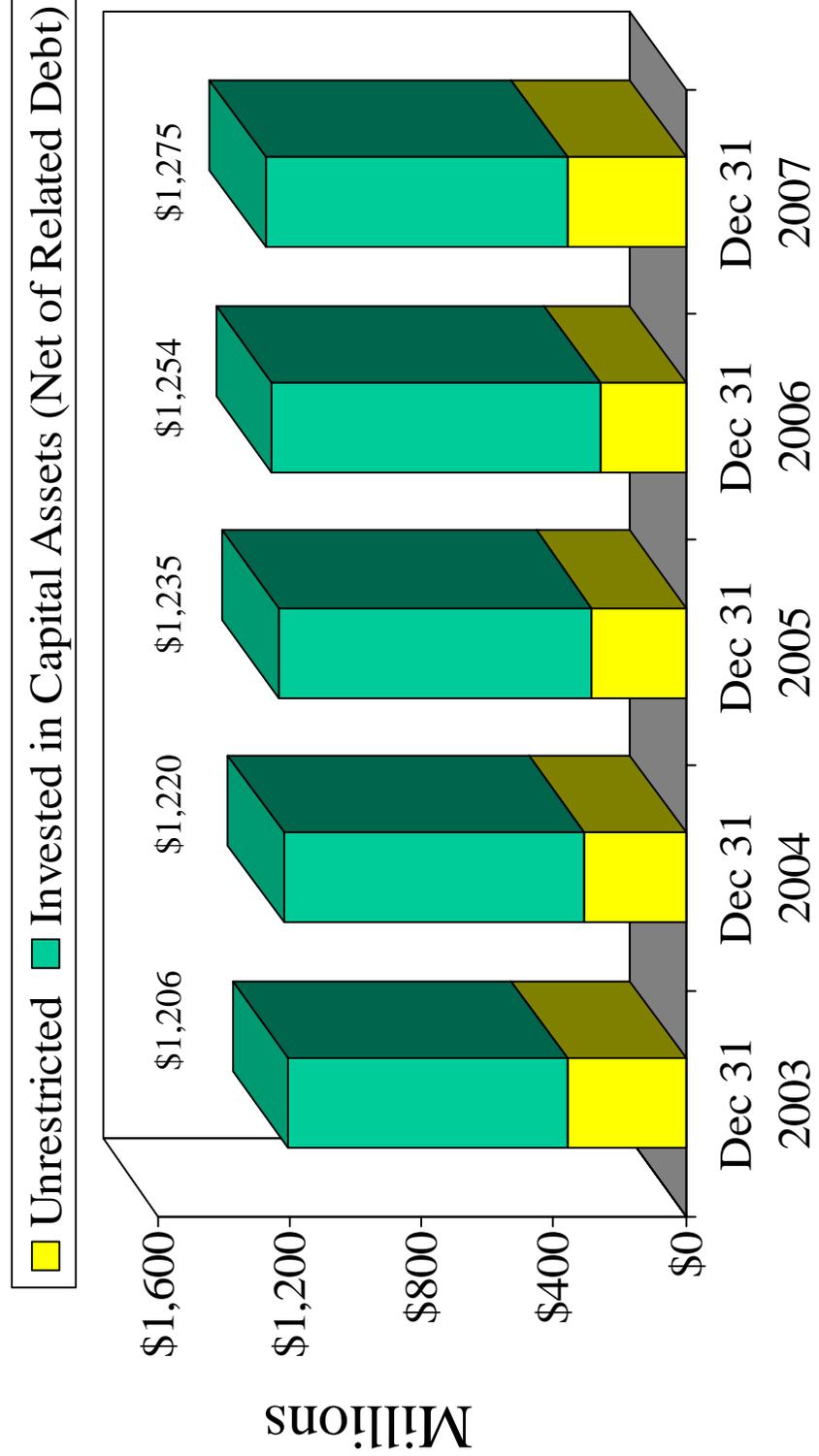
Expenses



\$154,303,026

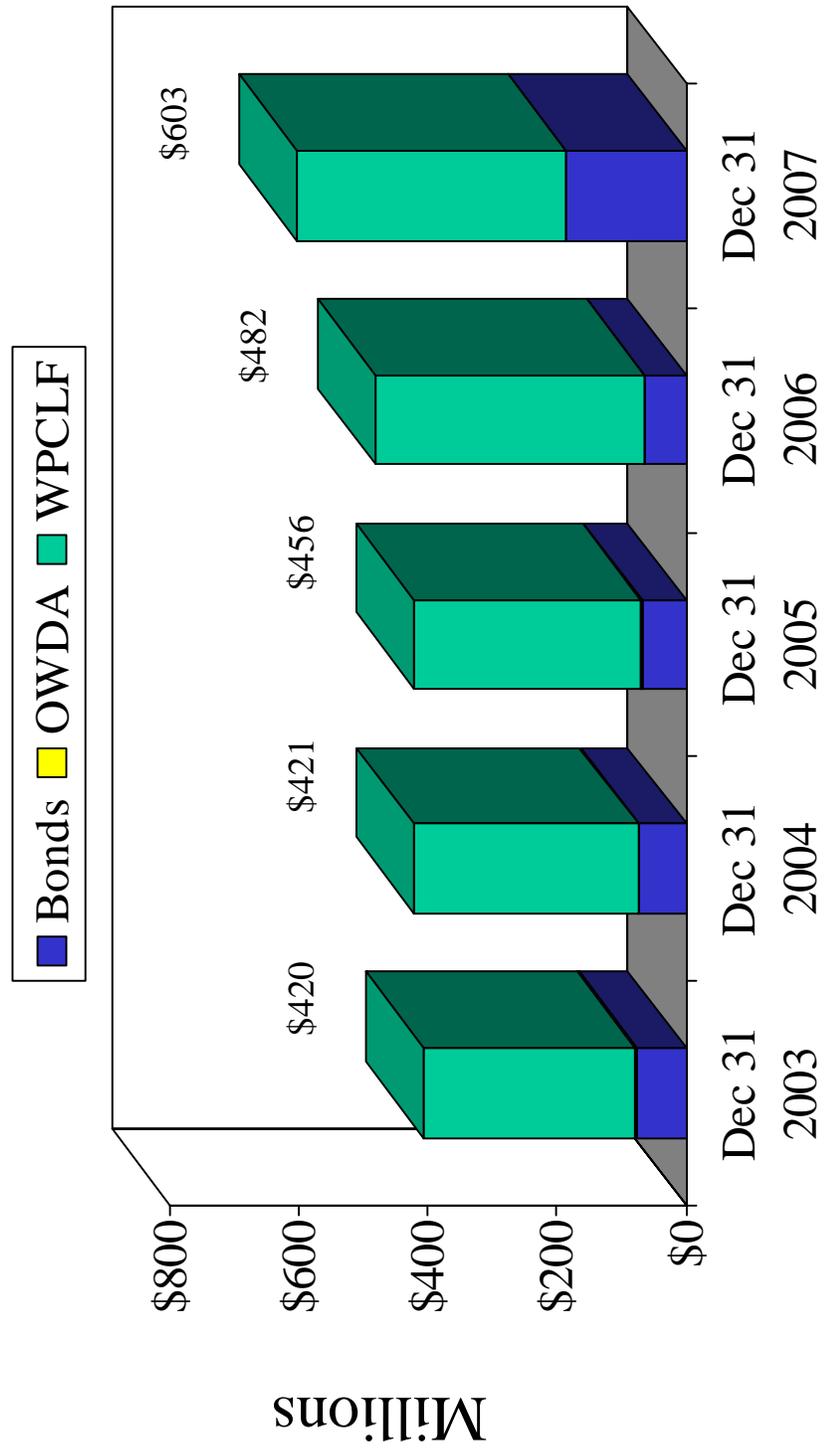
Northeast Ohio Regional Sewer District Net Assets By Component

Five Most Recent Fiscal Years



Northeast Ohio Regional Sewer District Debt Outstanding

Five Most Recent Fiscal Years



NORTHEAST OHIO REGIONAL SEWER DISTRICT

STATISTICAL SECTION

The schedules presented in this section of the document represent a statistical presentation that facilitates an understanding of the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand the District's financial performance and well-being and how they have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue source, user charges.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Continuing Disclosure Requirements

These schedules are required by Continuing Disclosure Agreement with respect to outstanding Revenue Bonds. They contain information pertinent to each of the categories above.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports and District accounting records for the relevant year.



Protecting Your Health and Environment

NORTHEAST OHIO REGIONAL SEWER DISTRICT
NET ASSETS BY COMPONENT
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Invested in Capital Assets, Net of Related Debt	\$671,929,987	\$710,106,900	\$736,761,141	\$766,109,820
Unrestricted	<u>316,096,832</u>	<u>320,854,881</u>	<u>351,462,956</u>	<u>369,576,559</u>
Total	<u>\$ 988,026,819</u>	<u>\$ 1,030,961,781</u>	<u>\$ 1,088,224,097</u>	<u>\$ 1,135,686,379</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
NET ASSETS BY COMPONENT
LAST TEN YEARS

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$809,633,525	\$848,052,655	\$911,950,892	\$950,167,090	\$994,466,605	\$993,131,336
<u>370,368,464</u>	<u>357,871,693</u>	<u>307,707,118</u>	<u>285,112,392</u>	<u>259,740,301</u>	<u>281,436,951</u>
<u><u>\$1,180,001,989</u></u>	<u><u>\$1,205,924,348</u></u>	<u><u>\$1,219,658,010</u></u>	<u><u>\$1,235,279,482</u></u>	<u><u>\$1,254,206,906</u></u>	<u><u>\$1,274,568,287</u></u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
CHANGES IN NET ASSETS
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>Operating Revenues</u>				
Billing Agents (1)	\$117,140,363	\$123,039,220	\$120,663,929	\$124,027,444
Direct Billed	8,174,134	8,846,646	9,727,725	9,780,118
Other	1,159,594	744,600	939,179	805,196
Total Operating Revenues (2)	<u>126,474,091</u>	<u>132,630,466</u>	<u>131,330,833</u>	<u>134,612,758</u>
<u>Operating Expenses</u>				
Salaries & Wages (3)	24,437,135	23,662,565	23,892,150	24,647,491
Fringe Benefits	6,492,369	6,746,180	7,197,179	6,774,095
Utilities	13,231,155	12,768,339	13,931,089	15,454,158
Professional & Contractual	9,209,656	10,364,307	10,431,643	10,759,907
Other	2,182,673	3,416,809	4,441,829	5,096,634
Depreciation (3)	28,335,108	29,028,480	30,320,517	31,495,906
Total Operating Expenses	<u>83,888,096</u>	<u>85,986,680</u>	<u>90,214,407</u>	<u>94,228,191</u>
Operating Income	42,585,995	46,643,786	41,116,426	40,384,567
<u>Non-Operating Revenues (Expenses)</u>				
Interest Income	14,833,852	14,996,659	15,980,457	18,580,276
Increase (Decrease) in Fair Value of Investments (4)	2,445,183	(4,806,082)	7,125,918	3,331,519
Loss on Disposals of Equipment	(845,252)	(219,656)	(74,682)	(768,357)
Write-Down of Idle Assets	-	-	-	-
Interest on Long-Term Debt	(15,866,081)	(17,166,184)	(16,486,676)	(17,443,676)
Total Non-Operating Revenues(Expenses)	<u>567,702</u>	<u>(7,195,263)</u>	<u>6,545,017</u>	<u>3,699,762</u>
Capital Contributions (5)	<u>4,795,368</u>	<u>3,486,439</u>	<u>9,600,873</u>	<u>3,377,953</u>
Change in Net Assets (6)	<u>\$47,949,065</u>	<u>\$42,934,962</u>	<u>\$57,262,316</u>	<u>\$47,462,282</u>

(1) 1997 through 2000 restated for reclassification of bad debt expense as a reduction of revenue.

(2) Year 2001 operating revenue increased due to higher unbilled consumption. Increases in other years are due primarily to rate increases. Decreases are due primarily to lower billed consumption.

(3) 2002 restated for December 31, 2002 prior period adjustments. Depreciation decreased \$2,639,240 from the amount originally reported, and accrued payroll expenses increased by \$144,800.

(4) Beginning in 1997 investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No.31.

(5) Beginning in 2001 contributions for construction grants are reported as revenue in accordance with GASB 33. Prior to that date contributions were recorded as direct additions to equity.

(6) 1998 through 2000 restated to comply with GASB 34 to present former equity amounts as net assets.

Source: District accounting records.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
CHANGES IN NET ASSETS
LAST TEN YEARS

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$119,515,859	\$117,755,171	\$122,078,222	\$131,938,350	\$135,732,973	\$145,221,599
10,277,561	11,504,702	11,442,284	12,623,945	13,220,817	13,062,958
964,619	615,506	762,782	734,253	1,200,272	805,174
<u>130,758,039</u>	<u>129,875,379</u>	<u>134,283,288</u>	<u>145,296,548</u>	<u>150,154,062</u>	<u>159,089,731</u>
25,977,019	27,542,022	29,127,972	31,283,367	33,021,551	33,724,279
7,790,909	8,521,645	9,916,038	10,944,618	11,225,384	10,732,240
13,865,509	14,517,622	15,053,259	17,595,315	17,814,509	18,893,296
10,793,057	11,731,572	12,272,328	13,389,541	14,076,004	14,808,434
3,625,200	4,019,822	4,439,180	5,566,881	6,917,693	7,986,232
<u>29,749,276</u>	<u>34,167,297</u>	<u>35,668,913</u>	<u>35,968,351</u>	<u>40,093,478</u>	<u>43,261,151</u>
<u>91,800,970</u>	<u>100,499,980</u>	<u>106,477,690</u>	<u>114,748,073</u>	<u>123,148,619</u>	<u>129,405,632</u>
38,957,069	29,375,399	27,805,598	30,548,475	27,005,443	29,684,099
14,247,954	12,267,626	11,264,860	8,816,261	8,645,525	12,417,477
5,457,490	(5,709,818)	(6,662,611)	(3,190,247)	1,774,960	3,157,199
(1,317,155)	(123,555)	(1,025,183)	(776,203)	(4,216,914)	(468,601)
-	-	-	-	-	-
<u>(18,283,691)</u>	<u>(19,289,590)</u>	<u>(19,352,880)</u>	<u>(19,821,947)</u>	<u>(20,641,227)</u>	<u>(24,428,793)</u>
104,598	(12,855,337)	(15,775,814)	(14,972,136)	(14,437,656)	(9,322,718)
<u>5,253,943</u>	<u>9,402,297</u>	<u>1,703,878</u>	<u>45,133</u>	<u>6,359,637</u>	<u>-</u>
<u>\$44,315,610</u>	<u>\$25,922,359</u>	<u>\$13,733,662</u>	<u>\$15,621,472</u>	<u>\$18,927,424</u>	<u>\$20,361,381</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
REVENUES BY TYPE
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>Operating Revenues</u>				
Sewer Service Fees				
City of Cleveland Billing Agent (1)	\$107,385,439	\$113,013,275	\$110,749,258	\$113,591,867
Other Billing Agents	9,754,924	10,025,945	9,914,671	10,435,577
Other Sewer Service Fees	8,174,134	8,846,646	9,727,725	9,780,118
Other Operating Revenue	<u>1,159,594</u>	<u>744,600</u>	<u>939,179</u>	<u>805,196</u>
Total Operating Revenue (2)	126,474,091	132,630,466	131,330,833	134,612,758
<u>Non-Operating Revenues</u>				
Interest Income	14,833,852	14,996,659	15,980,457	18,580,276
Increase (Decrease) in Fair Value of Investments (3)	<u>2,445,183</u>	<u>(4,806,082)</u>	<u>7,125,918</u>	<u>3,331,519</u>
Total Non-Operating Revenues	17,279,035	10,190,577	23,106,375	21,911,795
Capital Contributions (4)	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,377,953</u>
Total Revenues	<u><u>\$143,753,126</u></u>	<u><u>\$142,821,043</u></u>	<u><u>\$154,437,208</u></u>	<u><u>\$159,902,506</u></u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
REVENUES BY TYPE
LAST TEN YEARS

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$109,416,694	\$107,662,424	\$110,815,131	\$120,578,807	\$123,897,778	\$135,185,688
10,099,165	10,092,747	11,263,091	11,359,543	11,835,195	10,035,911
10,277,561	11,504,702	11,442,284	12,623,945	13,220,817	13,062,958
<u>964,619</u>	<u>615,506</u>	<u>762,782</u>	<u>734,253</u>	<u>1,200,272</u>	<u>805,174</u>
130,758,039	129,875,379	134,283,288	145,296,548	150,154,062	159,089,731
14,247,954	12,267,626	11,264,860	8,816,261	8,645,525	12,417,477
<u>5,457,490</u>	<u>(5,709,818)</u>	<u>(6,662,611)</u>	<u>(3,190,247)</u>	<u>1,774,960</u>	<u>3,157,199</u>
19,705,444	6,557,808	4,602,249	5,626,014	10,420,485	15,574,676
<u>5,253,943</u>	<u>9,402,297</u>	<u>1,703,878</u>	<u>45,133</u>	<u>6,359,637</u>	<u>0</u>
<u><u>\$155,717,426</u></u>	<u><u>\$145,835,484</u></u>	<u><u>\$140,589,415</u></u>	<u><u>\$150,967,695</u></u>	<u><u>\$166,934,184</u></u>	<u><u>\$174,664,407</u></u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
OPERATING EXPENSES BY TYPE
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Salaries and Wages	\$24,437,135	\$23,662,565	\$23,892,150	\$24,647,491
Benefits	6,492,369	6,746,180	7,197,179	6,774,095
Power	9,490,602	9,126,719	8,953,181	9,267,991
Materials and Supplies	2,750,734	3,261,897	4,677,056	3,375,647
Collection Fees	4,863,083	4,947,264	5,002,072	5,110,654
Gas	2,557,611	2,391,660	3,601,449	4,926,932
Chemicals	831,880	944,648	742,727	765,279
Repairs and Maintenance	1,700,997	2,004,747	1,722,806	3,641,665
Solids Handling	1,082,460	1,373,228	1,439,390	1,495,717
Water	858,857	871,216	954,713	831,926
Professional Services	1,303,469	1,990,640	1,426,942	1,484,679
Insurance	580,001	583,644	864,156	819,952
All Other Expenses	2,240,893	2,176,672	2,473,286	2,686,842
Capitalized Construction Costs	(3,637,103)	(3,122,880)	(3,053,217)	(3,096,585)
Depreciation	28,335,108	29,028,480	30,320,517	31,495,906
Total Operating Expenses	<u>\$83,888,096</u>	<u>\$85,986,680</u>	<u>\$90,214,407</u>	<u>\$94,228,191</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
OPERATING EXPENSES BY TYPE
LAST TEN YEARS

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$25,977,019	\$27,542,022	\$29,127,972	\$31,283,367	\$33,021,551	\$33,724,279
7,790,909	8,521,645	9,916,038	10,944,618	11,225,384	10,732,240
9,147,231	9,370,436	9,230,045	9,612,943	9,698,130	10,087,278
3,383,852	3,599,091	3,981,807	4,136,824	4,467,163	4,498,829
4,977,231	5,598,772	4,977,801	5,344,377	5,577,407	5,558,472
3,805,104	3,587,102	4,085,469	6,311,146	6,411,117	7,094,373
742,794	777,478	735,715	1,156,059	1,419,372	1,523,535
2,435,869	2,505,875	2,287,614	2,649,356	3,109,610	4,008,618
1,181,476	782,822	989,915	1,665,083	1,282,171	1,462,056
500,030	1,128,576	1,242,143	1,101,448	1,036,930	1,070,362
2,097,685	2,488,843	3,132,075	3,228,625	4,083,289	4,469,991
908,484	1,005,164	1,087,302	1,138,447	1,139,139	1,120,774
2,668,495	2,857,775	3,301,927	3,432,862	4,262,270	4,564,974
(3,564,485)	(3,432,918)	(3,287,046)	(3,225,433)	(3,678,392)	(3,771,300)
<u>29,749,276</u>	<u>34,167,297</u>	<u>35,668,913</u>	<u>35,968,351</u>	<u>40,093,478</u>	<u>43,261,151</u>
<u>\$91,800,970</u>	<u>\$100,499,980</u>	<u>\$106,477,690</u>	<u>\$114,748,073</u>	<u>\$123,148,619</u>	<u>\$129,405,632</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
LARGEST CUSTOMERS OF THE DISTRICT
AS OF DECEMBER 31, 2007
and NINE YEARS PRIOR

	2007			
	Consumption MCF (1)	Amount Billed	Rank	Percentage of Operating Revenue
<u>SUBDISTRICT 1</u>				
Cuyahoga Metropolitan Housing Agency (2)	99,718.7	\$4,017,287	1	2.5%
Cleveland Clinic (2)	45,031.0	1,809,219	3	1.1%
University Hospitals (2)	32,577.8	1,328,391	4	0.8%
City of Cleveland Water Filtration Plants	31,986.5	1,310,852	5	0.8%
Mittal Steel (ISG Cleveland)	30,083.9	1,233,266	6	0.8%
Case Western Reserve University	20,564.0	904,390	9	0.6%
Dominion Cleveland Thermal Energy	21,352.1	885,795	10	0.6%
Cuyahoga County (2)	21,393.8	872,162	11	0.5%
Cleveland Board of Education	20,408.7	821,498	12	0.5%
Ferro Corporation (2)	18,112.8	715,067	13	0.4%
Metro Health Medical Centers (2)	17,298.5	705,346	14	0.4%
Cleveland State University (2)	10,150.2	439,964	16	0.3%
Veterans Administration Hospital (2)	7,206.0	294,688	17	0.2%
Holiday Inn	6,962.7	259,585	18	0.2%
Property Management Rental	6,424.6	258,763	19	0.2%
Columbus Road Realty	6,469.7	254,932	20	0.2%
General Electric Company (2)	5,557.1	218,120	21	0.1%
LTV Steel	-	-	-	-
Synthetic Products	-	-	-	-
Sherwin Williams Company	-	-	-	-
Research Oil Company	-	-	-	-
Clean Harbors of Cleveland Inc.	-	-	-	-
BP Amoco, p.l.c.	-	-	-	-
Longwood Apartments Inc.	-	-	-	-
Total Subdistrict 1	401,298.1	\$16,329,327		10.3%
<u>SUBDISTRICT 2</u>				
Ford Motor Corporation	56,071.7	\$1,957,629	2	1.2%
Aluminum Corporation of America	33,072.2	1,145,029	7	0.7%
NASA John H Glenn Research Center	29,330.6	1,017,362	8	0.6%
Forest City Management	17,261.8	559,716	15	0.4%
Fairhill Towers LLC (Zehman & Wolfe Managem	5,893.6	208,241	22	0.1%
The Pearl Management Company	5,747.1	197,902	23	0.1%
Thistledown Racing Club	5,704.3	196,101	24	0.1%
K & D Group	5,672.3	193,820	25	0.1%
General Motors Corporation	5,136.5	177,759	26	0.1%
Total Subdistrict 2	163,890.1	\$5,653,560		3.6%
Grand Total	565,188.2	\$21,982,887		13.9%

(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.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
LARGEST CUSTOMERS OF THE DISTRICT
AS OF DECEMBER 31, 2007
and NINE YEARS PRIOR

1998

Consumption MCF (1)	Amount Billed	Rank	Percentage of Operating Revenue
139,595.5	\$2,537,076	1	2.0%
39,017.9	718,822	6	0.6%
29,979.9	514,691	9	0.4%
36,274.9	1,162,095	5	0.9%
-	-	-	-
30,553.3	551,926	8	0.4%
15,223.9	275,790	17	0.2%
24,196.1	434,898	10	0.3%
31,359.2	576,162	7	0.5%
13,739.7	267,471	18	0.2%
16,818.7	310,224	14	0.2%
12,680.2	217,883	22	0.2%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
10,275.0	219,392	21	0.2%
77,574.8	1,614,712	2	1.3%
17,897.7	428,755	11	0.3%
15,759.4	289,870	15	0.2%
5,708.3	264,401	19	0.2%
5,950.9	252,482	20	0.2%
9,653.7	209,737	23	0.2%
11,233.1	205,226	24	0.2%
<u>543,492.2</u>	<u>\$11,051,613</u>		<u>8.7%</u>
59,284.0	\$1,407,475	3	1.1%
54,935.0	1,286,063	4	1.0%
12,719.3	281,698	16	0.2%
17,253.0	363,218	13	0.3%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>17,982.3</u>	<u>421,341</u>	<u>12</u>	<u>0.3%</u>
<u>162,173.6</u>	<u>\$3,759,796</u>		<u>2.9%</u>
<u>705,665.8</u>	<u>\$14,811,409</u>		<u>11.6%</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Debt by Type, In Thousands				
Revenue Bond Issues				
\$97,830 Series 1995	\$89,695	\$86,525	\$83,220	\$79,775
\$68,280 Series 2005 (A)	0	0	0	0
\$126,055 Series 2007 (B)	0	0	0	0
Total Revenue Bonds	<u>89,695</u>	<u>86,525</u>	<u>83,220</u>	<u>79,775</u>
Ohio Water Development Authority Loans	15,631	12,059	8,244	4,580
Water Pollution Control Loans	228,402	247,869	267,148	296,459
Other	<u>66</u>	<u>45</u>	<u>28</u>	<u>13</u>
 Total All Debt	 <u><u>\$333,794</u></u>	 <u><u>\$346,498</u></u>	 <u><u>\$358,640</u></u>	 <u><u>\$380,827</u></u>
 Number of Customer Accounts (1)	 319,129	 322,163	 319,608	 326,146
 Outstanding Debt Per Customer Account	 \$1,046	 \$1,076	 \$1,122	 \$1,168

(1)For this schedule, Number of Customer Accounts is adjusted for Master Meter Communities as follows.*

Historical Number of Customer Accounts	304,557	306,270	304,517	310,600
Less Master Meter Communities	(4)	(4)	(4)	(4)
Add estimated number of customers in Master Master Meter Communities	<u>14,576</u>	<u>15,897</u>	<u>15,095</u>	<u>15,550</u>
Number of Customer Accounts	<u><u>319,129</u></u>	<u><u>322,163</u></u>	<u><u>319,608</u></u>	<u><u>326,146</u></u>

*The Master Meter Communities bill their customers separately. Master Meter Communities are East Cleveland, Hudson, Richfield Village and Summit County.

Note: This schedule should be read in conjunction with Note 6 to the Audited Financial Statements for December 31, 2007.

(A) The Series 1995 Bonds were refunded on December 20, 2005 and replaced by the Series 2005 Bonds.

(B) The Series 2007 Bonds were issued on May 22, 2007.

Source: District accounting records.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$76,175	\$72,415	\$68,415	\$0	\$0	\$0
0	0	0	68,280	63,525	58,850
0	0	0	0	0	126,055
<u>76,175</u>	<u>72,415</u>	<u>68,415</u>	<u>68,280</u>	<u>63,525</u>	<u>184,905</u>
1,907	1,599	1,274	932	573	194
329,332	346,073	350,908	387,380	417,777	418,262
0	0	0	0	0	0
<u>\$407,414</u>	<u>\$420,087</u>	<u>\$420,597</u>	<u>\$456,592</u>	<u>\$481,875</u>	<u>\$603,361</u>
325,022	325,292	330,190	328,417	325,389	334,850
\$1,253	\$1,291	\$1,274	\$1,390	\$1,481	\$1,802
308,809	308,197	313,043	312,093	308,769	318,515
(4)	(4)	(4)	(4)	(4)	(4)
16,217	17,099	17,151	16,328	16,624	16,339
<u>325,022</u>	<u>325,292</u>	<u>330,190</u>	<u>328,417</u>	<u>325,389</u>	<u>334,850</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Estimated Population Served (1)	Cuyahoga County		
		Unemployment Rate (2)	Total Personal Income (000's) (3)	Per Capita Personal Income (3)
1998	1,067,516	4.4%	42,147,135	29,984
1999	1,067,516	4.6%	43,153,567	30,829
2000	1,031,336	4.5%	45,276,523	32,522
2001	1,085,204	4.5%	45,282,921	32,753
2002	1,085,204	6.7%	45,703,641	33,322
2003	1,085,071	6.8%	45,655,393	33,590
2004	1,085,071	6.3%	47,818,353	35,521
2005	1,041,392	6.1%	49,335,286	37,082
2006	1,032,670	5.5%	51,236,686	39,134
2007	1,027,184	5.6%	n/a	n/a



Protecting Your Health and Environment

NORTHEAST OHIO REGIONAL SEWER DISTRICT
PRINCIPAL EMPLOYERS OF CUYAHOGA COUNTY, OHIO
AS OF DECEMBER 31, 2007
and NINE YEARS PRIOR

Employer Name (1)	2007		
	Number of Employees (1)	Rank (1)	Percentage of Total County
	FTE* 12-31-2007		Employment (2)
Cleveland Clinic Health System	28,461	1	4.36%
University Hospitals Health System	15,904	2	2.44%
Cuyahoga County	9,295	3	1.42%
U.S. Office of Personnel Management	9,172	4	1.41%
Progressive Corporation	8,796	5	1.35%
City of Cleveland	8,327	6	1.28%
Cleveland Municipal School District	7,442	7	1.14%
KeyCorp	6,615	8	1.01%
National City Corporation	6,563	9	1.01%
MetroHealth System	5,627	10	0.86%
U.S. Postal Service, Cleveland & Akron Districts	-	-	-
Ford Motor Company	-	-	-
LTV Corporation	-	-	-
Total	106,202		16.28%
Total Cuyahoga County Employment (2)			652,528

* Full-Time Equivalent.

(1) Sources are *Crain's Cleveland Business*, March 12, 2007 and March 8, 1998.

Cuyahoga County is significantly the same as the District's service area.

(2) Sources of total employment for Cuyahoga County, Ohio are District administrative records, Cuyahoga County, Ohio Comprehensive Annual Financial Report for 2005, and U.S. Department of Labor, Bureau of Labor Statistics.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
PRINCIPAL EMPLOYERS OF CUYAHOGA COUNTY, OHIO
AS OF DECEMBER 31, 2007
and NINE YEARS PRIOR

1998		
Number of Employees (1) FTE*	Rank (1)	Percentage of Total County Employment (2)
12-31-1998		
19,327	1	3.03%
9,687	3	1.52%
9,443	4	1.48%
10,776	2	1.69%
-	-	-
8,645	5	1.36%
8,477	6	1.33%
6,980	7	1.10%
-	-	-
-	-	-
6,545	8	1.03%
6,540	9	1.03%
5,700	10	0.89%
92,120		14.45%
		637,400

NORTHEAST OHIO REGIONAL SEWER DISTRICT
MISCELLANEOUS OPERATING STATISTICS
LAST TEN YEARS

	1998	1999	2000	2001
<u>TREATMENT PLANT FLOW</u>				
Billions of gallons of sewage treated per plant:				
Easterly	36.5	38.0	40.9	36.7
Southerly	43.3	40.0	39.2	38.9
Westerly	12.7	11.4	12.0	11.1
Total	92.5	89.4	92.1	86.7
 Total sewage treated, in MCFs (1)	 12,366,310	 11,951,872	 12,312,834	 11,590,909
 MCFs billed, total District	 6,004,778	 5,785,288	 5,600,215	 5,342,696 (2)

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

(2) Restated 2001 for consumption adjustment in the City of Cleveland, Subdistrict 1.

(3) Restated 2005 for City of Cleveland Subdistrict 2 and City of Cleveland Heights.

Source: Various District records.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
MISCELLANEOUS OPERATING STATISTICS
LAST TEN YEARS

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
37.3	40.4	40.6	38.4	34.4	35.3
37.2	43.1	44.2	46.6	45.8	45.3
10.4	11.0	10.5	10.4	9.6	10.0
<u>84.9</u>	<u>94.5</u>	<u>95.3</u>	<u>95.4</u>	<u>89.8</u>	<u>90.6</u>
<u>11,350,267</u>	<u>12,633,690</u>	<u>12,740,642</u>	<u>12,754,011</u>	<u>12,005,348</u>	<u>12,112,299</u>
<u>5,191,506</u>	<u>5,094,136</u>	<u>4,930,817</u>	<u>4,969,948</u> (3)	<u>4,745,269</u>	<u>4,756,809</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
MISCELLANEOUS STAFFING STATISTICS
LAST TEN YEARS and CURRENT BUDGET

	1998	1999	2000	2001
<u>STAFFING LEVELS</u>				
Number of employees (1):				
Plant Operations & Maintenance (4)	467	435	420	400
Engineering	45	46	45	48
Finance (5)	38	38	35	35
Human Resources (2, 3)	0	0	0	0
Information Technology	0	0	0	0
District Administration (3,5)	66	66	73	76
Legal	8	9	9	10
Administration and External Affairs	8	9	9	10
Watershed Programs (6)	0	0	0	0
Total	632	603	591	579
Budgeted employees, total District	644	620	625	595

- (1) Includes all positions filled during the year. In 1998, Support Services budget centers were redistributed between Operations and District Administration.
- (2) Reclassified from District Administration beginning in 2002.
- (3) Safety and Security reclassified from Human Resources to District Administration beginning in 2005.
- (4) Environmental Services and Analytical Services reclassified to Watershed Programs in 2008.
- (5) Administrative Services reclassified from Finance to District Administration in 2007.
- (6) Budget Center created in 2008 re-organization.

Source: Various District records.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
MISCELLANEOUS STAFFING STATISTICS
LAST TEN YEARS and CURRENT BUDGET

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>BUDGET 2008</u>
382	383	404	412	404	396	369
54	61	66	66	70	65	65
48	49	50	49	50	50	42
41	44	47	21	17	15	15
19	20	18	19	20	21	20
20	18	17	43	44	48	55
9	8	8	9	8	8	13
0	0	0	4	7	8	19
0	0	0	0	0	0	62
<u>573</u>	<u>583</u>	<u>610</u>	<u>623</u>	<u>620</u>	<u>611</u>	<u>660</u>
<u>634</u>	<u>637</u>	<u>677</u>	<u>672</u>	<u>676</u>	<u>662</u>	<u>660</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
CAPITAL ASSET STATISTICS
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Number of Buildings			
<u>Operations</u>			
Southerly Plant	36	36	36
Easterly Plant	17	17	17
Westerly Plant	16	17	16
Outlying Pump Buildings	6	6	6
Total Operations	<u>75</u>	<u>76</u>	<u>75</u>
<u>Administration</u>			
District Administration	2	2	2
Environmental Maintenance and Services Center	3	3	4
Total Offices	<u>5</u>	<u>5</u>	<u>6</u>
Total Buildings	<u>80</u>	<u>81</u>	<u>81</u>
 Miles of Interceptor Sewers Installed Annually*	 <u>3.67</u>	 <u>2.88</u>	 <u>3.25</u>
 Number of Outlying Systems			
<u>Sewage Collection System</u>			
Interceptor Sewers & Tunnels	20	20	20
Inter-Community Relief Sewers	13	13	13
Automated Regulators	29	29	29
Pumping Stations	7	7	7
Force Mains	2	2	3
Total Sewage Collection System	<u>71</u>	<u>71</u>	<u>72</u>
<u>Support Facilities</u>			
Floatables Control Sites	0	0	5
Biofilter Odor Control Sites	5	5	5
Rain Gauge Sites	25	25	25
Lakeview Dam	1	1	1
Total Support Facilities	<u>31</u>	<u>31</u>	<u>36</u>
Total Outlying Systems	<u>102</u>	<u>102</u>	<u>108</u>
 Acres of Land			
<u>Operations</u>			
Southerly Plant	322.5	311.2	311.2
Easterly Plant	77.7	77.7	77.7
Westerly Plant	13.4	13.4	13.4
<u>Administration</u>			
District Administration	1.5	1.5	1.5
Environmental Maintenance and Services Center	14.7	14.7	14.7
Total Acres, Operations and Administration	<u>429.8</u>	<u>418.5</u>	<u>418.5</u>

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

NORTHEAST OHIO REGIONAL SEWER DISTRICT
CAPITAL ASSET STATISTICS
LAST TEN YEARS

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
36	36	36	35	36	36	36
17	16	18	18	18	18	18
16	17	17	17	17	16	16
6	6	6	5	5	5	5
<u>75</u>	<u>75</u>	<u>77</u>	<u>75</u>	<u>76</u>	<u>75</u>	<u>75</u>
2	2	2	1	1	1	1
4	4	4	4	4	4	4
6	6	6	5	5	5	5
<u>81</u>	<u>81</u>	<u>83</u>	<u>80</u>	<u>81</u>	<u>80</u>	<u>80</u>
<u>3.18</u>	<u>0</u>	<u>3.75</u>	<u>0.53</u>	<u>5.04</u>	<u>3.52</u>	<u>0.89</u>
20	21	21	21	21	21	21
17	17	17	18	21	24	24
29	27	27	25	25	25	25
7	7	7	6	6	6	6
3	3	3	3	3	3	3
<u>76</u>	<u>75</u>	<u>75</u>	<u>73</u>	<u>76</u>	<u>79</u>	<u>79</u>
5	5	5	5	10	10	10
5	5	5	7	8	8	8
25	25	25	25	25	25	25
1	1	1	1	1	1	1
<u>36</u>	<u>36</u>	<u>36</u>	<u>38</u>	<u>44</u>	<u>44</u>	<u>44</u>
<u>112</u>	<u>111</u>	<u>111</u>	<u>111</u>	<u>120</u>	<u>123</u>	<u>123</u>
311.2	311.2	311.2	311.2	311.2	311.2	311.2
77.7	77.7	77.7	77.7	77.7	77.7	77.7
14.5	14.5	14.5	14.5	14.5	14.5	14.5
1.5	1.5	1.5	2.6	2.6	2.6	2.6
14.7	14.7	14.7	14.7	14.7	14.7	14.7
<u>419.6</u>	<u>419.6</u>	<u>419.6</u>	<u>420.7</u>	<u>420.7</u>	<u>420.7</u>	<u>420.7</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
HISTORICAL NUMBER OF CUSTOMER ACCOUNTS
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>Subdistrict 1</u>				
Cleveland (1)	134,228	136,234	132,801	136,332
<u>Subdistrict 2</u>				
Master Meter - Suburbs (2)	4	4	4	4
Direct Service - Suburbs (1)	<u>170,325</u>	<u>170,032</u>	<u>171,712</u>	<u>174,264</u>
Subtotal	<u>170,329</u>	<u>170,036</u>	<u>171,716</u>	<u>174,268</u>
Total Customers	<u><u>304,557</u></u>	<u><u>306,270</u></u>	<u><u>304,517</u></u>	<u><u>310,600</u></u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
HISTORICAL NUMBER OF CUSTOMER ACCOUNTS
LAST TEN YEARS

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
133,611	132,541	137,746	133,054	129,428	130,616
4	4	4	4	4	4
<u>175,194</u>	<u>175,652</u>	<u>175,293</u>	<u>179,035</u>	<u>179,337</u>	<u>187,895</u>
<u>175,198</u>	<u>175,656</u>	<u>175,297</u>	<u>179,039</u>	<u>179,341</u>	<u>187,899</u>
<u><u>308,809</u></u>	<u><u>308,197</u></u>	<u><u>313,043</u></u>	<u><u>312,093</u></u>	<u><u>308,769</u></u>	<u><u>318,515</u></u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
ANNUAL METERED BILLING QUANTITIES
LAST TEN YEARS
(IN THOUSANDS OF CUBIC FEET)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>Subdistrict 1</u>				
Cleveland	3,176,655	2,919,241	2,815,865	2,665,282 (3)
<u>Subdistrict 2</u>				
Direct Service - Suburbs	2,559,852	2,553,481	2,427,096	2,387,609
Master Meter - Suburbs (1)	<u>268,271</u>	<u>312,566 (2)</u>	<u>357,254</u>	<u>289,805</u>
Subtotal	<u>2,828,123</u>	<u>2,866,047</u>	<u>2,784,350</u>	<u>2,677,414</u>
Total Service Area	<u><u>6,004,778</u></u>	<u><u>5,785,288</u></u>	<u><u>5,600,215</u></u>	<u><u>5,342,696</u></u>

(1) Consumption of Master Meter Suburbs is presented at 80% of total consumption which is the billing basis.

(2) 1999 includes the City of Hudson for the first time. Although Hudson joined the District in late 1998, they did not receive sewer bills and they were not included on the District billing roster until 1999.

(3) Restated 2005 and 2001 for consumption adjustment.

Source: District accounting records.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
ANNUAL METERED BILLING QUANTITIES
LAST TEN YEARS
(IN THOUSANDS OF CUBIC FEET)

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
2,662,602	2,495,126	2,379,632	2,370,567	2,209,563	2,217,887
2,231,962	2,287,825	2,241,819	2,288,026 (3)	2,215,147	2,250,184
<u>296,942</u>	<u>311,185</u>	<u>309,366</u>	<u>311,109</u>	<u>320,559</u>	<u>288,738</u>
<u>2,528,904</u>	<u>2,599,010</u>	<u>2,551,185</u>	<u>2,599,135</u>	<u>2,535,706</u>	<u>2,538,922</u>
<u><u>5,191,506</u></u>	<u><u>5,094,136</u></u>	<u><u>4,930,817</u></u>	<u><u>4,969,702</u></u>	<u><u>4,745,269</u></u>	<u><u>4,756,809</u></u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
SUMMARY OF REVENUES, EXPENSES, DEBT SERVICE AND
DEBT SERVICE COVERAGE
LAST TEN YEARS
(In Thousands of Dollars)

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Operating Revenue (1)	\$126,474	\$132,631	\$131,331
Non-Operating Revenue	16,434	9,971	23,032
Total Revenues	<u>142,908</u>	<u>142,602</u>	<u>154,363</u>
Operating Expenses (Exclusive of depreciation) (4)	<u>55,553</u>	<u>56,958</u>	<u>59,894</u>
Net Revenues Available for Debt Service	<u>\$87,355</u>	<u>\$85,644</u>	<u>\$94,469</u>
Total Revenue Bond Debt Service (3), (5)	\$7,932	\$7,934	\$7,936
Coverage on Revenue Bond Debt Service	11.01	10.79	11.90
Total All Debt Service (3)	\$26,253	\$28,331	\$34,409
Coverage on Total Debt Service	3.33	3.02	2.75

(1)1997 through 2000 restated for reclassification of bad debt expense as a reduction of revenue. This has no effect on debt service.

(2) Restated 1997 to record investments at fair value.

(3) Net Revenues are first used to pay debt service on Revenue Bonds and second to pay debt service on loans from the Ohio Water Development Authority (OWDA) and Water Pollution Control Loan Fund (WPCLF). The annual Debt Service Requirements on these obligations for the ten years ended December 31, 2006 were:

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Revenue Bond Issues and Debt Service			
\$97,830 Series 1995	7,932	7,934	7,936
\$68,280 Series 2005 (A)	0	0	0
\$126,055 Series 2007 (B)	0	0	0
Total Revenue Bond Debt Service	<u>7,932</u>	<u>7,934</u>	<u>7,936</u>
OWDA Debt Service	4,643	4,643	4,643
WPCLF Debt Service	<u>13,678</u>	<u>15,754</u>	<u>21,830</u>
Total All Debt Service	<u>\$26,253</u>	<u>\$28,331</u>	<u>\$34,409</u>

(A) The Series 1995 Bonds were refunded on December 20, 2005 and replaced by the Series 2005 Bonds.

(B) Includes \$836 repayment of grant as result of final Ohio EPA audit.

(4) 2002 restated for December 31,2002 prior period adjustment of \$144,800 accrued payroll.

(5) Bonds and loans are secured by a pledge of and lien on revenues of the District, after payment of operating and maintenance costs, and on monies and investments comprising the Construction Funds and Revenue Bond Debt Service Deposit.

Loans are subordinate to the Bonds.

Source: District accounting records.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
SUMMARY OF REVENUES, EXPENSES, DEBT SERVICE AND
DEBT SERVICE COVERAGE
LAST TEN YEARS

(In Thousands of Dollars)

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$134,613	\$130,758	\$129,875	\$134,283	\$145,297	\$150,154	\$159,090
21,143	18,388	6,434	3,577	4,850	6,204	12,417
<u>155,756</u>	<u>149,146</u>	<u>136,309</u>	<u>137,860</u>	<u>150,147</u>	<u>156,358</u>	<u>171,507</u>
<u>62,732</u>	<u>62,052</u>	<u>66,333</u>	<u>70,808</u>	<u>78,780</u>	<u>83,055</u>	<u>86,144</u>
<u>\$93,024</u>	<u>\$87,094</u>	<u>\$69,976</u>	<u>\$67,052</u>	<u>\$71,367</u>	<u>\$73,303</u>	<u>\$85,363</u>
\$7,932	\$7,934	\$7,930	\$7,935	\$7,935	\$7,490	\$15,375
11.73	10.98	8.82	8.45	8.99	9.79	5.55
\$34,866	\$35,984	\$35,886	\$42,029	\$42,552	\$44,257	\$59,901
2.67	2.42	1.95	1.60	1.68	1.66	1.43

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
7,932	7,934	7,930	7,935	7,935	0	0
0	0	0	0	0	7,490	7,517
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,858</u>
7,932	7,934	7,930	7,935	7,935	7,490	15,375
4,079	3,136	408	409	409	409	204
<u>22,855</u>	<u>24,914</u>	<u>27,548</u>	<u>33,685</u>	<u>34,208</u>	<u>36,358</u>	<u>44,322</u>
<u>\$34,866</u>	<u>\$35,984</u>	<u>\$35,886</u>	<u>\$42,029</u>	<u>\$42,552</u>	<u>\$44,257</u>	<u>\$59,901</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT
SEWAGE SERVICE RATES
RATE HISTORY - LAST TEN YEARS

Fiscal Years During Which Rates Were Effective	SUBDISTRICT 1				SUBDISTRICT 2			
	Standard		Homestead (2)		Standard		Homestead (2)	
	Rate (1)	% Change						
1998	\$ 18.25	6.4%	\$ 12.55	6.4%	\$ 23.45	5.4%	\$ 15.70	6.4%
1999	19.60	7.4	13.35	6.4	24.50	4.5	16.70	6.4
2000 - 2002	21.10	7.7	14.25	6.7	26.60	8.6	17.80	6.6
2003	22.70	7.6	15.30	7.4	27.95	5.1	18.70	5.1
2004	24.40	7.5	16.45	7.5	29.40	5.2	19.70	5.3
2005	26.20	7.4	17.70	7.6	30.95	5.3	20.80	5.6
2006	28.10	7.3	18.95	7.1	32.60	5.3	21.90	5.3
2007	30.85	9.8	20.75	9.5	35.10	7.7	23.55	7.5

- (1) Per thousand cubic feet (MCF) of water consumed.
(2) These rates were first established in the 1991 fiscal year.

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).

NORTHEAST OHIO REGIONAL SEWER DISTRICT
CAPITAL IMPROVEMENT PROGRAM
USES AND SOURCES OF FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2008 THROUGH 2012
(In Thousands of Dollars)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>TOTAL</u>
<u>USES OF FUNDS (1)</u>						
Sewage Treatment Plant Improvements						
Westerly	\$1,400	\$550	\$3,150	\$250	\$700	\$6,050
Southerly	69,250	100,615	3,800	31,270	24,260	229,195
Easterly	9,795	37,574	25,310	3,200	41,580	117,459
Sub-Total	<u>80,445</u>	<u>138,739</u>	<u>32,260</u>	<u>34,720</u>	<u>66,540</u>	<u>352,704</u>
Interceptors						
CSO Control	3,511	27,500	38,760	18,619	202,728	291,118
Interceptor Rehabilitation	58,869	24,800	17,500	400	10,800	112,369
Sub-Total	<u>62,380</u>	<u>52,300</u>	<u>56,260</u>	<u>19,019</u>	<u>213,528</u>	<u>403,487</u>
Information Technology	1,510	320	1,000	680	220	3,730
Other Projects	11,600	7,520	10,500	2,500	500	32,620
TOTAL	<u>\$155,935</u>	<u>\$198,879</u>	<u>\$100,020</u>	<u>\$56,919</u>	<u>\$280,788</u>	<u>\$792,541</u>
<u>SOURCES OF FUNDS</u>						
WPCLF Loans (2)	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$175,000
Net Bond Proceeds	0	0	0	0	0	0
Internally Generated Funds	120,935	163,879	65,020	21,919	245,788	617,541
TOTAL	<u>\$155,935</u>	<u>\$198,879</u>	<u>\$100,020</u>	<u>\$56,919</u>	<u>\$280,788</u>	<u>\$792,541</u>

(1) Five years are presented instead of ten because the District prepares five year projections. Ten year projected information is not available.

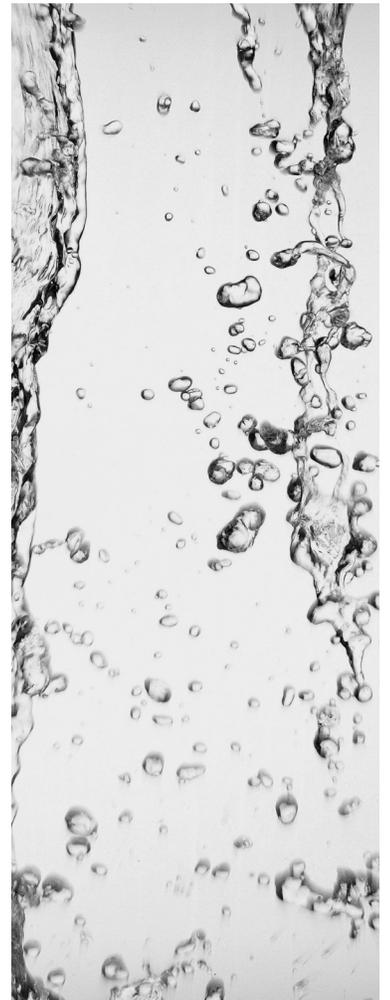
(2) Subject to appropriation and allocation and can not be expected with any degree of certainty.

Source: District accounting records.



Protecting Your Health and Environment

where we are going



NORTHEAST OHIO REGIONAL SEWER DISTRICT

CHALLENGES AND OPPORTUNITIES: The Next 35 Years

Our first 35 years have been shaped by challenges and our ability to accept and even overcome them. Our future will be shaped the same way.

UNDERSTANDING THE VALUE OF CLEAN WATER

It has always been a challenge for the District to establish a personal connection between our residents and our lake and river. But without clean water, we could not survive. Clean water is essential to public health, and it also plays a key role in stimulating our economy, protecting our environment and assuring a bright future for Greater Cleveland.

We believe that education can help to advance our work. By providing opportunities for members of the public to learn about our work and the environment, they can better understand the relationship between the water and their quality of life.

SUSTAINING AN INVESTMENT

A built-to-last infrastructure is an investment in Cleveland's present and future. We constantly assess our sewers and treatment plants, making sure they are sustainable.

In our 35-year history, we've invested over \$2.2 billion in projects that have a direct effect on protecting public health. And in the next three decades we'll invest \$4 billion to maintain our existing assets and facilities and expand our combined sewer overflow controls.

In addition, our water quality and natural environment are threatened by unresolved regional stormwater problems. The District is seeking to implement a program to help local communities control flooding, pollution and erosion issues that come with heavy rains.

Our acceptance of these challenges means job and business opportunities for local contractors, engineers, suppliers and support providers as we strive to best serve our region. Given the costs of these endeavors, we are always working to improve our financial processes to ensure proper stewardship of the public's funds.

MEANINGFUL CAREERS

With a workforce of more than 600 people in over 200 different jobs, the Northeast Ohio Regional Sewer District provides opportunities for employment in technical disciplines such as biology, chemistry, engineering, environmental science and wastewater plant operation—and in fields such as business, finance, communication, information technology and law. Through job fairs and internships, the District makes a concerted effort to recruit talent from Northeast Ohio.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CHALLENGES AND OPPORTUNITIES: The Next 35 Years-(continued)

As our organization expands and long-term employees retire, individuals with a passion for this region and the appropriate skill sets will be able to discover a rewarding career in this industry.

HANDLING EMERGING POLLUTANTS

New and potentially more dangerous compounds are emerging in our environment: pharmaceuticals, cosmetics, antibacterial soaps and other pollutants. All of these can have a negative impact on water quality.

This is an area of significant new research, and Cleveland's medical and academic communities provide the perfect backdrop for advancing our understanding of these impacts.

THE NEXT 35 YEARS

While Cleveland has much to offer, we understand the obstacles before us. This is why we must build upon the resources so readily available: like-minded organizations and agencies, a dedicated workforce that is willing to take on new initiatives and priorities, and most important—our clean water itself.

We are proud of our contributions to water quality and the rebirth of Lake Erie and the Cuyahoga River. The rebirth continues, and our role in the next 35 years will be even more critical.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

REVENUE REQUIREMENT

The Board of Trustees of the District has exclusive authority and responsibility for establishing and maintaining the sewage service rates and charges (including differential rate for services provided to Subdistrict 1 and Subdistrict 2 customers) imposed for the services and facilities provided by the District. Rates established for sewage service are not presentably subject to review or approval by any State of Ohio or Federal government or administrative agency.

In 2006, Greeley and Hansen and Raftelis Financial Consultants, Inc. (the Rate Consultants) reviewed the sewage service charges in effect at the time and projected that increases were required for the year 2007 through 2011. The rates were projected to generate revenues sufficient to pay operation and maintenance costs, to produce net revenues in excess of those required to satisfy debt service and coverage requirement for the Series 2005 Bonds, to meet all other contractual obligations and to continue with a 20 year rate equalization schedule.

The Court Order pursuant to which the District was formed specifically authorized the District to establish separate schedules of sewage service rates and charges pertaining to Subdistrict 1 and Subdistrict 2 customers. The 2007 through 2011 sewer service rates and charges pertaining to Subdistrict 1 and 2 and the applicable Homestead sewer service rates were adopted on February 1, 2007, effective March 1, 2007. Fiscal Year 2007 sewer service rates were effective March 1, 2007. The final increase of the five-year phased rate increase will take effect January 1, 2011.

The new sewer service rates will produce revenues adequate to meet operation and maintenance costs: to satisfy debt service coverage requirements on the proposed Series 2007 Bonds, existing loans and additional bonds and loans projected for financing the capital improvement program; and to meet funding requirements for future projects including combined sewer overflow projects mandated by the US EPA.

The sewage service charges described below are applicable to all customers connected to the system, except that certain non-self-supporting municipal facilities (including but not limited to police stations, fire houses and city or village halls) are not charged for sewage services provided by the District.

Raftelis Financial Consultants, Inc. ("RFC") worked closely with District Staff to develop an appropriate projection of revenue requirements based on the District's anticipated increases in operating costs, and based on a recommended strategy of securing sufficient funding sources to address capital planning initiatives. The revenue requirement forecast utilized the District's 2006 Budget as a base year and assumed an increase in O&M costs of approximately 5.2% annually. The primary drivers of this anticipated increase include additional expenses for

NORTHEAST OHIO REGIONAL SEWER DISTRICT

REVENUE REQUIREMENT - continued

health care and benefits, electricity, natural gas, supplies and maintenance. For capital investment, based on the District’s five-year Capital Improvements Plan (“CIP”) of approximately \$580.3 million, which includes costs identified for both core system asset repair and replacement (\$405.5 million) and the anticipated Combined Sewer Overflow Long-Term Capital Program (“CSO LTCP”) improvements (\$174.8 million), a financing plan has been developed that includes internally generated capital (\$43.7 million), Water Pollution Controls Loan Fund (“WPCLF”) loans (\$175.0 million), and revenue bonds (\$361.6 million). The annual capital expenditures associated with these funding sources include incremental debt service payments and additional revenue generation to fund capital projects and to meet debt service coverage requirement. Based on the forecast, revenue requirements are projected to increase by a compounded annual rate of 6.3% over the five-year planning period.

The rate adjustments are designed to meet annual revenue requirements. Revenues are forecasted based on the District’s existing rate structure and assume an annual reduction in billable flow of 2% per year. Additional revenue collections from non-operating sources, including investment income, industrial surcharge revenue and other miscellaneous fees, are assumed to remain relatively constant over the forecast period. Based on the projection of revenue requirements, the following program of rate adjustments was necessary to meet operating and capital cost requirement (see Table 1).

Table 1 – 2007 – 2011 Sewer Rates

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Subdistrict 1					
Regular Customers (per mcf)	\$30.85	\$33.85	\$37.15	\$40.75	\$44.75
Homestead Customers (per mcf)	\$20.75	\$22.75	\$24.95	\$27.35	\$30.05
Subdistrict 1					
Regular Customers (per mcf)	\$35.10	\$37.85	\$40.90	\$44.25	\$48.00
Homestead Customers (per mcf)	\$23.55	\$25.40	\$27.45	\$29.70	\$32.25

NORTHEAST OHIO REGIONAL SEWER DISTRICT

REVENUE REQUIREMENT - continued

The forecasted program of rates is also designed to be consistent year-to-year and to satisfy the District's initiative to equalize rates in Subdistrict 1 and Subdistrict 2 by 2022. The following table provides a summary of Actual, Budgeted and Forecasted expenses.

Budget by Cost Categories

	<u>Actual</u>	<u>Budget</u>	[Forecast-----]		
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Personnel	\$ 44,456,519	\$ 48,007,616	\$ 52,843,991	\$ 55,486,190	\$ 58,260,500
Power	10,087,278	10,654,010	12,345,126	13,209,285	14,133,935
Gas	7,094,373	7,577,800	8,066,013	8,549,974	9,062,972
Water	1,070,362	1,223,568	1,195,531	1,267,263	1,343,299
Solids Handling	1,490,746	2,663,426	1,705,050	1,790,302	1,879,817
Chemicals	1,523,535	1,679,329	1,683,351	1,733,852	1,785,868
Supplies & Mnt	8,507,355	8,093,256	10,427,819	11,314,184	12,275,889
Billings & Coll.	5,558,472	6,000,000	6,018,121	6,228,755	6,446,761
All Other Exp	9,060,762	10,377,793	10,684,189	11,004,714	11,334,856
Replacement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Clean Water Proj.	<u>940,016</u>	<u>2,463,717</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Expenses	<u>\$ 90,789,418</u>	<u>\$ 99,740,515</u>	<u>\$106,969,191</u>	<u>\$112,584,519</u>	<u>\$118,523,897</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PROGRAM

Coincidental with the District's formation in 1972, Congress enacted the Water Pollution Control Act. This law, with its subsequent amendments, now known as the Clean Water Act (the "CWA"), provided for an extensive pollution abatement, including construction grants for publicly owned treatment plants.

The Court Order that created the District charged the District with the responsibility for planning, financing, constructing, operating and controlling wastewater treatment and disposal facilities. The District was also mandated to meet the requirements of the CWA as embodied in its EPS NPDES permits limits. The initial strategy followed by the District to meet CWA requirements was to upgrade and expand its existing treatment plants, construct interceptor sewers, and to implement certain combined sewer overflow controls.

Additionally, at the time of the District's creation, the City of Cleveland had most of its sewage conveyed through combined sewers, while newer suburban areas had essentially separate sewer systems. Therefore, one of the ways to provide for pollution abatement in the District's service area was to construct new separate sanitary interceptor sewers to transport the sewage from the suburban areas directly to the treatment plant rather than to introduce it into Cleveland combined sewers, Further reducing combined sewer overflows.

Each year the District staff prepares a five-year Capital Improvement Program ("CIP") which anticipated capital projects by major category and indicates the year in which each project is estimated to be under contract. In the 1970s and 1980s the District was very successful in obtaining federal EPA grants and loans from the Ohio Water Development Authority to finance capital projects. After the discontinuance of the federal construction grants program in 1990, the District emphasized obtaining loans from the federally capitalized, state administered clean water State Revolving Fund ("SRF") program known as the Water Pollution Control Loan Fund ("WPCLF") program. WPCLF loans are issued at below-market rates and have been a cost-effective financing vehicle for the District. Internally generated funds and proceeds from the sale of District revenue bonds are the other major revenue sources used to finance capital projects.

The CIP for 2008-2012 contemplates the expenditure of \$792,541,000. Management of the District recognizes that more stringent standards including the CSO long-term control plan, will be instituted in the near future, and the current CIP anticipates those requirements. Portions of the District's treatment plant facilities constructed in the 1970s and 1980s need to be upgraded consistent with anticipated regulatory changes. Furthermore, additional regulatory requirements are to be expected to be established for effluent, biosolids, and other

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PROGRAM - continued

residual products and the disposal thereof. The capital improvement plan includes the upgrading of solids handling facilities and the ongoing rehabilitation and maintenance of existing facilities in order to meet current and future treatment requirements at the wastewater treatments plants and in the collection system.

The following table sets forth the improvements to the District's facilities from 1971 through 2007 and indicates the sources of funds that financed those projects.

CAPITAL PROJECTS AND COSTS 1971-2007

<u>Construction Projects</u>	<u>Federal Grants</u>	<u>Local Costs</u>	<u>Total Costs</u>
Treatment Plants	\$ 443,013,000	\$ 454,637,547	\$ 897,650,547
Interceptor Projects	174,918,000	403,607,545	578,525,545
Combined Sewer Overflow Control	27,258,000	391,574,401	418,832,401
Other Projects	958,000	293,995,994	294,953,994
Total	<u>\$ 646,147,000</u>	<u>\$1,543,815,487</u>	<u>\$2,189,962,487</u>

Since 1990, the anticipated sources of funds to meet capital expenditures have shifted from federal grants and bond proceeds to loans financed by Ohio's clean water SRF program, the Water Pollution Control Fund or "WPCLF". The WPCLF program provides loans to the District at below market rates. In its 2007 WPCLF Program Management Plan, the Ohio EPA established new provisions controlling the award of funds in the state. These include; 1) a statewide limit of \$250 million in total awards, 2) a per community borrowing limit of \$25 million and 3) the awarding of loans solely based on project priority list ranking. Unless the situation changes for future program years, the District at this point can anticipate a maximum of \$25 million in annual WPCLF borrowings for its capital programs.

It is expected that the District will need to increase the amount of internally generated funds available for capital projects due to the restrictions placed on WPCLF borrowing and the lack of Federally Funded Grants. Also, the District does not anticipate issuing any additional Bonds to fund the 2008 portion of the 2008-2012 CIP Program.

The table below depicts the summary of the system capital improvements proposed by the District during fiscal years 2008 through 2012, and the estimated project costs for the CIP Program which totals \$792,541,000.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PROGRAM - continued

Project	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Treatment Plants	<u>\$ 80,445,000</u>	<u>\$138,739,000</u>	<u>\$ 32,260,000</u>	<u>\$ 34,720,000</u>	<u>\$ 66,540,000</u>
Westerly	1,400,000	550,000	3,150,000	250,000	700,000
Southerly	69,250,000	100,615,000	3,800,000	31,270,000	24,260,000
Easterly	9,795,000	37,574,000	25,310,000	3,200,000	41,580,000
Sewers	<u>\$ 62,380,000</u>	<u>\$ 52,300,000</u>	<u>\$ 56,260,000</u>	<u>\$ 19,019,000</u>	<u>\$213,528,000</u>
CSO Control	3,511,000	27,500,000	38,760,000	18,619,000	202,728,000
Interceptor Reh	58,869,000	24,800,000	17,500,000	400,000	10,800,000
Info. Tech	<u>\$ 1,510,000</u>	<u>\$ 320,000</u>	<u>\$ 1,000,000</u>	<u>\$ 680,000</u>	<u>\$ 220,000</u>
Other	<u>\$ 11,600,000</u>	<u>\$ 7,520,000</u>	<u>\$ 10,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 500,000</u>
Total	<u>\$155,935,000</u>	<u>\$198,879,000</u>	<u>\$100,020,000</u>	<u>\$ 56,919,000</u>	<u>\$280,788,000</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PROGRAM -(continued)

Project	2008 Cost (Mil.)	2009 Cost (Mil.)	2010 Cost (Mil.)	2011 Cost (Mil.)	2012 Cost (Mil.)	2008-2012 Total (Mil.)
PLANTS:						
Easterly Plant:						
Code and Safety Improvements						
Design	\$ 1.200					\$ 1.200
CA/RE		\$ 0.300				\$ 0.300
Construction		\$ 2.750				\$ 2.750
Comprehensive Facilities Planning: Additional Planning	\$ 0.085					\$ 0.085
Elevator Upgrades (ELU-1)	\$ 0.410					\$ 0.410
Final Clarifier Rehabilitation (FCR-4)	\$ 2.400					\$ 2.400
Miscellaneous Improvements	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 5.000
Pavement Restoration and Repair (PRR-1)	\$ 0.700		\$ 1.500			\$ 2.200
Primary Settling Tanks Rehabilitation (PST-2)	\$ 2.800					\$ 2.800
Primary Settling Tanks Rehabilitation (PST-3)		\$ 6.500				\$ 6.500
Aeration Tank Rehabilitation (ATR-3)		\$ 9.000				\$ 9.000
Headworks & Grit Handling Improvements						
Design	\$ 1.200					\$ 1.200
CA/RE		\$ 1.200				\$ 1.200
Construction		\$ 11.124				\$ 11.124
Final Clarifier Rehabilitation (FCR-5)		\$ 2.000				\$ 2.000
New Chemical Storage/Feed & Aerated Grit Facilities						
Design				\$ 2.200		\$ 2.200
CA/RE					\$ 2.200	\$ 2.200
Construction					\$ 20.680	\$ 20.680
Structural & Sludge Pumping/Storage Improvements						
Design		\$ 0.500				\$ 0.500
CA/RE			\$ 0.500			\$ 0.500
Construction			\$ 4.610			\$ 4.610
300 MGD Sustained Secondary Capacity Improvements						
Design		\$ 3.200				\$ 3.200
CA/RE			\$ 1.700		\$ 1.700	\$ 3.400
Construction			\$ 16.000		\$ 16.000	\$ 32.000
Secondary & Effluent Pump Bldgs Rehab						
Design						\$ -
CA/RE						\$ -
Construction						\$ -
Subtotal	\$ 9.795	\$ 37.574	\$ 25.310	\$ 3.200	\$ 41.580	\$ 117.459
Southerly Plant:						
Biosolids Handling and Incineration Facility Project						
CA/RE	\$ 12.000					\$ 12.000
Digester Cleanout	\$ 0.500					\$ 0.500
Digester Decommissioning	\$ 1.000					\$ 1.000
Fluidized Bed Incinerators Equipment Procurement	\$ 40.000					\$ 40.000
Construction		\$ 65.000				\$ 65.000
CVI Lift Station Improvements (LS-3)						
CA/RE	\$ 0.450					\$ 0.450
Construction		\$ 4.000				\$ 4.000
Grit Tank Rehabilitation						
Design					\$ 0.300	\$ 0.300
CA/RE						\$ -
Construction						\$ -
Miscellaneous Improvements	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 5.000
Operational Control Interface Upgrade		\$ 0.625				\$ 0.625
PST 1 - 10 & Flow Chamber A Improvements - Phase I						
Design				\$ 0.120		\$ 0.120
CA/RE					\$ 0.120	\$ 0.120
Construction					\$ 1.100	\$ 1.100
Screen Building Rehabilitation						
Design	\$ 1.500					\$ 1.500
CA/RE		\$ 1.600				\$ 1.600
Construction		\$ 14.800				\$ 14.800
Second Stage Settling Tanks Bridge Rehabilitation (BR-4)	\$ 7.600					\$ 7.600
Substation Procurement Contract	\$ 5.200					\$ 5.200

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PROGRAM -(continued)

Project	2008 Cost (Mil.)	2009 Cost (Mil.)	2010 Cost (Mil.)	2011 Cost (Mil.)	2012 Cost (Mil.)	2008-2012 Total (Mil.)
Substation Installation Phase I (SSR-1)						
CA/RE		\$ 0.450				\$ 0.450
Construction		\$ 1.800				\$ 1.800
Building Exterior Infrastructure Rehabilitation		\$ 2.000			\$ 2.000	\$ 4.000
Effluent Filters Interim Improvements		\$ 3.000				\$ 3.000
Effluent Filter Building Improvements						
Design				\$ 2.000		\$ 2.000
CA/RE						\$ -
Construction						\$ -
First Stage Settling Improvements						
Design				\$ 3.200		\$ 3.200
CA/RE						\$ -
Construction						\$ -
Substation Installation Phase II (SSR-2)						
CA/RE		\$ 0.650				\$ 0.650
Construction		\$ 2.600				\$ 2.600
PST 1 - 10 & Flow Chamber A Improvements - Phase II						
Design				\$ 0.400		\$ 0.400
CA/RE					\$ 0.400	\$ 0.400
Construction					\$ 4.000	\$ 4.000
PST 11 - 18 Improvements:						
Design			\$ 2.300			\$ 2.300
CA/RE				\$ 2.300		\$ 2.300
Construction				\$ 21.500		\$ 21.500
Substation Installation Phase III (SSR-3)						
CA/RE		\$ 0.690				\$ 0.690
Construction		\$ 2.400				\$ 2.400
Waste Pickle Liquor Building Improvements						
Design			\$ 0.500			\$ 0.500
CA/RE					\$ 0.500	\$ 0.500
Construction					\$ 4.700	\$ 4.700
Second Stage Lift Station Improvements						
Design				\$ 0.250		\$ 0.250
CA/RE					\$ 0.250	\$ 0.250
Construction					\$ 2.100	\$ 2.100
Steam Generation System Improvements						
Design				\$ 0.500		\$ 0.500
CA/RE					\$ 0.500	\$ 0.500
Construction					\$ 5.000	\$ 5.000
Second Stage Aeration Improvements						
Design					\$ 0.590	\$ 0.590
CA/RE						\$ -
Construction						\$ -
Second Stage Settling Tank Improvements - Phase I						
Design					\$ 1.400	\$ 1.400
CA/RE						\$ -
Construction						\$ -
Sludge Storage Tanks Improvements						
Design					\$ 0.300	\$ 0.300
CA/RE						\$ -
Construction						\$ -
First Stage Aeration Improvements						
Design						\$ -
CA/RE						\$ -
Construction						\$ -
Paving Improvements						
Design						\$ -
CA/RE						\$ -
Construction						\$ -
Second Stage Settling Tank Improvements - Phase II						
Design						\$ -
CA/RE						\$ -
Construction						\$ -

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PROGRAM -(continued)

Project		2008 Cost (Mil.)	2009 Cost (Mil.)	2010 Cost (Mil.)	2011 Cost (Mil.)	2012 Cost (Mil.)	2008-2012 Total (Mil.)
	Thermal Conditioning, Dewatering & Multiple Hearth Incineration Systems Decommissioning						
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Subtotal		\$ 69.250	\$ 100.615	\$ 3.800	\$ 31.270	\$ 24.260	\$ 229.195
Westerly Plant:							
	Generator Closure Contract SPI-7	\$ 0.500					\$ 0.500
	Miscellaneous Improvements	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250	\$ 1.250
	PEPS & CSOTF VFD Replacement	\$ 0.650					\$ 0.650
	Main Electrical Upgrade						
	Design		\$ 0.300				\$ 0.300
	CA/RE			\$ 0.300			\$ 0.300
	Construction			\$ 2.600			\$ 2.600
	CSOTF Dewatering Pumps/Motors Replacement					\$ 0.450	\$ 0.450
	Solids Handling System Improvements						
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Subtotal		\$ 1.400	\$ 0.550	\$ 3.150	\$ 0.250	\$ 0.700	\$ 6.050
Plant Subtotal		\$ 80.445	\$ 138.739	\$ 32.260	\$ 34.720	\$ 66.540	\$ 352.704
COMBINED SEWER OVERFLOW CONTROL PROGRAM*							
Easterly District:							
	Combined Sewer Overflow Floatables Control - East 55th Netting Facility Repairs						
	Design & CA/RE	\$ 0.080					\$ 0.080
	Construction	\$ 0.100					\$ 0.100
	Dugway East Interceptor Relief Sewer (DEIRS)						
	CA/RE			\$ 1.980			\$ 1.980
	Construction			\$ 19.800			\$ 19.800
	Tunnel Dewatering Pump Station (TDPS)						
	Design			\$ 14.980			\$ 14.980
	CA/RE					\$ 18.725	\$ 18.725
	Construction						\$ -
	Euclid Creek Pump Station Upgrade						
	Design				\$ 0.619		\$ 0.619
	CA/RE					\$ 0.619	\$ 0.619
	Construction						\$ -
	Euclid Creek Storage Tunnel (ECT)						
	Additional Design			\$ 2.000			\$ 2.000
	CA/RE				\$ 18.000		\$ 18.000
	Construction					\$ 180.000	\$ 180.000
	Dugway West Interceptor Relief Sewer (DWIRS)						
	Design					\$ 3.152	\$ 3.152
	CA/RE						\$ -
	Construction						\$ -
	Doan Valley Storage Tunnel (DVST)						
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
	Lake Shore Boulevard Relief Sewer						
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
	Nottingham Interceptor Relief Sewer						
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
	Stones Levee Pump Station Upgrade & Storage Tank						
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -

NORTHEAST OHIO REGIONAL SEWER DISTRICT
CAPITAL IMPROVEMENT PROGRAM -(continued)

Project		2008 Cost (Mil.)	2009 Cost (Mil.)	2010 Cost (Mil.)	2011 Cost (Mil.)	2012 Cost (Mil.)	2008-2012 Total (Mil.)
Superior Avenue Pump Station/E-24 Modification							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Doan Valley Regulators/Relief							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Dugway Storage Tunnel (DST-1)							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
East 140th Street Consolidation & Relief Sewer							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Canal Road In-Line Storage							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
London Road Relief Sewer							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Dugway Regulators/Relief							
	Design						\$ -
Dugway Storage Tunnel (DST-2)							
	Design						\$ -
Hayden Regulators/Relief							
	Design						\$ -
Subtotal		\$ 0.180	\$ -	\$ 38.760	\$ 18.619	\$ 202.496	\$ 260.054
Southerly District:							
East 90th Street Relief Sewer (MCSO-4): Additional CA/RE		\$ 0.031					\$ 0.031
Lee Road Relief Sewer (LRRS)							
	CA/RE		\$ 2.500				\$ 2.500
	Construction		\$ 25.000				\$ 25.000
Miles Avenue Relief Sewer (MARS)							
	CA/RE	\$ 0.300					\$ 0.300
	Construction	\$ 3.000					\$ 3.000
CSO-063 Relief Consolidation Sewer							
	Design					\$ 0.233	\$ 0.233
	CA/RE						\$ -
	Construction						\$ -
E. 37th Street Pump Station Replacement							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
S-8 Regulator Upgrade							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Subtotal		\$ 3.331	\$ 27.500	\$ -	\$ -	\$ 0.233	\$ 31.064
Westerly District:							
Mary Street Pump Station Upgrade							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Columbus Road Storage Tank							
	Design						\$ -
	CA/RE						\$ -
	Construction						\$ -
Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CSO Subtotal		\$ 3.511	\$ 27.500	\$ 38.760	\$ 18.619	\$ 202.728	\$ 291.118

NORTHEAST OHIO REGIONAL SEWER DISTRICT
CAPITAL IMPROVEMENT PROGRAM -(continued)

Project	2008 Cost (Mil.)	2009 Cost (Mil.)	2010 Cost (Mil.)	2011 Cost (Mil.)	2012 Cost (Mil.)	2008-2012 Total (Mil.)
INTERCEPTORS/REHABILITATION						
Barberton Creek Pump Station Evaluation	\$ 0.500					\$ 0.500
Big Creek Interceptor Rehabilitation Trestle Replacement (BCI-3E)						
Construction	\$ 3.500					\$ 3.500
Combined Sewer System Rehabilitation						
Design	\$ 1.700					\$ 1.700
- Combined Sewer Sytem Hydraulic Improvement Contract (CSHIC)						
CA/RE		\$ 0.500				\$ 0.500
Construction		\$ 3.300				\$ 3.300
- Combined Sewer Systm Relining and Replacement Contract (CSRAC)						
CA/RE		\$ 1.650				\$ 1.650
Construction		\$ 11.000				\$ 11.000
- Combined Sewer System Service Agreement Contract (CSSAC)						
CA/RE		\$ 0.400				\$ 0.400
Construction		\$ 2.500				\$ 2.500
Easterly Interceptor: Lakeside Improvement Contract @ East 53rd (EILIC53)						
CA/RE	\$ 0.241					\$ 0.241
Construction	\$ 1.660					\$ 1.660
Easterly Interceptor Low Flow Channel - West 9th to East 20th						
Design				\$ 0.400		\$ 0.400
CA/RE					\$ 1.000	\$ 1.000
Construction					\$ 7.800	\$ 7.800
Easterly Interceptor: Service Agreement Contract (EISAC)						
CA/RE	\$ 0.420					\$ 0.420
Construction	\$ 2.800					\$ 2.800
Easterly/Southerly/Westerly Districts Interceptors Rehabilitation						
Inspection/Evaluation - Phase II		\$ 1.000	\$ 1.000			\$ 2.000
Design					\$ 2.000	\$ 2.000
Construction						
Huntington Garage CSO-093 Outfall Rehabilitation						
Emergency Design Serves	\$ 0.055					\$ 0.055
Design	\$ 0.160					\$ 0.160
CA/RE	\$ 0.200					\$ 0.200
Construction	\$ 2.000					\$ 2.000
Mill Creek Interceptor: Regulator MC-47 Stormwater Outfall Relocation						
Design	\$ 0.100					\$ 0.100
CA/RE	\$ 0.175					\$ 0.175
Construction	\$ 1.500					\$ 1.500
Mill Creek Interceptor: Rehabilitation - Phase II (MCIR-2)						
CA/RE	\$ 1.000					\$ 1.000
Construction	\$ 7.000					\$ 7.000
Mill Creek Inteceptor: Emergency Repairs at Landfill						
Construction	\$ 0.500					\$ 0.500
Mill Creek Interceptor: Diversion Projects at Landfill: Vista Branch Project (MCI-VB)						
Construction	\$ 2.200					\$ 2.200
Mill Creek Interceptor: Diversion Projects at Landfill: Main Branch Project (MCI-MB)						
Construction	\$ 8.700					\$ 8.700
Rehabilitation of Automated Regulators (RAR-5)						
Construction	\$ 1.700					\$ 1.700
Spring/Jennings Control Structure Modification						
CA/RE	\$ 0.200					\$ 0.200
Construction	\$ 2.000					\$ 2.000
Southerly Interceptor Relining--Aetna Road to Barkhill Avenue						
Design	\$ 0.300					\$ 0.300
CA/RE		\$ 0.450				\$ 0.450
Construction		\$ 3.000				\$ 3.000
Southerly/ Westerly Districts Interceptors Rehabilitation: Service Agreement Contract (SWDISAC)						
CA/RE	\$ 0.500					\$ 0.500
Construction	\$ 3.300					\$ 3.300

NORTHEAST OHIO REGIONAL SEWER DISTRICT

CAPITAL IMPROVEMENT PROGRAM -(continued)

Project	2008 Cost (Mil.)	2009 Cost (Mil.)	2010 Cost (Mil.)	2011 Cost (Mil.)	2012 Cost (Mil.)	2008-2012 Total (Mil.)
Train Avenue Relief Sewer (TARS)						
CA/RE	\$ 0.308					\$ 0.308
Construction	\$ 2.500					\$ 2.500
Valley Belt Gravity Sewer (VBGS)	\$ 5.500					\$ 5.500
Walworth Run Outfall Repair (WROR)						
CA/RE	\$ 0.040					\$ 0.040
Construction	\$ 0.460					\$ 0.460
West 117th/CSO 071 Outfall Repair						
Construction	\$ 0.500					\$ 0.500
Westerly Interceptor Box Culvert Repair						
Construction	\$ 5.500					\$ 5.500
Westerly Low Level Interceptor: Emergency Repairs	\$ 0.400					
Westerly Low Level Interceptor: Failure Contingency Plan	\$ 0.750					
Westerly Low Level Interceptor: Long Term Solution						
Alternative Analysis	\$ 0.500					\$ 0.500
Design		\$ 1.000				\$ 1.000
CA/RE			\$ 1.500			\$ 1.500
Construction			\$ 15.000			\$ 15.000
Subtotal	\$ 58.869	\$ 24.800	\$ 17.500	\$ 0.400	\$ 10.800	\$ 112.369
IT						
Geographic Information System (GIS) Expansion/Upgrade	\$ 0.160					\$ 0.160
Paging System Replacement Project (PSRP)	\$ 0.400					\$ 0.400
Security Cameras Upgrade	\$ 0.350					\$ 0.350
Storage Area Network (SAN) Upgrade	\$ 0.600					\$ 0.600
Electronic Bidding Information System Implementation		\$ 0.120				\$ 0.120
Cisco Hardware Upgrade		\$ 0.200				\$ 0.200
Records Management System			\$ 0.180			\$ 0.180
Stormwater Billing Support			\$ 0.250			\$ 0.250
Web Hosting			\$ 0.450			\$ 0.450
WI-FI Program			\$ 0.120			\$ 0.120
A/V Upgrade				\$ 0.300		\$ 0.300
Uninterruptable Power Supply (UPS) Units Upgrade				\$ 0.180		\$ 0.180
Wiring/Fiber Upgrade				\$ 0.200		\$ 0.200
Telecom Upgrade					\$ 0.220	\$ 0.220
Subtotal	\$ 1.510	\$ 0.320	\$ 1.000	\$ 0.680	\$ 0.220	\$ 3.730
OTHER						
Asset Management Implementation - Phase I	\$ 3.000					\$ 3.000
Asset Management Implementation - Phase II				\$ 2.000		\$ 2.000
Easement and Property Acquisition	\$ 0.500	\$ 0.500	\$ 0.500	\$ 0.500	\$ 0.500	\$ 2.500
Program Management	\$ 8.000					\$ 8.000
Easterly/ Westerly Wind Energy Initiative	\$ 0.100	\$ 0.020	\$ 3.000			\$ 3.120
Easterly/Southerly/Westerly Incinerators Rehabilitation (IR-13)		\$ 7.000				\$ 7.000
Materials Testing & Inspection Contracts			\$ 7.000			\$ 7.000
Subtotal	\$ 11.600	\$ 7.520	\$ 10.500	\$ 2.500	\$ 0.500	\$ 32.620
ANNUAL TOTAL	\$ 155.935	\$ 198.879	\$ 100.020	\$ 56.919	\$ 280.788	\$ 792.541

* Projects implementation to be determined by future Federal consent order

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT SERVICE

Each year NEORS D prepares a five-year Capital Improvement Plan (CIP), which lists anticipated capital projects by category and the year in which the project will be constructed. Historically, NEORS D had been successful in obtaining federal construction grants to fund these projects. As grant funds decreased, it obtained funding for most projects through the State-administered Clean Water State Revolving Fund Program known as the Water Pollution Control Loan Fund (WPCLF) in Ohio. This program provides below market interest rate loans secured by user fees paid by customers. In addition to grant funds and low interest loan funds, NEORS D has also accessed the Ohio Water Development Authority (OWDA) market rate loan program. These loans are also secured by user fees. Other sources of funding for capital projects include internally generated funds and proceeds from NEORS D's own revenue bond financing. As NEORS D reviews its CIP, priority of funding will generally be:

- a) Grant funds
- b) Low interest loan funds from WPCLF
- c) Internally generated funds
- d) Revenue Bonds and Notes
- e) Market-rate loans from OWDA
- f) Other loan funds as available, such as Public Works Commission funds
- g) Lease financing

Consistently with the foregoing priorities, the District may from time to time establish interim financing mechanisms for its CIP, and it will generally seek to secure obligations that it issues or incurs for interim financing purposes on a subordinated basis relative to its Revenue Bonds.

OWDA (Non-SRF) In addition to the proposed Series 2005 Bonds, other District obligations outstanding include loans from the Ohio Water Development Authority ("OWDA") to the District. These loans represent financing obtained under co-operative agreements for certain construction projects for which Federal grant funds have been provided and cover the portion of funds required for each project in excess of Federal grant funds. The repayment period commences on a fixed date established by each agreement. Repayments have begun on all agreements. The aggregate amount of OWDA Loans outstanding as of December 31, 2006 was \$572,853. Annual payments are required through the year 2008. The District's obligation to make payments on its OWDA Loans is subordinate to its obligation to pay debt service on the District's Series 2005 Bonds, the Series 2007 Bonds and any Additional Bonds.

WPCLF (SRF) Title VI of the Clean Water Act, as amended, authorizes the Administrator of the U.S. Environmental Protection Agency to make Federal capitalization grants to states for deposit in state water pollution control revolving funds (SRFs). From these funds, states can provide loans and other types of financial assistance, but not grants, to government entities for the construction of publicly owned wastewater treatment facilities. In Ohio, this SRF program

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT SERVICE – continued

is known as the Water Pollution Control Loan Fund and is jointly administered by the Ohio EPA and the OWDA. Principal balances on loans increase as project costs are incurred. Interest accrues on principal amounts outstanding during the construction period and is combined with the principal balance upon completion of the project. The repayment period for each loan commences no later than the first January or July following the expected completion date of the project to which it relates, utilizing an estimate of total eligible project costs as the preliminary loan amount. The District is required to submit final eligible project costs within one year of the project completion date at which time the final loan amount is determined and semi-annual payment amounts are adjusted to reflect such costs. Loans are to be repaid in semi-annual payments of principal and interest over a period of twenty years. The loan amount outstanding as of December 31, 2006 was \$417,776,749. The District's obligation to make payments on its Water Pollution Control Loans is subordinate to its obligation to pay Debt Service on the Series 2005 Bonds and any Additional Bonds. The District will continue to maximize the use of OWDA and WPCLF loans to the extent of their availability.

In 1978, the District issued its Water Resource Revenue Bonds, Series 1978 (the "Series 1978 Bonds") in the aggregate principal amount of \$118,500,000 for the purpose of (1) advance refunding of its Water Resource Revenue Bonds, Series 1976 (the "Series 1976 Bonds"), Water Resource Revenue Bonds, Series 1976-1 (the "Series 1976-1 Bonds") and Water Resource Revenue Bonds, Series 1977 (the "Series 1977 Bonds"), issued under a Trust Agreement (the "1976 Trust Agreement"), then outstanding in the aggregate principal amount of \$92,115,000; and (2) paying the costs of acquiring, constructing and improving various water resource projects. Through the issuance of the Series 1978 Bonds, the District caused the Series 1976, Series 1976-1, and Series 1977 Bonds and the 1976 Trust Agreement to be deemed paid and discharged and no longer outstanding.

In 1984, the District issued its Water Resource Revenue Bonds (Senior Lien), Series 1984, in the aggregate principal amount of \$8,000,000 for the purpose of paying costs of improving the System and its Water Resource Revenue Bonds (Junior Lien), Series 1984 (together the "Series 1984 Bonds"), in the aggregate principal amount of \$55,429,351.20 to advance refund \$118,500,000 outstanding principal amount of the Series 1978 Bonds. Through the issuance of the Series 1984 Bonds, the District caused the Series 1978 Bonds and the 1978 trust agreement to be deemed paid and discharged and no longer outstanding.

In July 1991, the Board of Trustees of the District approved a plan of defeasance for the Series 1984 Bonds and the 1984 trust agreement. Under the defeasance plan, the District irrevocably transferred to and deposited with the trustee for the Series 1984 Bonds \$20,602,500 in internally generated funds, which together with amounts held by the trustee in the debt service fund, debt service reserve fund and invested sinking fund under the 1984 trust agreement, were applied to the purchase of eligible securities that are sufficient, under the terms of the 1984 trust agreement, to pay the principal of, and interest, and any redemption premium on, the

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT SERVICE – continued

Series 1984 Bonds. The Series 1984 Bonds are deemed paid and discharged and no longer outstanding under the 1984 trust agreement and the 1984 trust agreement is defeased. The foregoing defeasance of the Series 1984 Bonds was consummated on July 22, 1991.

In August 1991, the District issued its Wastewater Improvement Revenue Bonds, Series 1991, in the aggregate principal amount of \$122,315,000 to finance all or a portion of the costs of various components of the District's on-going capital improvements program, to fund the Debt Service Reserve Requirement and to pay the costs of issuance of the Series 1991 Bonds.

In September 1995, the District issued its Wastewater Improvement Revenue Refunding Bonds, Series 1995 (the "1995 Series Bonds"), in the aggregate principal amount of \$97,830,000 for the purpose of advance refunding its 1991 Series Bonds, issued under a Trust Agreement then outstanding in the aggregate principal amount of \$112,690,000. Through the issuance of the 1995 Series Bonds, the deposit of net proceeds together with certain moneys of the District into the Escrow Account, the District caused the 1991 Series Bonds and the 1991 Trust Agreement to be deemed paid and discharged and no longer outstanding.

In December 2005, the District issued \$68,980,000 in Wastewater Improvement Revenue Refunding Bonds Series 2005 to advance refund and defease the series 1995 Wastewater Improvement Refunding Bonds of \$64,165,000. The net proceeds were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the Series 1995 Wastewater Improvement Bonds. As a result, the Series 1995 Wastewater Improvement Bonds are considered defeased. As of December 31, 2006, \$59,715,000 of the defeased debt remained outstanding. The Series 2005 Bonds are not subject to redemption at the option of the District prior to their stated maturity.

On May 22, 2007, the District issued \$126,055,000 of Wastewater Improvement Revenue Bonds, Series 2007. The Wastewater Improvement Revenue Bonds, Series 2007 Bonds (the "Series 2007 Bonds") are being issued for the purpose of (i) providing funds for the acquisition, construction and improvement of Water Resource Projects, (ii) funding the Debt Service Reserve Requirement for the Series 2007 Bonds, and (iii) paying certain costs of issuance of the Series 2007 Bonds. These bonds are payable from the revenues of the District, after the payment of operating and maintenance costs. The bonds are secured by a pledge of and lien on such net revenues. The bonds are additionally secured by a pledge of and lien on the monies and investments in the Revenue Bond Debt Service Deposit.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

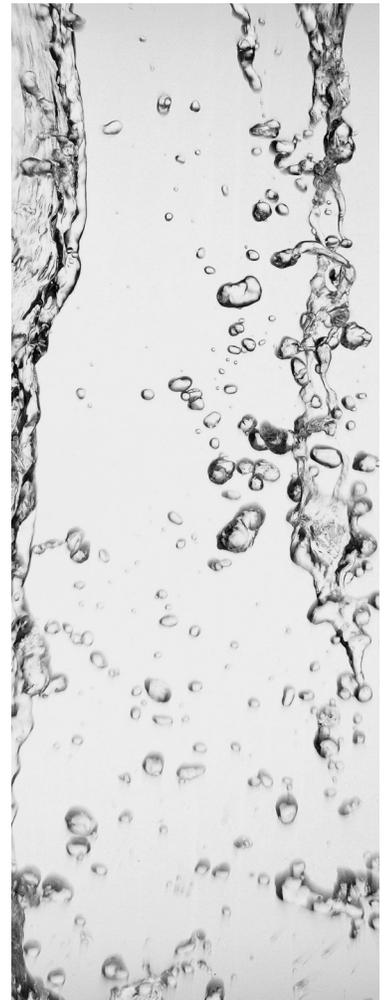
DEBT SERVICE – continued

Debt Service on Outstanding Obligations

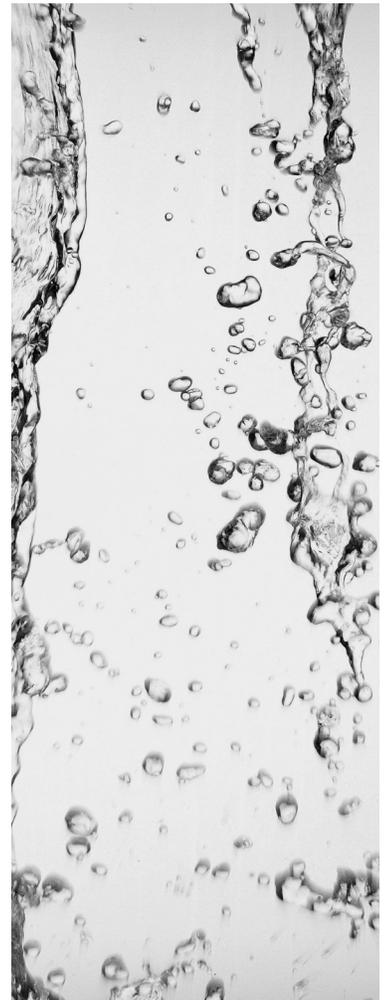
The following schedule sets forth the annual debt service on the Series 2005 Bonds, Series 2007 Bonds and Subordinated Indebtedness (WPCLF).

Revenue Bonds						
<u>Calendar Year</u>	<u>Series 2005 Bonds</u>		<u>Series 2007 Bonds</u>		<u>Subordinated Indebtedness</u>	<u>Total Annual Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2007	4,675,000	2,838,900		2,659,651	22,011,542	32,185,093
2008	4,865,000	2,651,900	2,055,000	5,802,875	47,758,121	63,132,896
2009	5,060,000	2,457,300	2,135,000	5,720,675	46,798,687	62,171,662
2010	5,265,000	2,254,900	2,220,000	5,635,275	46,798,687	62,173,862
2011	5,470,000	2,044,300	2,315,000	5,540,925	46,798,687	62,168,912
2012	5,665,000	1,852,850	2,400,000	5,454,113	46,798,687	62,170,649
2013	5,890,000	1,626,250	2,500,000	5,358,113	43,811,479	59,185,841
2014	6,190,000	1,331,750	2,625,000	5,233,113	43,076,721	58,456,584
2015	6,495,000	1,022,250	2,755,000	5,101,863	40,329,559	55,703,671
2016	13,950,000	697,500	2,890,000	4,964,113	36,458,233	58,959,845
2017			3,035,000	4,819,613	32,859,371	40,713,984
2018			3,190,000	4,667,863	31,696,817	39,554,680
2019			3,345,000	4,508,363	30,116,828	37,970,190
2020			3,490,000	4,366,200	25,677,004	33,533,204
2021			3,640,000	4,217,875	23,729,670	31,587,545
2022			3,800,000	4,054,075	23,051,584	30,905,659
2023			3,975,000	3,883,075	21,953,918	29,811,993
2024			4,150,000	3,704,200	15,915,628	23,769,828
2025			4,340,000	3,517,450	14,372,366	22,229,816
2026			4,545,000	3,311,300	10,967,583	18,823,883
2027			4,760,000	3,095,413	2,549,741	10,405,154
2028			4,985,000	2,869,313	666,291	8,520,604
2029			5,225,000	2,632,525		7,857,525
2030			5,470,000	2,384,338		7,854,338
2031			5,730,000	2,124,513		7,854,513
2032			6,005,000	1,852,338		7,857,338
2033			6,290,000	1,567,100		7,857,100
2034			6,585,000	1,268,325		7,853,325
2035			6,885,000	972,000		7,857,000
2036			7,195,000	662,175		7,857,175
2037			7,520,000	338,400		7,858,400
TOTAL	<u>\$63,525,000</u>	<u>\$18,777,900</u>	<u>\$126,055,000</u>	<u>\$112,287,164</u>	<u>\$654,197,204</u>	<u>\$974,842,267</u>

BUDGET DATA AND BUDGET CENTER INFORMATION



budget data



NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET INTRODUCTION

The 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. The District applies the accounting principles of the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for governmental accounting and financial reporting principles. The District also applies the Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The District prepares its financial statements and budgets using the economic resources measurement focus and the accrual basis of accounting. All transactions are accounted for and budgeted in a single proprietary (enterprise) fund. The proprietary fund type is used for governmental entities ongoing activities that are similar to how the private sector operates. Enterprise funds are used for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability and other purposes. The primary source of revenue for the District is user fees charged to residential, commercial and industrial customers that send wastewater flow to the District's Wastewater Treatment Plants through its collection system.

The District's annual budget is prepared using the concepts of a modified zero based budgeting process. Although specific program targets are not set, each budget center must budget and justify every requested appropriation in each expense account. There are no encumbrances or carry-overs from the previous year's unspent funds. A majority of the balance of revenues that exceed the District's total expenses are transferred to the Capital Projects Account. These funds provide internally generated funds to be used for the Capital Improvement Program. Also, by transferring the balance of the revenues over the expenses to the Capital Projects Account, the District is able to limit the necessity to fund all Capital Projects from bond revenues and control its level of debt.

The District's revenue budget is prepared on the accrual basis which means that budgeted revenue estimates reflect revenue from transactions that the District has completed the service transaction and not necessarily when funds are collected. Operating expenses are budgeted to reflect when the District incurs a liability for the goods or services it procures and not when it pays the invoice. The annual Capital Improvement Plan budget outlines a five-year construction plan depicting estimated cost by project and associated equipment. The District does not budget for any increase in fair value of investments, interest on long term debt or gains and losses on equipment disposals.

General provisions regulating the District's budget and appropriation procedures are set forth in the Ohio Revised Code. The Executive Director is required to submit the District's operating and capital budgets to the Board of Trustees and they are required to adopt such budgets by

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET INTRODUCTION-(continued)

July 15 of the prior year. Until the final budgets are adopted, the Board of Trustees must approve all the amendments to the budget. The District's budget process incorporates a practice by which detailed budget requests and capital improvement plan budget for the upcoming fiscal year are created by each budget center head and submitted, as a preliminary request, to the Executive Director and Finance Director. The preliminary requests are evaluated and revised as necessary. The revised version, the Staff Review Budget is presented to the Board of Trustees for their review. And adjustments, if any, requested by the Board are incorporated into the budgets and submitted to the Board for their adoption. The revised adopted budget reflects the amendments made to the 2008 budgets presented to the Board on July 15, 2007. This process must be completed by March 31 of the current budget year.

The District must adopt a budget that ensures compliance with the covenants under the Trust Agreement for the Wastewater Improvement Revenue Bonds Series 2007. Particularly, the Debt Service Coverage covenant requires the District to charge rates and restrict Operating Expenses in such a way that Net Revenues Available for Debt Service are not less than the greater of 115% of Debt Service on all Bonds then Outstanding payable during the fiscal Year or 100% of the sum all Debt Service payable during the fiscal year. In order for the District to comply with this covenant the budget needs to exceed a "Balanced Budget" by a level that will generate Net Revenues that are in compliance per the Wastewater Improvement Revenue Bonds Series 2007 Trust Agreement.



Protecting Your Health and Environment

NORTHEAST OHIO REGIONAL SEWER DISTRICT
RESOLUTION NO. 92-08

Amending the adopted operating and capital budgets of the Northeast Ohio Regional Sewer District for fiscal 2008.

WHEREAS, the District is required by law to adopt an operating budget for the succeeding fiscal year by July 15th of the prior year; and

WHEREAS, the proposed amended budget for 2008 has been prepared on an accrual accounting basis, and is attached hereto and made part thereof;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE NORTHEAST OHIO REGIONAL SEWER DISTRICT:

Section 1. That this Board hereby adopts the Northeast Ohio Regional Sewer District amended operating and capital budgets for fiscal 2008, as attached hereto and made a part hereof.

Section 2. That this Board finds that in order to provide for current expenses and other expenditures of the District for the calendar year 2008, the following sums are and they are hereby appropriated:

Direct Operating Accounts

Operating Expenses, Before Depreciation	\$ 98,740,515
Depreciation	46,000,000
Addition to Equipment Replacement Reserve	1,000,000
Capitalized Labor & Fringe Benefits	<u>(3,494,734)</u>
Total	\$ 142,245,781

Capital Accounts

Major Capital Projects:	
Anticipated Cash Payments on Capital Projects	\$ 110,000,000
Capitalized Labor & Fringe Benefits	3,494,734
Minor Capital Purchases	<u>2,936,057</u>
Total	\$ 116,430,791

Debt Service

Debt Service Payments	\$ 62,800,000
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Section 3. That this Board declares that all formal actions of the Board concerning and relating to the adoption of this resolution and that all deliberators of the Board and any of its committees that resulted in said formal action were conducted in meetings open to the public and in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On motion of Mayor Longo, seconded by Mr. Sulik, the foregoing resolution was adopted on March 20, 2008. Roll Call Vote: YEAS: Brown, DePiero, Liberatore, Longo, Sulik. NAYS: Starr. ABSTENTIONS: None.

I, DEAN E. DEPIERO, SECRETARY OF THE BOARD OF TRUSTEES OF THE NORTHEAST OHIO REGIONAL SEWER DISTRICT, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE, CORRECT AND EXACT COPY OF THE ORIGINAL OF A RESOLUTION DULY ADOPTED BY SAID BOARD ON THE 20th DAY OF MARCH, 2008.

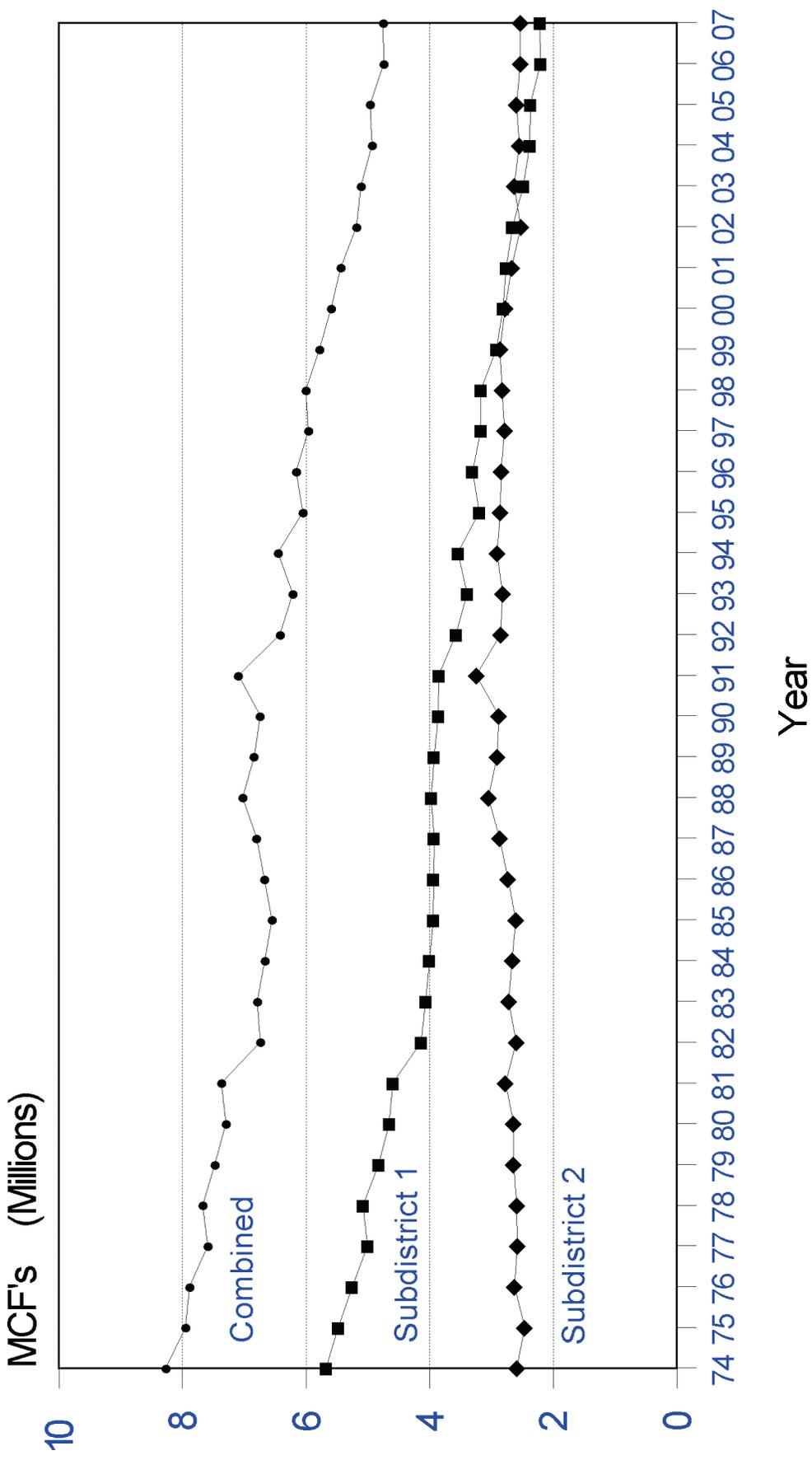
DEAN E. DEPIERO
SECRETARY, BOARD OF TRUSTEES
NORTHEAST OHIO REGIONAL SEWER DISTRICT



Dean E. DePiero, Secretary
Board of Trustees
Northeast Ohio Regional Sewer District

NORTHEAST OHIO REGIONAL SEWER DISTRICT

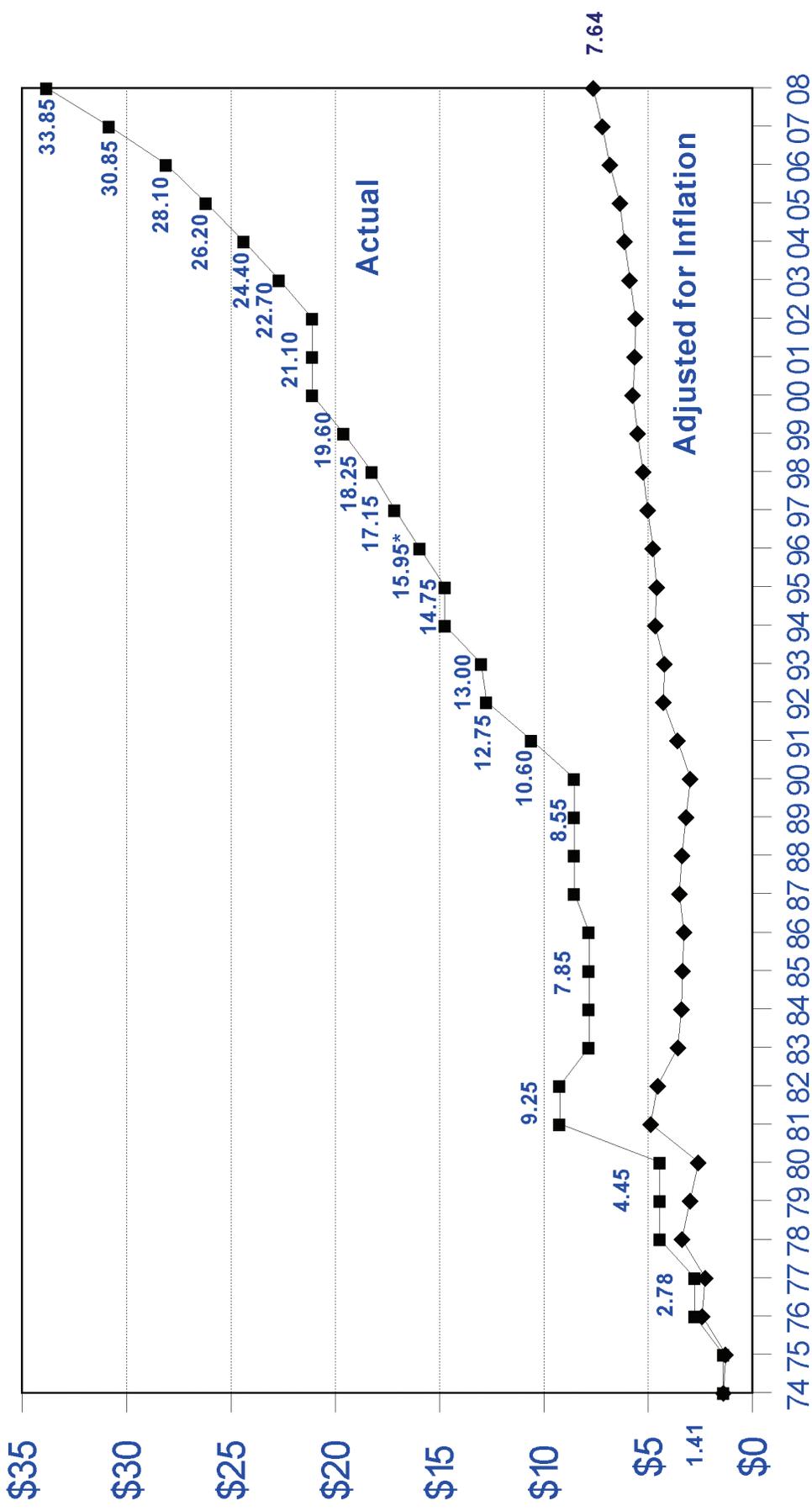
Billed Consumption



1993-2007 are net of SRSUC Program Discounts.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

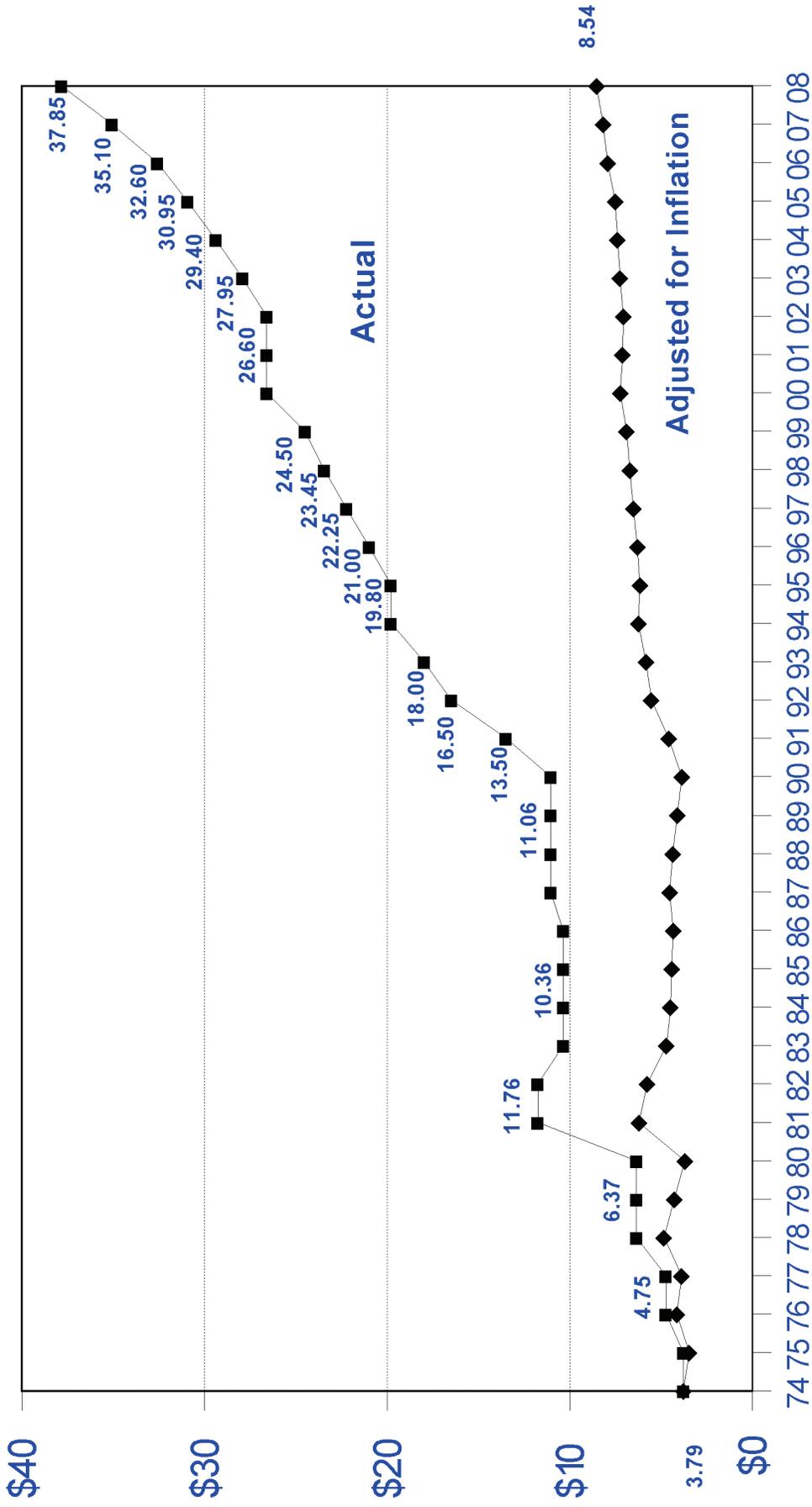
Subdistrict 1 Rate Per MCF of Water Consumed



*Effective May 1, 1996.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

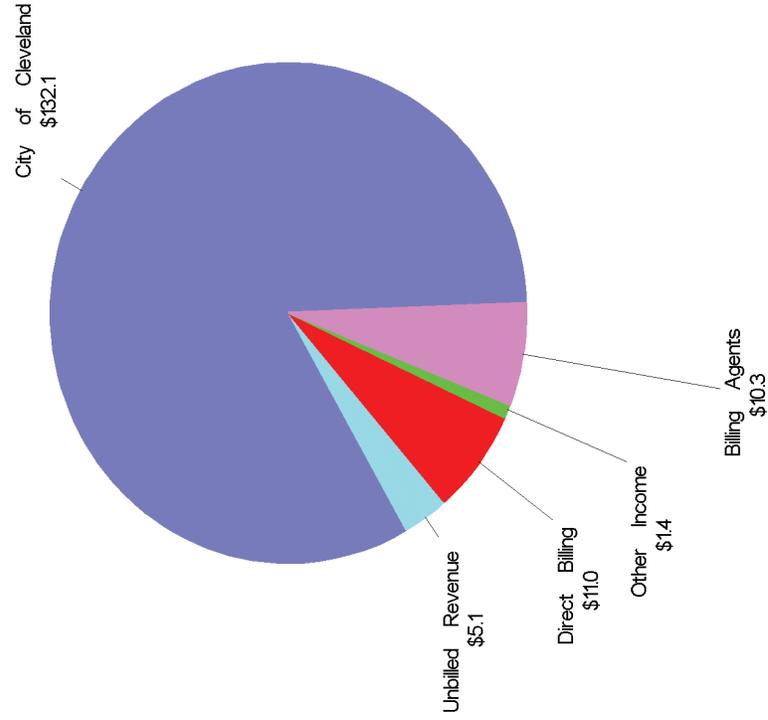
Subdistrict 2 Rate Per MCF of Water Consumed



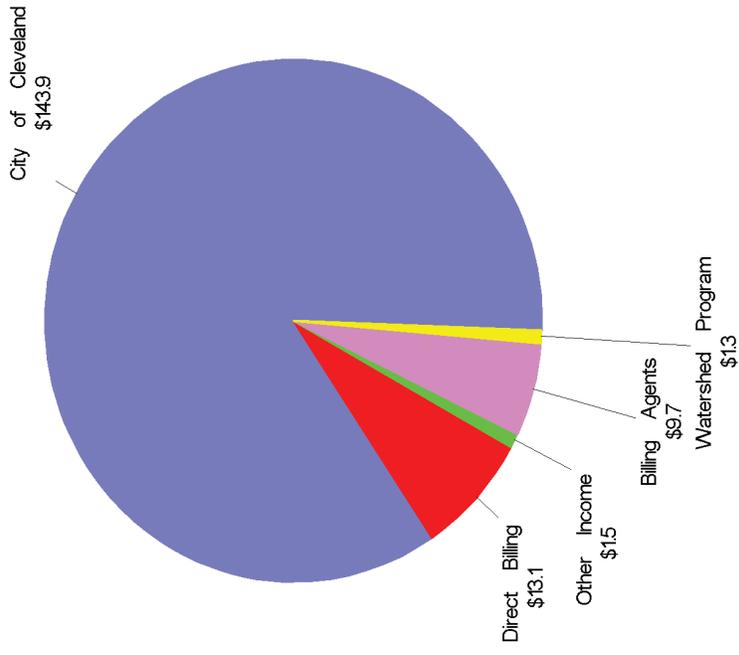
* Effective May 1, 1996.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

Operating Revenue by Source



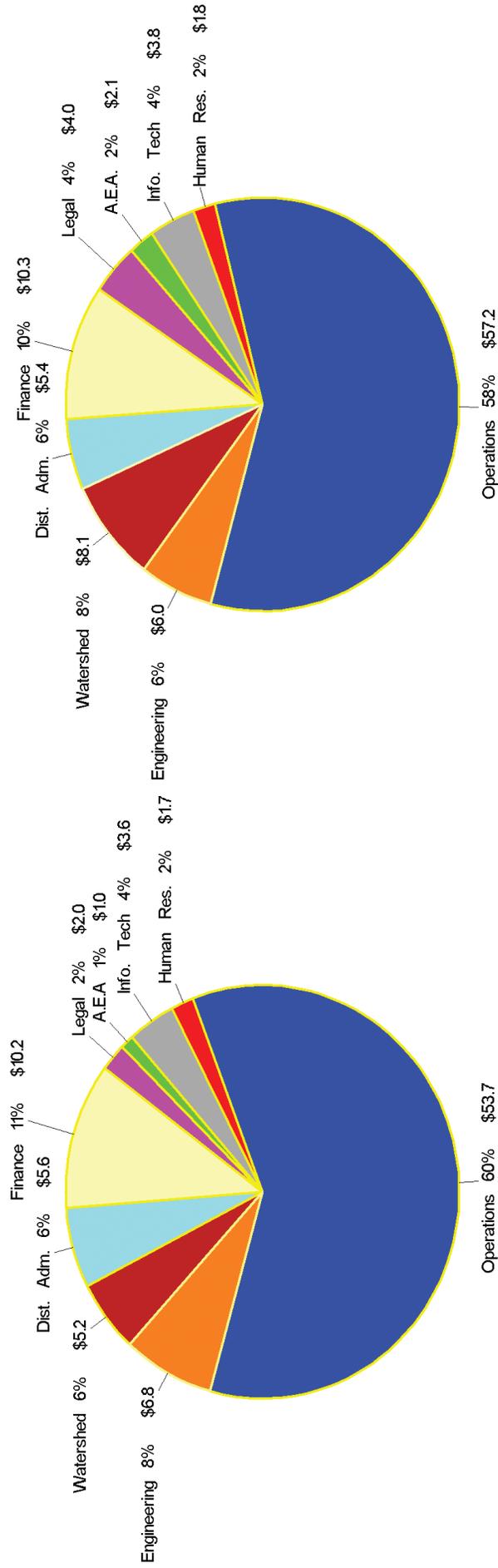
2007 Actual
\$159.7 million



2008 Adopted Budget
\$169.5 million

NORTHEAST OHIO REGIONAL SEWER DISTRICT

Operating Expenses by District Function

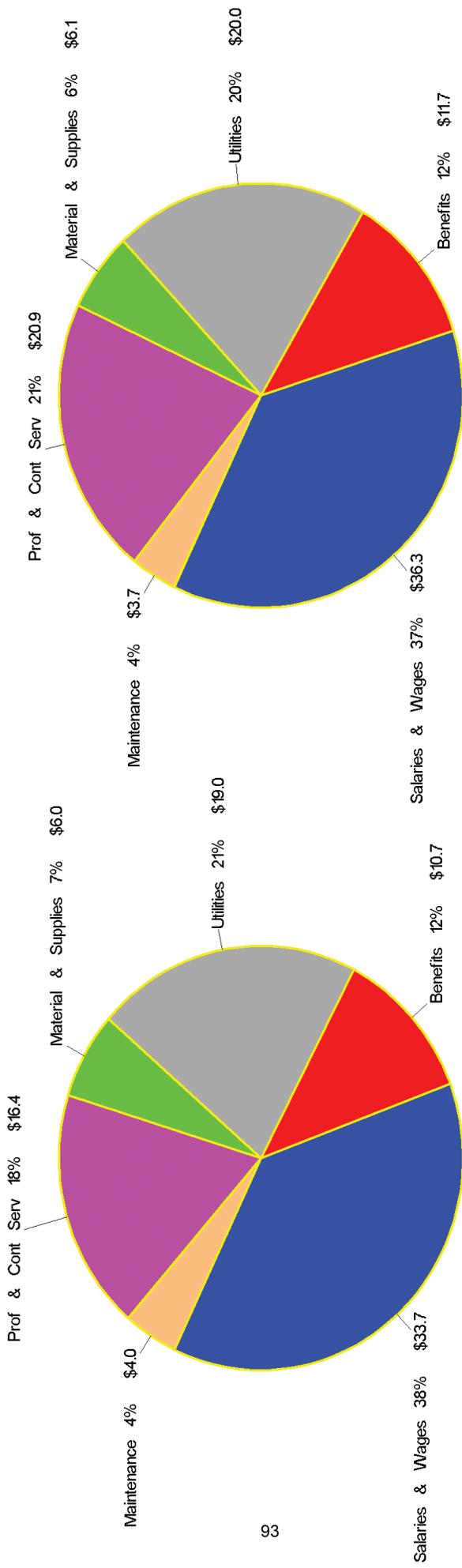


2007 Actual
\$89.8 million

2008 Budget
\$98.7 million

NORTHEAST OHIO REGIONAL SEWER DISTRICT

Operating Expenses by Cost Category



2007 Actual
\$89.8 million

2008 Budget
\$98.7 million

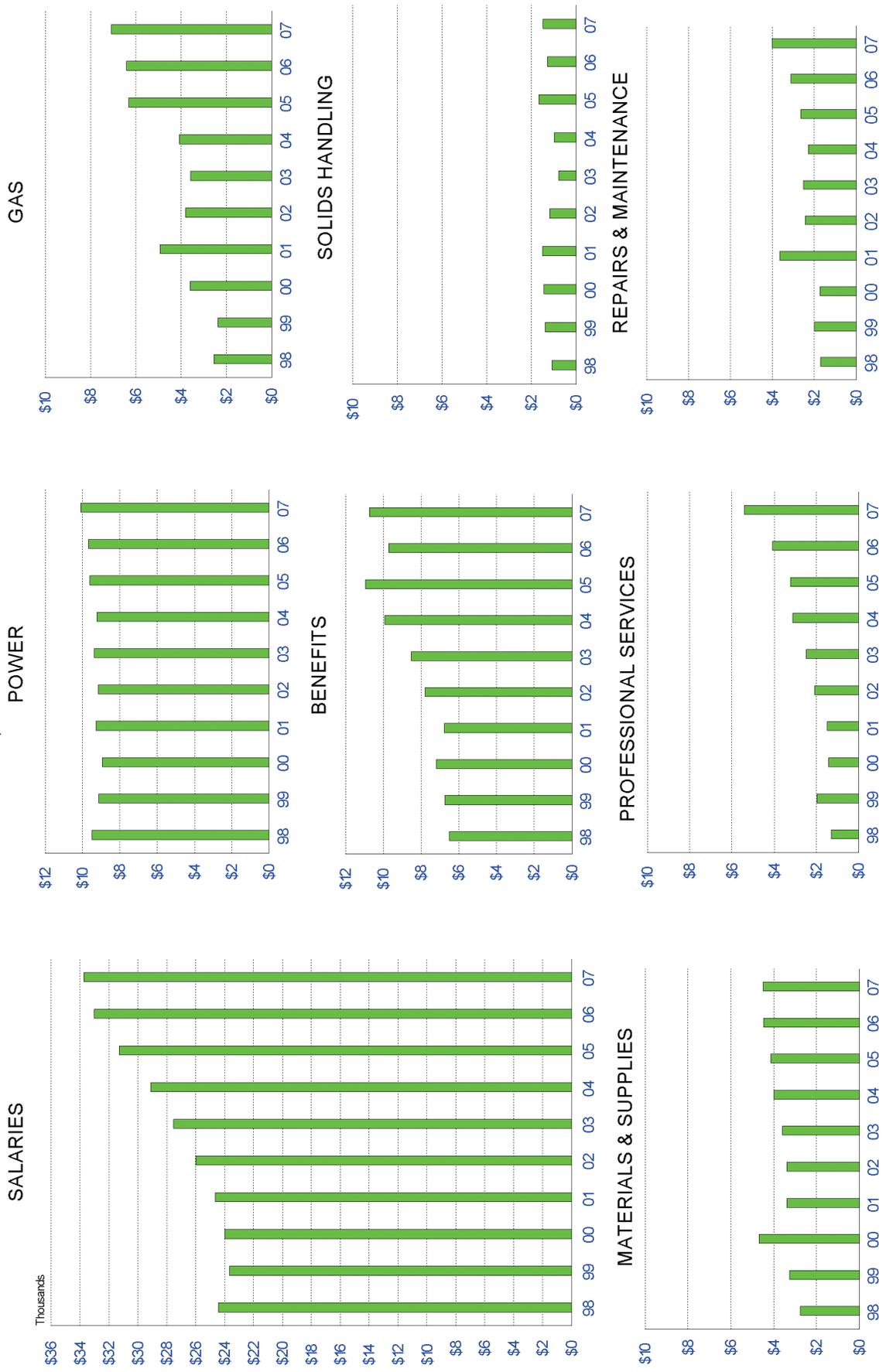
NORTHEAST OHIO REGIONAL SEWER DISTRICT
TOTAL DISTRICT CONSOLIDATION BY ACCOUNT CLASSIFICATION
2008 ADOPTED BUDGET COMPARED TO PRIOR YEAR ACTUALS

<u>EXPENSE CATEGORY</u>	2006 ACTUAL	2007 ACTUAL	2008 ADOPTED BUDGET
Salaries	\$ 33,021,551	\$ 33,724,279	\$ 36,298,076
Benefits	11,225,384	10,732,240	11,709,540
Reimbursable Expenses	783,614	552,065	639,820
Utilities	17,814,509	18,893,296	20,085,378
Professional Services	4,820,503	5,410,007	7,807,467
Contractual Services	9,992,715	10,338,538	12,327,649
Materials & Supplies	5,886,535	6,022,288	6,080,426
Equipment Repairs & Maintenance	1,868,353	2,400,484	2,246,344
Building & Road Repair & Maintenance	1,241,257	1,608,118	1,445,815
Judgments & Awards	10,224	108,103	100,000
Total Operating Expenses	\$ 86,664,646	\$ 89,789,418	\$ 98,740,515

NORTHEAST OHIO REGIONAL SEWER DISTRICT

10 YEAR COMPARISON OF MAJOR EXPENDITURES

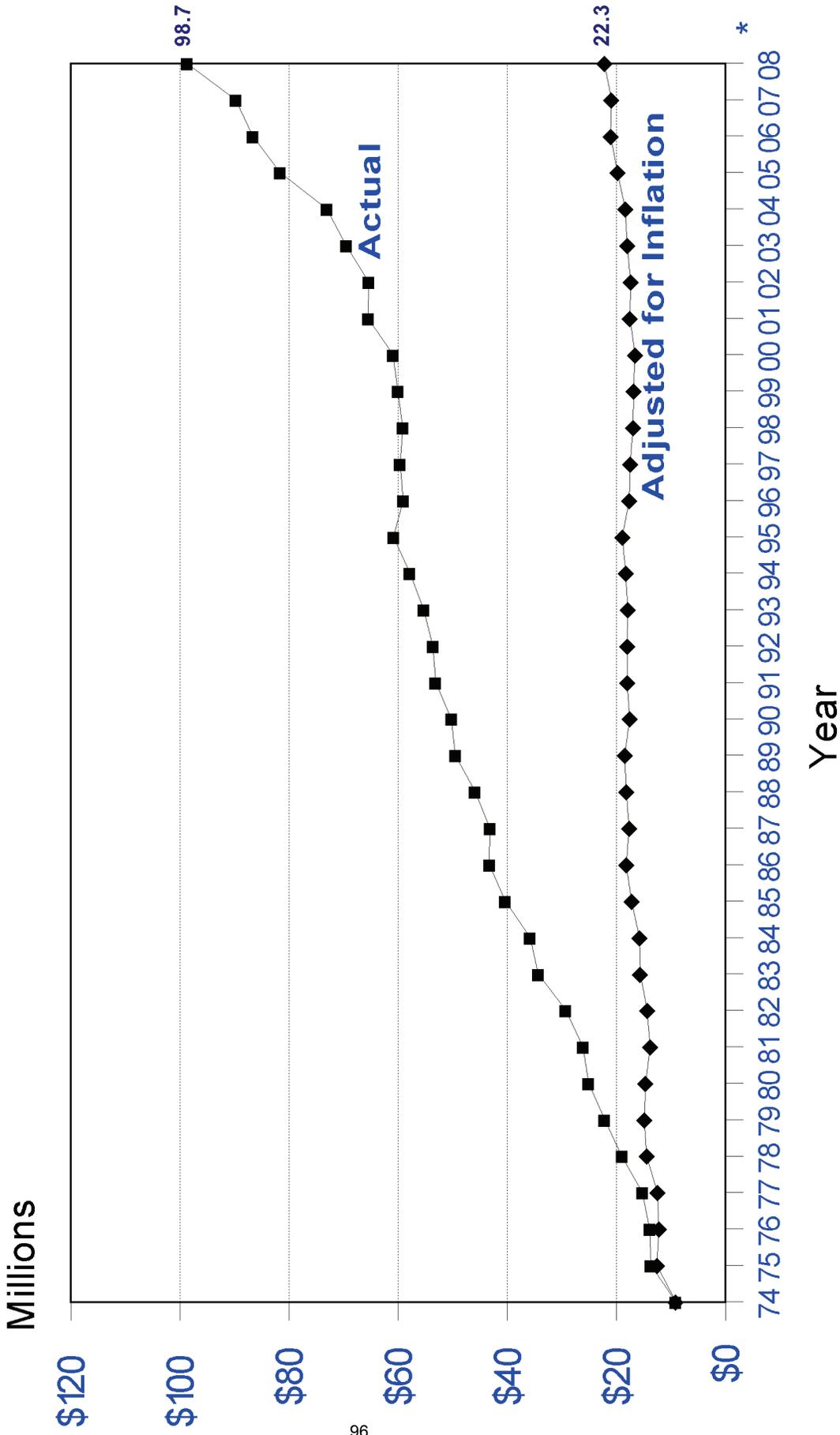
\$ MILLIONS



All data is from the CAFR's - Operating Expenses By Type - Last Ten Years except the most recent year which comes from the preliminary actuals in the Budget.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

Actual and Inflation Adjusted Operating Expenses



* Budgeted

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SEWAGE SERVICE RATES, BILLING AND COLLECTION PROCEDURES

The District is the largest wastewater treatment provider in the state of Ohio with a service area of approximately 380 square miles within and around the City of Cleveland. Specifically, the District serves 97% of the City of Cleveland and all or portions of 60 communities in Cuyahoga and Summit Counties. The District's service area contains a residential service population in excess of 1,000,000.

The Board of Trustees of the Northeast Ohio Regional Sewer District ("District") has exclusive authority and responsibility for establishing and maintaining the sewage service rates imposed for the services and facilities provided by the District. Rates established for sewage service are not presentably subject to review or approval by any State of Ohio or Federal governmental or administrative agency.

The majority of the District's customers are billed quarterly based on metered water consumption. The City of Cleveland's Division of Water serves as the billing and collection agent for those customers, except for those located in the cities of Cleveland Heights, Berea and North Royalton which act as billing and collection agents for the District in their respective areas. All District customers billed based on metered water consumption are charged a minimum quarterly amount for sewage service equal to the rate applicable to the metered water usage of 1,000 cubic feet (7,480 gallons). For 2008, Customers that reside within the City of Cleveland, otherwise known as Subdistrict 1, are assessed a rate of \$33.85 per 1,000 cubic feet (Mcf) of billed water consumption. Customers that reside outside the city limits (Subdistrict 2) are assessed a rate of \$37.85 per Mcf of billed water consumption. The District's Homestead Program provides a rate discount in both Subdistricts for senior citizens and disabled customers.

The balance of the District's customers are billed based on use of the system. Customers with greater than 50,000 cubic feet annual water consumption may request that their billing for sewage service be based upon wastewater discharged into the sewer system. If their request is granted, one or more extra meters are installed, and maintained at the customer's expense, to determine the quality of water, which actually enters the system. Currently, only a small number of customers are billed using this alternative method.

Since 1993, the District has had available a Summer Residential Sprinkling User Charge Program (the "SRSUC") for owner occupied one, two, three and four family residences. Under the SRSUC, summer bills are based upon average winter water consumption, unless actual summer consumption is lower. The program is effective for consumption from May1 through September 30. The homeowner must submit an application before April 30 of the first year of

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SEWAGE SERVICE RATES, BILLING AND COLLECTION PROCEDURES- **(continued)**

participation. There is no fee to participate in the program. The majority of residential customers have qualified for the program.

Rate Setting Process

Periodically, the District's Board of Trustees is asked to evaluate and adopt a rate schedule that typically is effective for a five year period. An independent consulting firm is engaged to conduct a rate study to evaluate all the variables that are included in the rate derivation calculation. Most recently the District engaged Raftelis Financial Consultants, Inc. (RFC) as a subcontractor to the engineering firm of Greeley & Hansen to conduct a sewer service charge rate study. The primary objectives of the Study included:

- Evaluating the existing and projected cost basis for wastewater treatment and conveyance services;
- Recommending a forecast of rates and revenues that will meet revenue requirements and addresses debt service coverage and liquidity targets;
- Recommending a capital planning strategy that addresses the District's funding requirements; and
- Developing a Model to guide future rate policies.

RFC's study resulted in a rate model that projected the necessary rates for 2007 through 2011 and incorporated variables such as operating expense forecasts, capital construction forecasts, future debt service projections and billed water consumption trends for the five year period. The 2007-2011 rate schedule was submitted and adopted by the Board of to the Board of in early 2007 and took effect March I, 2007.

The 2007 – 2011 rate schedule was developed using a number of assumptions for forecasted revenue and expenses. These assumptions were integral in the projections that drove the revenue requirements used in RFC's rate model. Revenues are forecasted based on the District's existing rate structure and assume an annual reduction in billable flow of 2% per year. Additional revenue collections from non-operating sources, including investment income, industrial surcharge revenue and other miscellaneous fees, are assumed to remain relatively constant over the forecast period. The forecast of operating Expenses incorporates assumptions to account for the effects of inflation, decreased demand, and increased operating costs. RFC worked closely with District Staff to identify appropriate escalation factors for each summary line item in the 2006 Budget. In particular, specific attention was paid to the likely cost increases associated with health care expenses,

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SEWAGE SERVICE RATES, BILLING AND COLLECTION PROCEDURES- **(continued)**

electricity, natural gas, and supplies & maintenance. The table below shows the annual escalation rates for each summary expense line item used in the rate model..

Operating Expenses Annual Escalation Assumptions (2007 - 2011)

Personnel - 5.0%
Power - 7.0%
Natural Gas - 6.0%
Water - 6.0%
Solids Handling - 5.0%
Chemicals - 3.0%
Supplies & Maintenance - 8.5%
Billing & Collections - 3.5%
All Other Expenses - 3.0%
Replacement Reserve - 0.0%
Clean Water Projects - 0.0%
Total \$ - 5.2%

Billing Process

The District's largest billing agent is the Cleveland Division of Water. Cleveland's Division of Water bills individual customers on a quarterly basis. Bills are mailed each business day with approximately one-third of the customers billed each month. All charges are due within 15 days of the date bills are mailed; the other District billing agents follow a similar process. Cleveland also bills the City of East Cleveland on behalf of the District. East Cleveland is a Master Meter Suburb which contracts directly with the District for sewage service. Master Meter suburbs pay the District based on 80% of their total metered water usage. They then bill and collect from their individual customers. Service areas in Summit County are treated the same manner as Master Meter Suburbs and bills are sent to the City of Richfield and Summit County for consumption measured by sewage and water flow meter readings. The District bills directly these customers and others, some whose charges are not based on water consumption.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

SEWAGE SERVICE RATES, BILLING AND COLLECTION PROCEDURES- **(continued)**

Collection of Delinquent Accounts

Under Cleveland's collection process, customers with past due balance between \$50 and \$100 and who have been making payments are sent a reminder notice. Customers with past due balances in excess of \$100 are sent a notice that the account must be paid within 15 days or the customer will be subject to further collection efforts, including possible termination of water service. Customers are informed that they have the right to contest their bills by appearing before a review board consisting of three City employees who are not involved in the billing and collection process. If the bill is not contested, or is contested and found to be proper, normal collection activity is pursued. If the account is still not paid, or a payment plan is not arranged, water service is terminated. Service can be restored by full payment. In some cases, an arrangement can be made to restore service with less than full payment.

The Ohio Revised Code specifically authorizes the District to refuse service if any charges are not paid. The District can also certify non-payment of charges to the County Auditor, whereupon such delinquent charges will become a lien on the property served and be collectible in the same manner as real estate taxes. These powers may be exercised by the District without obtaining consent of any other political subdivision. The District has, in the past, annually exercised its authority to certify to the Cuyahoga and Summit County Auditors delinquent sewage charges for properties which it serves.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

**OPERATING ACCOUNTS BUDGET SUMMARY - 2008
PRESENTED ON AN ACCRUAL BASIS**

	2006	2007	2007	2008
	ACTUAL	ADOPTED BUDGET	ACTUAL	ADOPTED BUDGET
REVENUE				
Sewer Service Fees - City of Cleveland	\$ 121,811,340	\$ 127,650,485	\$ 134,305,292	\$ 143,948,635
Estimated Increase/Decrease in Unbilled Revenue	3,000,000	0	3,000,000	0
Delinquent Sewer Charges	0	0	0	0
Direct Billing Sewer Charges	13,389,199	13,000,000	12,880,055	13,050,000
Sewer Service Fees - City of Strongsville	3,166,592	3,290,000	874,996	0
Sewer Service Fees - City of Berea	2,123,039	2,281,000	2,276,964	2,591,000
Sewer Service Fees - City of North Royalton	492,634	539,000	547,702	574,000
Sewer Service Fees - City of Cleveland Heights	5,896,256	6,044,000	6,273,237	6,535,000
Scavenger and Septic Fees	542,644	600,000	524,955	600,000
Reimbursements from Watershed Program Projects	0	0	0	1,337,217
Interest Income	0	0	608,411	570,000
Other Income	371,275	250,000	244,986	300,000
Total Revenue	<u>150,792,979</u>	<u>153,654,485</u>	<u>161,536,598</u>	<u>169,505,852</u>
EXPENSES				
Salaries & Wages	33,021,551	35,546,561	33,724,279	36,298,076
Personnel Benefits	11,225,384	11,444,925	10,732,240	11,709,540
Other Expenses	42,417,710	48,623,612	45,332,899	50,732,899
Total Budget Center Requests	<u>86,664,646</u>	<u>95,615,098</u>	<u>89,789,418</u>	<u>98,740,515</u>
Addition to Equipment Replacement Reserve (1)	1,000,000	1,000,000	1,000,000	1,000,000
Capitalized Labor & Fringe Benefits	(3,678,392)	(3,900,000)	(3,711,300)	(3,494,734)
Estimated Depreciation	40,093,478	44,000,000	43,261,151	46,000,000
Other Accrued Expenses:				
Accrued Vacation	68,887	0	66,364	0
Total Expenses	<u>124,148,619</u>	<u>136,715,098</u>	<u>130,405,632</u>	<u>142,245,781</u>
Excess of Revenue Over Expenses	<u>\$ 26,644,360</u>	<u>\$ 16,939,387</u>	<u>\$ 31,130,966</u>	<u>\$ 27,260,071</u>

Note:

(1) Summary does not include any activity in the Insurance Reserve or the Equipment Replacement Reserve, except for the annual addition to the latter reserve from operating revenues.

NORTHEAST OHIO REGIONAL SEWER DISTRICT
OPERATING EXPENSE SUMMARY BY CATEGORY - 2008

<u>EXPENSE CATEGORY</u>	<u>2006 ACTUAL</u>	<u>2007 ADOPTED BUDGET</u>	<u>2007 ACTUAL</u>	<u>2008 ADOPTED BUDGET</u>
SALARIES	\$ 33,021,551	\$ 35,670,561	\$ 33,724,279	\$ 36,298,076
BENEFITS	11,225,384	11,444,925	10,732,240	11,709,540
REIMBURSABLE EXPENSES	783,614	852,775	552,065	639,820
UTILITIES	17,814,509	20,480,090	18,893,296	20,085,378
PROFESSIONAL SERVICES	4,820,503	4,204,400	5,410,007	7,807,467
CONTRACTUAL SERVICES	9,992,715	11,785,047	10,338,538	12,327,649
MATERIALS & SUPPLIES	5,886,535	5,903,825	6,022,288	6,080,426
EQUIPMENT REPAIR & MAINT.	1,868,353	2,432,084	2,400,484	2,246,344
BUILDING & ROAD REPAIR & MAINT.	1,241,257	1,771,391	1,608,118	1,445,815
JUDGMENTS & AWARDS	10,224	70,000	108,103	100,000
TOTAL	\$ <u>86,664,646</u>	\$ <u>94,615,098</u>	\$ <u>89,789,418</u>	\$ <u>98,740,515</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

OPERATING EXPENSE SUMMARY BY BUDGET CENTER - 2008

<u>BUDGET CENTER</u>	<u>2006 ACTUAL</u>	<u>2007 ADOPTED BUDGET</u>	<u>2007 ACTUAL</u>	<u>2008 ADOPTED BUDGET</u>
1000 OPERATION & MAINTENANCE	\$ 977,522.05	\$ 974,799.00	\$ 985,807.45	\$ 1,036,304.00
1100 SOUTHERLY WWTP	27,600,301.35	30,885,678.00	28,621,720.85	30,966,756.00
1200 WESTERLY WWTP	7,805,981.56	8,339,731.00	8,430,168.45	8,557,422.00
1300 EASTERLY WWTP	7,381,520.02	8,359,458.00	7,955,864.96	8,697,984.00
1400 MAINTENANCE SERVICES	1,253,471.36	1,350,107.00	1,220,974.99	1,373,279.00
1500 SEWER SYS. MAINT. & OPER.	4,739,119.12	5,328,226.00	4,789,829.11	4,696,748.00
1600 FLEET SERVICES	1,070,194.80	1,117,513.00	1,096,135.98	1,185,851.00
1700 BUILDING MAINTENANCE	639,952.77	693,083.00	614,891.64	698,658.00
1800 ENVIRONMENTAL SERVICES	2,126,154.96	2,350,024.00	2,182,787.93	2,320,399.00
1900 ANALYTICAL SERVICES	2,040,540.81	2,227,442.00	2,096,889.95	2,201,711.00
2000 HUMAN RESOURCES	1,978,480.95	2,541,203.00	1,683,621.85	1,773,066.00
2100 SAFETY & SECURITY	1,988,270.00	2,308,109.00	2,184,394.18	2,469,820.00
3000 INFORMATION TECHNOLOGY	3,663,929.55	4,047,433.00	3,621,300.67	3,776,153.00
5000 ADMINISTRATION & EXTERNAL AFFAIRS	701,508.01	1,247,095.00	976,085.91	2,063,660.00
6000 FINANCE	9,139,549.86	9,469,059.00	8,930,768.66	8,924,338.00
6100 INVENTORY CONTROL	535,415.34	568,402.00	591,146.75	619,527.00
6200 PURCHASING	336,775.61	411,236.00	370,125.37	474,293.00
6300 ADMINISTRATIVE SERVICES	1,331,733.48	1,561,105.00	1,427,985.51	1,571,777.00
6400 CUSTOMER SERVICE	299,764.70	328,718.00	301,885.59	326,440.00
7000 LEGAL	2,368,222.91	2,225,739.00	1,950,342.71	4,045,134.00
8000 DISTRICT ADMINISTRATION.	1,748,728.01	1,873,213.00	2,005,372.21	1,381,811.00
8100 WATEDSHED PROGRAMS	0.00	0.00	0.00	3,599,078.00
9000 ENGINEERING	<u>6,160,255.00</u>	<u>6,407,725.00</u>	<u>6,811,301.02</u>	<u>5,980,306.00</u>
 TOTAL	 <u>\$ 85,887,392.22</u>	 <u>\$ 94,615,098.00</u>	 <u>\$ 88,849,401.74</u>	 <u>\$ 98,740,515.00</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

MINOR CAPITAL BUDGET SUMMARY BY BUDGET CENTER - 2008

<u>BUDGET CENTER</u>	<u>2006 ACTUAL</u>	<u>2007 ADOPTED BUDGET</u>	<u>2007 ACTUAL</u>	<u>2008 ADOPTED BUDGET</u>
1000 OPERATION & MAINTENANCE	\$ 0	\$ 30,500	\$ 6,059	\$ 6,000
1100 SOUTHERLY WWTP	429,223	592,360	241,319	458,501
1200 WESTERLY WWTP	186,254	275,000	110,224	275,000
1300 EASTERLY WWTP	429,784	389,206	129,360	470,720
1400 MAINTENANCE SERVICES	2,450	95,000	66,938	187,000
1500 SEWER SYS. MAINT. & OPER.	74,244	101,650	48,686	541,810
1600 FLEET SERVICES	144,012	51,250	49,279	12,700
1700 BUILDING MAINTENANCE	28,303	74,500	84,089	0
1800 ENVIRONMENTAL SERVICES	28,184	6,500	9,049	0
1900 ANALYTICAL SERVICES	92,440	145,000	102,102	124,741
2000 HUMAN RESOURCES	0	0	0	0
2100 SAFETY & SECURITY	12,800	49,000	43,700	0
3000 INFORMATION TECHNOLOGY	189,210	402,850	255,815	684,585
5000 ADMINISTRATION & EXTERNAL AFFAIRS	0	0	0	0
6000 FINANCE	0	0	0	0
6100 INVENTORY CONTROL	0	24,000	22,642	0
6200 PURCHASING	0	0	0	0
6300 ADMINISTRATIVE SERVICES	53,052	40,000	24,755	165,000
6400 CUSTOMER SERVICE	0	0	0	0
7000 LEGAL	0	0	0	0
8000 DISTRICT ADMINISTRATION.	0	0	0	0
8100 WATERSHED PROGRAMS	0	0	0	10,000
9000 ENGINEERING	144,925	35,000	29,598	0
TOTAL	\$ 1,814,881	\$ 2,311,816	\$ 1,223,615	\$ 2,936,057

NOTE 1: The 2008 budget assumes receipt of capital items in 2008 regardless of invoicing or payment dates.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

**Capital Projects Account - 2008
Summary of Cash Activity**

	<u>Capital Projects Account</u>
Capital Projects Account Balance as of 12/31/2007	\$209,549,536
Add: Allocations from Operating Accounts in 2008	10,000,000
Add: Allocations from Bond Project Accounts in 2008	0
Add: Reimbursement Requests due from WPCLF as of 12/31/2007	2,102,037
Add: Reimbursement from existing SRF Loans	12,090,277
Add: Reimbursement from existing Project Grants	849,438
Add: Reimbursement through New SRF Loans	8,500,000
Add: Estimated Interest Revenue on Capital Project Funds	6,000,000
Total Funds Available	<u>249,091,288</u>
Less: Anticipated payments due on contracts in progress and contracts to be awarded in 2008	(\$110,000,000)
Less: Capitalized Labor & Fringe Benefits	(3,494,734)
Less: Minor Capital Purchases	<u>2,936,057</u>
Projected Capital Project Account Balance at 12/31/2008	<u><u>\$138,532,611</u></u>

Anticipated Funding Sources

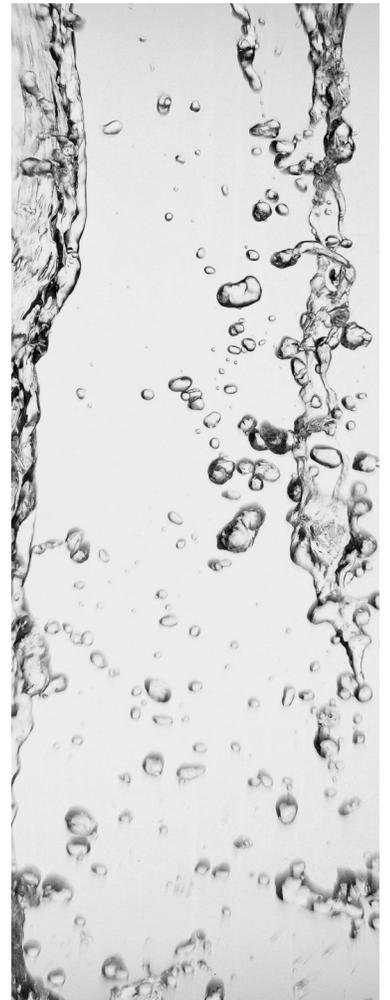
Capital Projects Account Balance as of 12/31/2007	\$209,549,536
Allocations from Operating Accounts in 2008	10,000,000
Allocations from Bond Project Accounts in 2008	0
Add: Reimbursement Requests due from WPCLF as of 12/31/2007	2,102,037
Due from SRF loans in place	12,090,277
EPA grants on Construction Projects	849,438
Funds from SRF loans to be obtained	8,500,000
Estimated Interest Revenue on Capital Project Funds	6,000,000
Total Sources	<u><u>\$249,091,288</u></u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

2008-2012 CAPITAL IMPROVEMENT PLAN

Project	Year				
	2008	2009	2010	2011	2012
Treatment Plants					
Westerly	<u>\$80,445,000</u>	<u>\$138,739,000</u>	<u>\$32,260,000</u>	<u>\$34,720,000</u>	<u>\$66,540,000</u>
Southerly	<u>\$1,400,000</u>	<u>\$550,000</u>	<u>\$3,150,000</u>	<u>\$250,000</u>	<u>\$700,000</u>
Easterly	<u>\$69,250,000</u>	<u>\$100,615,000</u>	<u>\$3,800,000</u>	<u>\$31,270,000</u>	<u>\$24,260,000</u>
	<u>\$9,795,000</u>	<u>\$37,574,000</u>	<u>\$25,310,000</u>	<u>\$3,200,000</u>	<u>\$41,580,000</u>
CSOC & Interceptor	<u>\$62,380,000</u>	<u>\$52,300,000</u>	<u>\$56,260,000</u>	<u>\$19,019,000</u>	<u>\$213,528,000</u>
CSO Control Prog.	<u>\$3,511,000</u>	<u>\$27,500,000</u>	<u>\$38,760,000</u>	<u>\$18,619,000</u>	<u>\$202,728,000</u>
Rehabilitation	<u>\$58,869,000</u>	<u>\$24,800,000</u>	<u>\$17,500,000</u>	<u>\$400,000</u>	<u>\$10,800,000</u>
Information Tech.	<u>\$1,510,000</u>	<u>\$320,000</u>	<u>\$1,000,000</u>	<u>\$680,000</u>	<u>\$220,000</u>
Other	<u>\$11,600,000</u>	<u>\$7,520,000</u>	<u>\$10,500,000</u>	<u>\$2,500,000</u>	<u>\$500,000</u>
Total	<u>\$155,935,000</u>	<u>\$198,879,000</u>	<u>\$100,020,000</u>	<u>\$56,919,000</u>	<u>\$280,788,000</u>

budget center information



NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Operation and Maintenance -- 1000

MANAGED BY David McNeeley
 Director of Operation and Maintenance

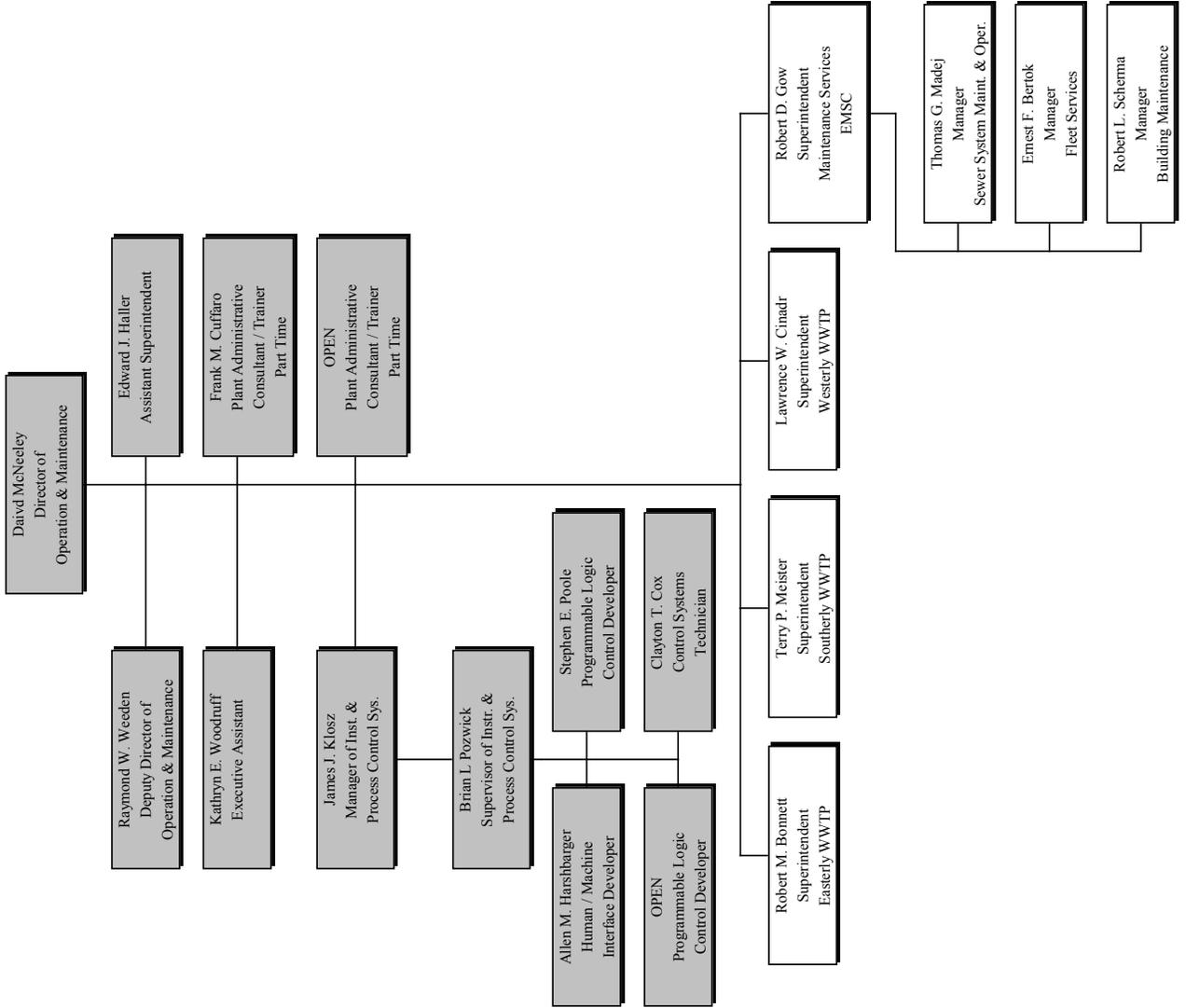
DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Operation and Maintenance Administration has the overall responsibility for the administration, planning, direction and coordination of the operation and maintenance of the Easterly, Southerly and Westerly Wastewater Treatment Plants, as well as for Maintenance Services (Sewer System Maintenance and Operation, Building Maintenance and Fleet Services). This includes the overall supervision of 371 full-time employees in the present Table of Organization.

In 2007, the District's treatment plants received and processed 249.22 million gallons of wastewater per day for a total of 90.968 billion gallons treated during the year.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ No lost time accidents at Easterly and Westerly.▪ Improved automation controls at all treatment plant locations, to increase remote operational functionality.▪ Provided Remote control of the Lee Superior Relief Sewer structure.▪ Hosted more than 1000 meetings.▪ Implemented access control measures at EMSC with the assistance of Security.▪ Prototype Wind Turbine installed at the Westerly WWTP.	<ul style="list-style-type: none">▪ Implement maintenance-training program OJT.▪ Provide Asset Management Leadership.▪ Implement phasing of Easterly and Southerly Facilities Plans.▪ Review and reduce O& M.▪ Implement initial phase of Residuals Management Plan.▪ Improve reliability of collection systems ODMS data.▪ Increase utilization of SPL.▪ Increase use of IAS application.▪ Review key Building Maintenance and Fleet Services business process and make recommendations for improvements.

Northeast Ohio Regional Sewer District
 Operation and Maintenance
 Budget Center 1000



Shaded Boxes are in Budget Center

NORTHEAST OHIO REGIONAL SEWER DISTRICT

OPERATION AND MAINTENANCE -- 1000

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Director of Operation & Maintenance	1	1	1	1	0
Deputy Dir of Operation & Maintenance	1	1	1	1	0
Assistant Superintendent	1	1	1	1	0
Manager of Instr & Process Control Sys	1	1	1	1	0
Supervisor of Instr. & Process Cntl Sys	1	1	1	1	0
Plant Administrative Consultant/Trainer	1	1	2	2	0
Executive Assistant	1	1	1	1	0
HMI Developer	1	1	1	1	0
PLC Developer	1	1	1	2	1
Control Systems Technician	1	1	1	1	0
TOTAL POSITIONS	10	10	11	12	1

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1000 (OPERATION AND MAINTENANCE)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	463,778.93	474,718	491,893.21	489,007
52030 PROFESSIONALS SALARIES	32,924.67	35,000	34,878.11	68,702
52031 ADMINISTRATIVE SUPPORT SALARIES	40,522.85	41,725	41,839.43	42,994
52034 TECHNICIANS SALARIES	147,216.87	153,192	153,612.85	157,810
52036 PARA-PROFESSIONAL SALARIES	0.00	0	0.00	0
52060 STUDENT SALARIES	15,701.25	0	0.00	0
52071 LONGEVITY	3,200.00	3,375	3,375.00	3,375
52081 SICK BUY OUT	0.00	0	0.00	8,500
52231 ADMINISTRATIVE SUPPORT OVERTIME	415.72	500	0.00	500
52260 STUDENT OVERTIME	222.93	0	0.00	0
Total Salary & Wages	703,983.22	708,510	725,598.60	770,888
Personnel Benefits				
52310 HEALTH CARE	97,935.67	101,363	104,027.44	103,709
52320 OPERS	97,696.64	98,129	102,813.03	107,924
52340 LIFE INSURANCE	631.80	632	649.35	632
52360 MEDICARE	3,762.54	4,815	4,775.34	5,556
Total Personnel Benefits	200,026.65	204,939	212,265.16	217,821
Reimbursable Expenses				
52410 TRAVEL	8,020.89	5,400	4,674.78	3,900
52430 EMPLOYEE EDUCATION	7,012.71	10,000	4,085.00	4,645
Total Reimbursable Expenses	15,033.60	15,400	8,759.78	8,545
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	22,923.40	26,000	17,808.20	20,000
52620 TEMPORARY STAFFING	0.00	0	0.00	0
Total Professional Services	22,923.40	26,000	17,808.20	20,000
Contractual Services				
52715 PRINTING	234.00	150	19.80	150
52730 DUES AND SUBSCRIPTIONS	12,113.46	13,000	11,639.73	12,100
52770 UNIFORMS	(10.00)	0	0.00	0
52780 OTHER CONTRACTUAL SERVICES	0.00	0	0.00	0
Total Contractual Services	12,337.46	13,150	11,659.53	12,250
Materials & Supplies				
52805 OFFICE SUPPLIES	1,464.55	100	421.06	500
52806 SOFTWARE	3,288.00	1,500	6,729.00	3,200
52810 FUEL AND OIL	1,508.60	1,500	1,347.60	1,500
52840 LABORATORY SUPPLIES	0.00	0	0.00	0
52845 GENERAL HARDWARE SUPPLIES	740.78	0	97.68	100
52846 EQUIPMENT AND INSTRUMENTATION PARTS	11,262.02	3,000	820.52	1,000
52851 OTHER MINOR EQUIPMENT	2,727.02	500	131.00	200
52865 OTHER SUPPLIES	2,182.83	100	121.13	200
52870 FREIGHT	43.92	100	48.19	100
Total Materials & Supplies	23,217.72	6,800	9,716.18	6,800
Total Equipment Repair & Maintenance	0.00	0	0.00	0

OPERATING EXPENSE BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1000 (OPERATION AND MAINTENANCE)

	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>
	<i>ACTUALS</i>	<i>ADOPTED</i>	<i>ACTUALS</i>	<i>ADOPTED</i>
		<i>BUDGET</i>		<i>BUDGET</i>
Building & Road Repair				
53050 BUILDING MAINTENANCE SUPPLIES	0.00	0	0.00	0
53051 BUILDING MAINTENANCE SERVICES	0.00	0	0.00	0
53052 BUILDING MAINTENANCE MISCELLANEOUS	0.00	0	0.00	0
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	977,522.05	974,799	985,807.45	1,036,304

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1000 (OPERATION AND MAINTENANCE)

	<i>2006 ACTUALS</i>	<i>2007 ADOPTED BUDGET</i>	<i>2007 ACTUALS</i>	<i>2008 ADOPTED BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	23,500	6,058.90	6,000
Computer Software				
15208 COMPUTER SOFTWARE	0.00	7,000	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>0.00</u>	<u>30,500</u>	<u>6,058.90</u>	<u>6,000</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Southerly WWTP -- 1100

MANAGED BY Terry P. Meister
Superintendent

Pg 1 of 3

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Southerly Wastewater Treatment Center (WWTC) presently provides service to the southern portion of the city of Cleveland, as well as, all or part of 40 suburban communities. The plant services approximately 530,000 people with a collection area encompassing approximately 168,000 acres.

Southerly WWTP is an advanced biological treatment plant capable of treating up to 735 million gallons per day (MGD) prior to discharging into the Cuyahoga River. The plant is designed to provide two-stage activated sludge treatment to 175 MGD. Flows greater than 175 MGD but less than 400 MGD receive single stage activated sludge treatment while flows greater than 400 MGD, and up to 735 MGD, receive preliminary and primary treatment. All biosolids removed at the facility are processed at the plant, with incineration being the primary means of disposal. During 2007 it is projected the plant treated 45.6 billion gallons of flow and removed a total of 38,186 dry tons of biosolids. The total tons of biosolids processed include the additional biosolids from the Easterly WWTP and the three City of Cleveland Water Treatment Plants (Baldwin, Nottingham and Garrett Morgan). In addition, the Southerly WWTC met all its NPDES limits in 2007.

The main objectives of the plant employees for the year 2008 are:

Plant Administration - Supports the District's mission statement. Provide direction to the Operations and Maintenance staffs to assure all NPDES requirements are met in an efficient manner. Make recommendations to other District departments to ensure continued efficient operation of the wastewater treatment facilities. Encourage and support the plant personnel to achieve the high standards set by the District. Issue and enforce policies for the safe operation of the facility. Promote good public relations by facilitating plant tours and community outreach programs. Provide and/or support training to ensure future excellence in operation and maintenance of the facility.

Operation Work Group - Execute the continuous and efficient operation of the plant processes to comply with all NPDES permit limitations and other applicable local and Federal regulations. Make recommendations for maintenance needs and/or process improvements. Adhere to regulatory work and safety guidelines. Communicate and cooperate with other work groups and other District departments to provide adequate services, supplies and capable personnel to accomplish its mission.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Southerly WWTP -- 1100

MANAGED BY Terry P. Meister
 Superintendent

Pg 2 of 3

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

Maintenance Work Group - Provide quality and efficient repair along with preventive upkeep to the equipment needed to operate the Southerly Wastewater Treatment Center. Follow the District’s and/or plant’s work and safety guidelines. Communicate and cooperate with other plant work groups and District’s departments to ensure adequate supply of parts, services and/or trained/capable personnel to accomplish the plant’s maintenance needs. Make recommendations for equipment upgrades or modifications to ensure longer service life and efficiency.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Met all of Southerly’s NPDES permit requirements for 2007. ▪ Re-wired six 800-hp Second Stage Lift Station pumps by replacing the outdated ‘plug system’ with PLC controls. ▪ Conducted a ferric chloride chemical pilot study to optimize PO₄ removal efficiencies. ▪ Converted the return sludge screw pumps at Second Stage Aeration to a non-potable cooling water system. ▪ Installed a non-potable water strainer at the Second Stage Aeration blowers and converted the blowers to a non-potable water cooling system ▪ Cleaned and repaired the under-drain tile system on one final effluent filter. 	<ul style="list-style-type: none"> ▪ Replace or rebuild all gravity thickener pumps. ▪ Primary settling tanks chain, bearing, and flight replacements. ▪ Replacement of fine bubble diffusers at Second Stage Aeration. ▪ Install variable frequency drives for the return activated sludge pumps located at first stage aeration. ▪ Modify and replace the vent lines for the Gravity Thickner and De-gritted Primary Sludge lines. ▪ Continue our program of dewatering centrifuge inspections, testing, and repairs. ▪ Participate in community outreach through in-plant public tours.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Southerly WWTP -- 1100

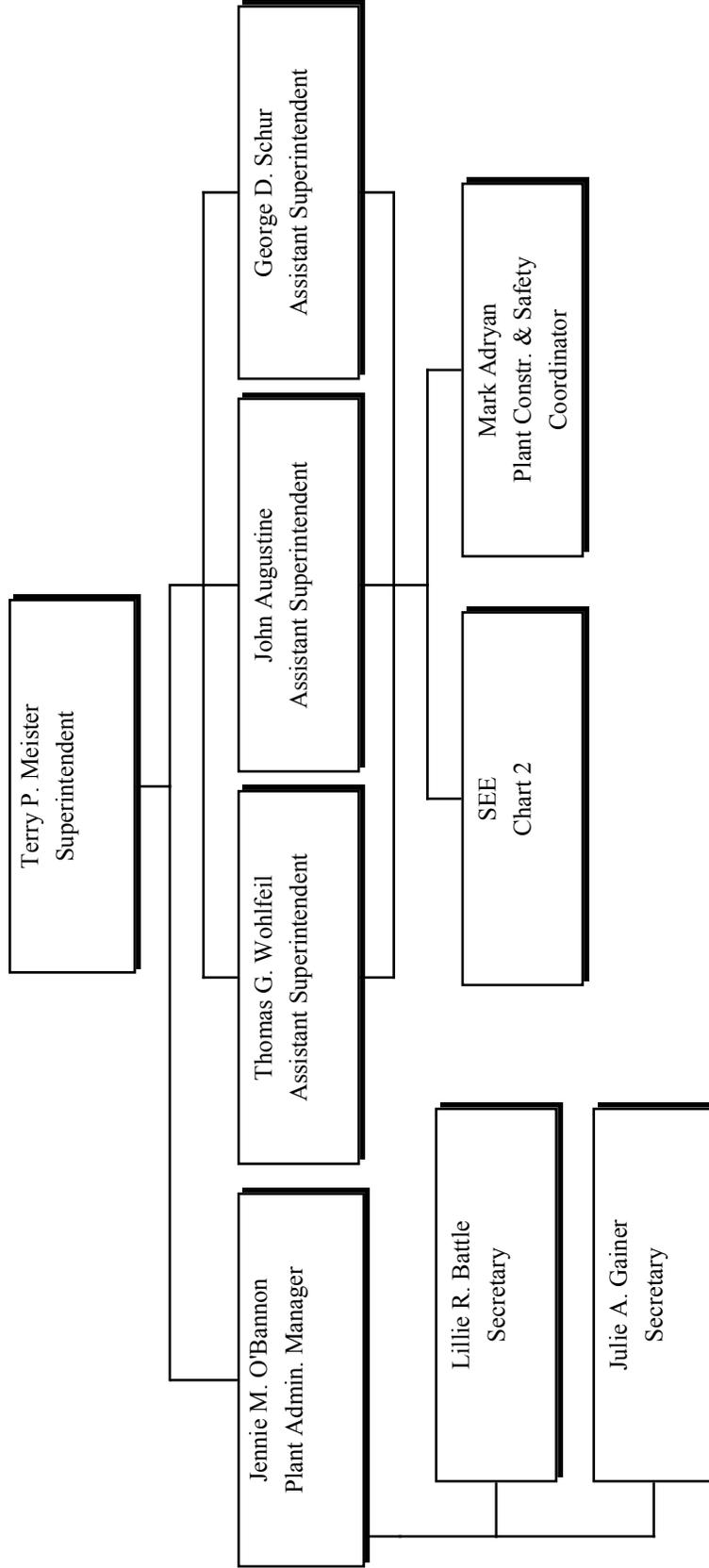
MANAGED BY Terry P. Meister
Superintendent

Pg 3 of 3

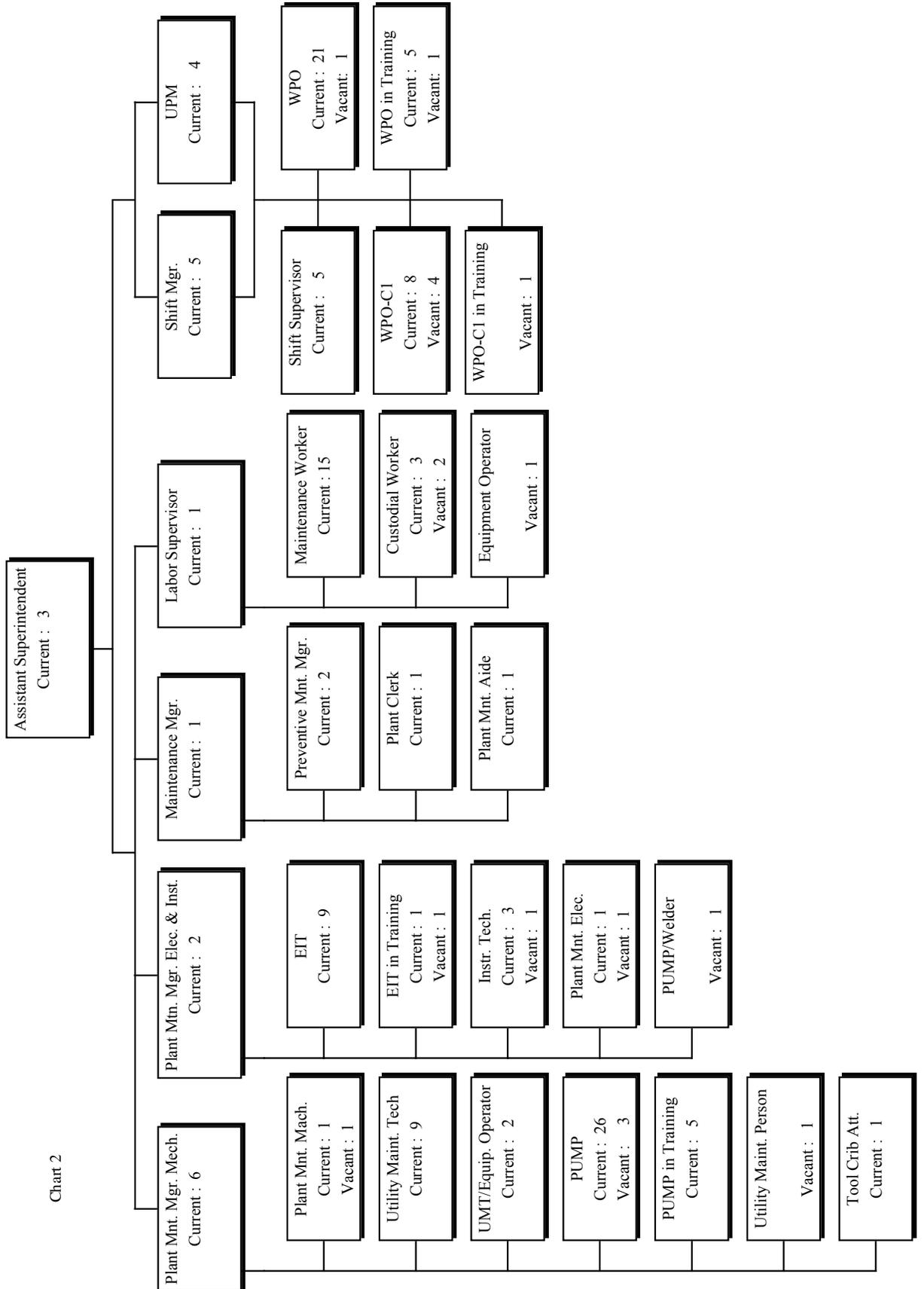
DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Modified the polymer feed system at Second Stage Aeration to allow polymer addition at the return sludge wells.▪ Repaired four final settling tanks and bridges under contract BR-3.▪ Repaired or replaced brick-work, added new burners and gas detectors, as well as the installation of three new center shaft drive units at the Incineration Complex under contract IR-12.▪ Successful implementation of an OSHA compliant Lockout/Tagout safety program (LO/TO 29 CFR 1910.147).	<ul style="list-style-type: none">▪ Provide for an additional ferric chloride feed point at the Second Stage Lift Station.▪ Conduct a polymer optimization pilot test program to determine an appropriate application strategy at second stage aeration that is effective and cost sensitive.▪ Replace one of two ash discharge lines that transport ash from the Incinerator Complex to one of three ash retention lagoons.▪ Conduct a performance trial that compares operating efficiencies between anthracite and mono media at the effluent filters.

Northeast Ohio Regional Sewer District
 Southerly WWTP
 Budget Center - 1100



Northeast Ohio Regional Sewer District
 Southerly WWTP
 Budget Center - 1100



NORTHEAST OHIO REGIONAL SEWER DISTRICT**SOUTHERLY WASTE WATER TREATMENT PLANT -- 1100****STAFFING****Two Year History and Budget Comparison**

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Superintendent	1	1	1	1	0
Assistant Superintendent	3	3	3	3	0
Shift Manager	5	5	5	5	0
Shift Supervisor	5	5	5	5	0
Unit Process Manager	4	4	4	4	0
Maintenance Manager	1	1	1	1	0
Labor Supervisor	1	1	1	1	0
Preventive Maint. Manager	2	2	2	2	0
Plant Mnt. Manager- Elec. & Instr.	2	2	2	2	0
Plant Mnt. Manager- Mech.	6	6	6	6	0
Plant Construction & Safety Coord	1	1	1	1	0
Plant Administration Manager	1	1	1	1	0
Secretary	2	2	2	2	0
Plant Clerk	1	1	1	1	0
Plant Wastewater Analyst	1	1	1	0	-1
Plant Maintenance Aide	1	1	1	1	0
Wastewater Plant Operator	19	21	20	22	2
Wastewater Plant Operator-Training	9	6	8	6	-2
Wastewater Plant Operator C-1	12	12	12	12	0
Wastewater Plant Operator C-1-Training	0	0	0	1	1
Plant Utility Mnt Person (PUMP)	27	27	29	29	0
Plant Utility Mnt Person (PUMP)-Training	5	5	5	5	0
Plant Utility Mnt Person (PUMP) Welder	0	0	1	1	0
Electrical/Instrument Tech. (EIT)	10	9	9	9	0
Electrical/Instrument Tech. (EIT) Training	2	2	2	2	0
Instrument Technician	2	3	4	4	0
Plant Maintenance Electrician	0	1	2	2	0
Plant Maintenance Machinist	2	2	2	2	0
Equipment Operator	1	1	1	1	0
UMT/Equipment Operator	1	1	1	1	0
Utility Maintenance Technician (UMT)	9	9	9	9	0
Utility Maintenance Person (UMP)	0	0	0	1	1
Maintenance Worker	15	14	15	15	0
Tool Crib Attendant	1	1	1	1	0
Custodial Worker	3	3	5	5	0
TOTAL POSITIONS	155	154	163	164	1

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1100 (SOUTHERLY WWTP)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	2,114,982.52	2,240,930	2,214,420.26	2,299,420
52030 PROFESSIONALS SALARIES	53,330.64	54,995	49,223.72	57,699
52031 ADMINISTRATIVE SUPPORT SALARIES	90,011.76	100,028	86,170.02	103,084
52034 TECHNICIANS SALARIES	66,234.05	83,720	80,300.53	47,570
52040 OPERATIONS HOURLY	1,598,510.21	1,792,983	1,563,044.08	1,664,148
52050 MAINTENANCE HOURLY	3,210,880.87	3,363,697	3,199,278.80	3,477,531
52060 STUDENT SALARIES	48,417.14	41,600	35,285.26	41,600
52071 LONGEVITY	48,650.00	51,500	47,400.00	50,250
52081 SICK BUY OUT	0.00	0	0.00	52,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	98.63	500	280.85	500
52234 TECHNICIAN OVERTIME	0.00	0	0.00	0
52240 OPERATIONS HOURLY OVERTIME	601,836.81	480,000	619,925.28	500,000
52250 MAINTENANCE HOURLY OVERTIME	305,185.90	375,000	340,193.75	350,000
52260 STUDENT OVERTIME	416.40	0	601.20	0
Total Salary & Wages	8,138,554.93	8,584,953	8,236,123.75	8,643,802
Personnel Benefits				
52310 HEALTH CARE	1,508,947.85	1,418,081	1,331,086.32	1,411,441
52311 HEALTH CARE OPT-OUT FULL	1,335.58	18,000	14,593.51	15,326
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	164.42	0	2,031.49	2,674
52320 OPERS	1,156,962.66	1,188,929	1,217,822.06	1,210,132
52340 LIFE INSURANCE	10,479.30	10,823	10,519.00	10,530
52360 MEDICARE	64,142.66	73,455	66,951.81	77,333
Total Personnel Benefits	2,742,032.47	2,709,288	2,643,004.19	2,727,436
Reimbursable Expenses				
52410 TRAVEL	3,326.34	1,500	366.20	1,500
52430 EMPLOYEE EDUCATION	29,034.60	9,600	27,540.90	9,600
52440 TUITION REIMBURSEMENT	0.00	0	0.00	0
Total Reimbursable Expenses	32,360.94	11,100	27,907.10	11,100
Utilities				
52510 ELECTRICITY	5,906,673.76	6,534,000	5,944,347.57	6,240,000
52520 NATURAL GAS	4,800,494.20	5,966,250	5,119,175.11	5,680,500
52530 WATER AND OTHER UTILITIES	898,813.96	935,059	903,477.85	1,012,500
52550 COMMUNICATIONS	16,012.26	0	0.00	0
Total Utilities	11,621,994.18	13,435,309	11,967,000.53	12,933,000
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	550.00	500	11,644.99	1,500
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	0.00	0	1,681.00	22,000
Total Professional Services	550.00	500	13,325.99	23,500

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1100 (SOUTHERLY WWTP)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Contractual Services				
52715 PRINTING	2,629.26	1,500	712.80	1,500
52730 DUES AND SUBSCRIPTIONS	2,117.60	2,625	3,817.00	3,225
52735 EQUIPMENT RENTAL	14,861.63	5,000	33,181.97	65,000
52745 GREASE REMOVAL	32,400.63	35,124	23,344.59	21,598
52755 GRIT AND SCREENING DISPOSAL	223,782.69	228,752	266,595.63	263,670
52760 SLUDGE HAULING DISPOSAL	759,222.05	585,790	700,552.12	576,020
52765 ASH HAULING DISPOSAL	0.00	1,000,000	190,692.00	1,500,000
52770 UNIFORMS	13,430.26	60,000	6,773.11	30,000
52775 LICENSES, FEES, AND PERMITS	82,884.45	82,100	84,405.06	82,100
52780 OTHER CONTRACTUAL SERVICES	296,170.74	265,900	205,720.42	262,700
52785 FACILITIES RENTAL	0.00	0	0.00	0
Total Contractual Services	1,427,499.31	2,266,791	1,515,794.70	2,805,813
Materials & Supplies				
52805 OFFICE SUPPLIES	12,539.93	6,000	5,890.72	6,000
52806 SOFTWARE	0.00	5,737	5,040.35	9,295
52810 FUEL AND OIL	79,441.34	108,510	58,731.57	70,000
52811 VEHICLE MAINTENANCE PARTS	699.27	500	329.15	500
52825 CHEMICALS	972,078.43	1,022,082	1,056,686.72	1,134,329
52840 LABORATORY SUPPLIES	13,252.08	7,500	15,953.70	9,500
52845 GENERAL HARDWARE SUPPLIES	194,089.01	172,000	211,058.89	185,000
52846 EQUIPMENT AND INSTRUMENTATION PARTS	929,690.49	810,500	1,020,159.61	792,500
52851 OTHER MINOR EQUIPMENT	20,453.49	50,439	15,784.80	67,437
52860 POSTAGE, UPS	0.00	100	32.04	100
52861 TRAINING SUPPLIES	1,187.31	0	345.32	0
52865 OTHER SUPPLIES	505,081.11	456,000	596,593.70	508,000
52870 FREIGHT	15,965.58	15,000	17,823.28	15,000
Total Materials & Supplies	2,744,478.04	2,654,368	3,004,429.85	2,797,661
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	0.00	2,750	0.00	0
52920 EQUIPMENT REPAIR AND MAINTENANCE	499,534.57	860,619	965,541.19	697,444
Total Equipment Repair & Maintenance	499,534.57	863,369	965,541.19	697,444
Building & Road Repair				
53010 BUILDING REPAIR AND MAINTENANCE	0.00	25,000	5,482.00	0
53020 ROAD REPAIR AND MAINTENANCE	0.00	10,000	0.00	0
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	36,795.49	55,000	27,752.56	47,000
53050 BUILDING MAINTENANCE SUPPLIES	90,995.60	80,000	30,921.46	70,000
53051 BUILDING MAINTENANCE SERVICES	256,708.47	150,000	174,572.57	170,000
53052 BUILDING MAINTENANCE MISCELLANEOUS	8,797.35	40,000	9,864.96	40,000
Total Building & Road Repair	393,296.91	360,000	248,593.55	327,000
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	27,600,301.35	30,885,678	28,621,720.85	30,966,756

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1100 (SOUTHERLY WWTP)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	20,999.59	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	200,528.99	510,000	134,514.55	337,200
Vehicles				
15204 VEHICLES	158,415.62	42,000	37,692.48	97,000
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	91,338.00	0	35,881.45	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	33,360	12,231.03	24,301
Computer Software				
15208 COMPUTER SOFTWARE	0.00	7,000	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>450,282.61</u>	<u>592,360</u>	<u>241,319.10</u>	<u>458,501</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Westerly WWTP -- 1200

MANAGED BY Lawrence W. Cinadr
 Superintendent

Pg 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Westerly Wastewater Treatment Plant (WWTP), located on a 14-acre site adjacent to Edgewater Park, provides service to approximately 103,000 people located in the northwestern portion of the City of Cleveland. The collection area encompasses approximately nine thousand four hundred (9,400) acres. The raw influent wastewater is a combination of sanitary sewage, storm water and industrial wastewater.

The plant is designed to provide biological treatment to 70 million gallons per day (MGD), and primary treatment to an additional 30 MGD prior to discharge into Lake Erie. Wastewater flows exceeding the plant capacity are diverted to the Combined Sewer Overflow Treatment Facility (CSOTF). CSOTF flows are screened of debris and receive primary sedimentation of the solids prior to discharge into Lake Erie. During 2007, the Westerly plant treated 10.1 billion gallons of wastewater, an average daily flow rate of 27.6 MGD. Biosolids removed at the Westerly plant are dewatered, followed by incineration on-site or hauling off-site to an approved landfill. In 2007, the Westerly plant incinerated 5,066 dry tons of biosolids and hauled 248 dry tons to landfill. The Westerly plant met all NPDES permit discharge limits for air and wastewater during 2007.

In 2008, the Westerly plant will continue to focus on the following goals and objectives:

Process Operations and Equipment Maintenance – Continue cost effective management of process operations and equipment maintenance to meet environmental compliance. Continue to further implement and improve plant automation for improved process monitoring and control.

Labor Relations - Continue work team strategies to utilize worker skills and improve internal communications. Provide training to enhance worker skill development and continue to improve performance and work quality. Conduct monthly labor management committee meetings.

Safety – Continue a proactive and effective plant safety program to provide a safe work environment and promote employee safety consciousness. Supplement mandated OSHA training with additional classroom and hands-on training. Conduct monthly safety committee meetings with labor representatives to discuss and implement improvements.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Westerly WWTP -- 1200

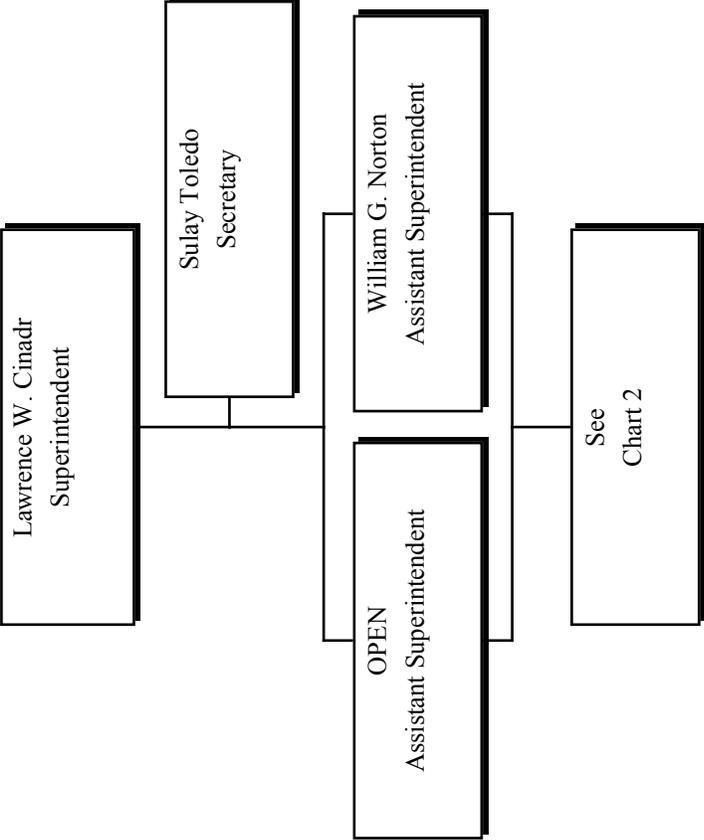
MANAGED BY Lawrence W. Cinadr
Superintendent

Pg 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

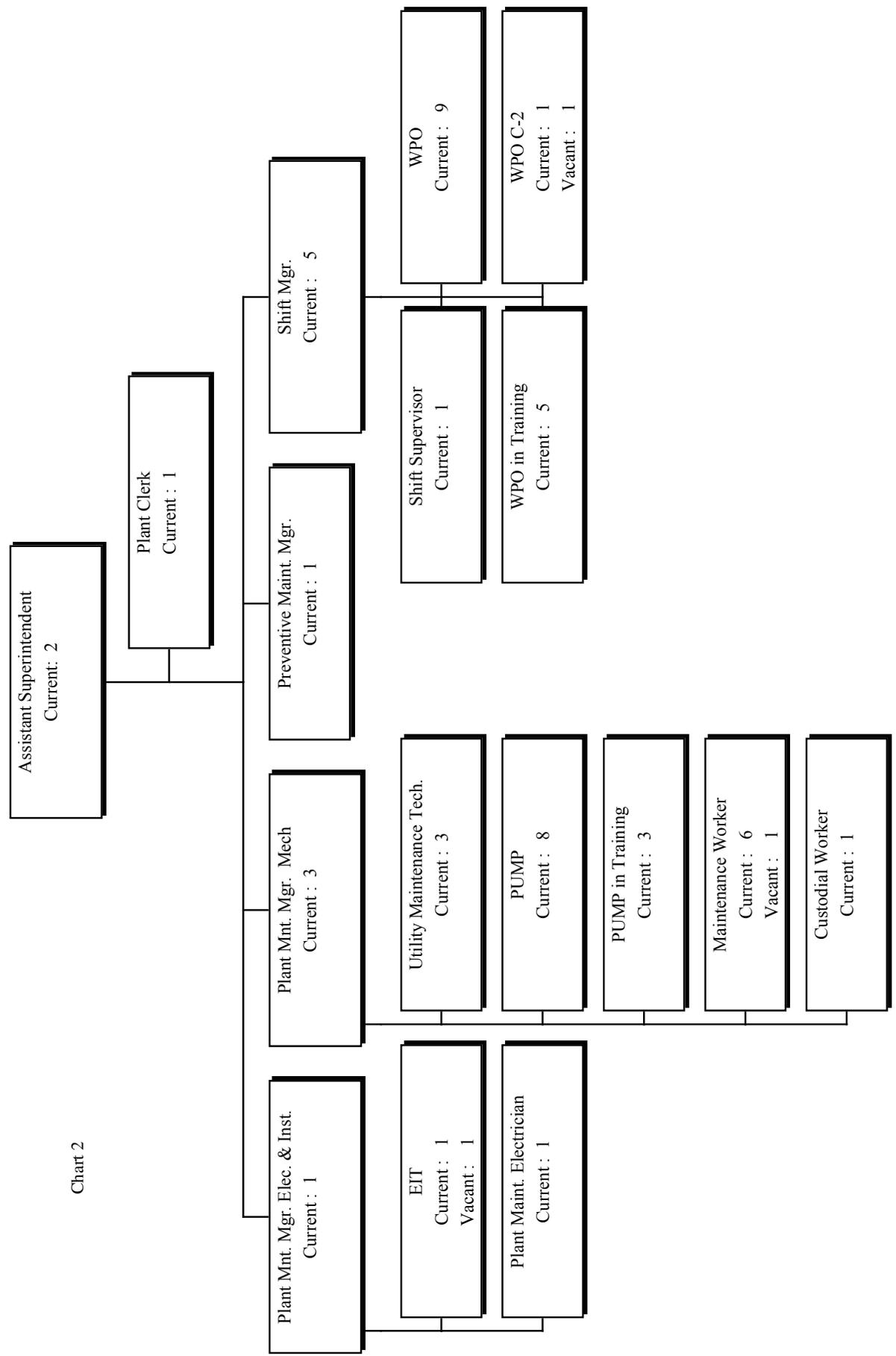
2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ 2007 NACWA Gold Peak Award ▪ Refurbish one of the Primary Effluent Pumps and motor. ▪ Install Wind Turbine to generate on-site electrical energy. ▪ Converted the old machine shop to new Shift Manager Office. ▪ Repaired the Hydro-cones for the Primary Effluent Pumps. ▪ Installed new ortho-phosphorous analyzer on the effluent flow. ▪ Another year with zero lost-time injuries ▪ Initiate plant power distribution and load flow study. ▪ Removed the old NPW lines and related ancillary equipment in the 400 Unit. ▪ Replaced the Gear Box, Screw and Housing on Cake Pump A. ▪ Upgraded both Thickener Sludge Pumps with Chopper conversion kits. 	<ul style="list-style-type: none"> ▪ Receive NACWA Gold Peak Award (no permit excursions). ▪ Upgrade CSOTF overflow program. ▪ Upgrade both Incinerator operating programs. ▪ Replace the variable frequency drives on Primary Effluent Pumps and CSOTF Dewatering Pumps. ▪ Replace polymer storage tank and pumping system. ▪ Replacing skimming line in tunnel. ▪ Install new Ferric Chloride pumps. ▪ Install one new Sodium Hydroxide Pump. ▪ Replace chains and sprockets in grit channels #5 and #6. ▪ Continue with our excellent safety program.

Northeast Ohio Regional Sewer District
Westerly WWTP
Budget Center - 1200



Northeast Ohio Regional Sewer District
 Westerly WWTP
 Budget Center - 1200

Chart 2



NORTHEAST OHIO REGIONAL SEWER DISTRICT

WESTERLY WASTE WATER TREATMENT PLANT -- 1200

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Superintendent	1	1	1	1	0
Assistant Superintendent	2	2	2	2	0
Shift Manager	5	5	5	5	0
Shift Supervisor	2	2	2	1	-1
Plant Mnt. Manager- Elec. & Instr.	1	1	1	1	0
Plant Mnt. Manager- Mech.	4	4	4	3	-1
Preventive Maint. Manager	1	1	1	1	0
Secretary	1	1	1	1	0
Plant Clerk	1	1	1	1	0
Wastewater Plant Operator	9	9	9	9	0
Wastewater Plant Operator-Training	5	4	5	5	0
Wastewater Plant Operator C-2	4	4	4	4	0
Plant Utility Mnt Person (PUMP)	8	8	8	8	0
Plant Utility Mnt Person (PUMP)-Training	3	3	3	3	0
Electrical/Instrument Tech. (EIT)	3	2	3	2	-1
Plant Maintenance Electrician	0	1	0	1	1
Utility Maintenance Technician (UMT)	3	3	3	3	0
Maintenance Worker	6	7	7	7	0
Custodial Worker	1	1	1	1	0
TOTAL POSITIONS	60	60	61	59	-2

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1200 (WESTERLY WWTP)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	1,166,812.32	1,202,613	1,143,872.86	1,088,839
52030 PROFESSIONALS SALARIES	0.00	0	0.00	0
52031 ADMINISTRATIVE SUPPORT SALARIES	70,082.78	71,927	68,447.68	74,110
52040 OPERATIONS HOURLY	612,419.75	808,764	777,957.32	757,046
52050 MAINTENANCE HOURLY	1,114,165.83	1,074,885	1,025,612.17	1,117,355
52060 STUDENT SALARIES	8,948.00	16,640	9,751.20	16,640
52071 LONGEVITY	14,875.00	16,100	15,725.00	16,375
52081 SICK BUY OUT	0.00	0	0.00	32,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	2,585.16	2,500	289.74	2,500
52240 OPERATIONS HOURLY OVERTIME	233,295.42	200,000	262,863.64	268,000
52250 MAINTENANCE HOURLY OVERTIME	88,042.60	100,000	60,980.36	80,000
52260 STUDENT OVERTIME	0.00	0	0.00	0
Total Salary & Wages	3,311,226.86	3,493,429	3,365,499.97	3,452,865
Personnel Benefits				
52310 HEALTH CARE	576,300.88	531,808	512,430.53	550,012
52311 HEALTH CARE OPT-OUT FULL	417.79	7,500	4,924.53	4,500
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	82.21	0	575.47	0
52320 OPERS	464,820.09	483,840	484,090.60	483,401
52340 LIFE INSURANCE	4,135.95	4,277	4,089.15	4,072
52360 MEDICARE	33,588.22	33,655	31,381.11	33,762
52380 AWARDS AND RECOGNITION	1,723.00	0	0.00	0
Total Personnel Benefits	1,081,068.14	1,061,080	1,037,491.39	1,075,747
Reimbursable Expenses				
52410 TRAVEL	4,816.97	4,450	3,068.08	3,750
52430 EMPLOYEE EDUCATION	24,547.13	5,225	14,702.80	4,925
Total Reimbursable Expenses	29,364.10	9,675	17,770.88	8,675
Utilities				
52510 ELECTRICITY	952,202.35	1,200,000	1,245,035.09	1,280,000
52520 NATURAL GAS	1,064,418.13	1,182,500	1,324,155.84	1,310,400
52530 WATER AND OTHER UTILITIES	46,671.63	61,710	49,928.88	68,190
52550 COMMUNICATIONS	6,634.58	0	0.00	0
Total Utilities	2,069,926.69	2,444,210	2,619,119.81	2,658,590
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	9,253.93	17,500	7,570.00	10,000
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	0.00	0	0.00	12,000
Total Professional Services	9,253.93	17,500	7,570.00	22,000
Contractual Services				
52715 PRINTING	325.49	300	19.80	300
52730 DUES AND SUBSCRIPTIONS	1,305.00	2,000	955.00	2,000
52735 EQUIPMENT RENTAL	848.56	0	3,910.00	3,500
52745 GREASE REMOVAL	2,683.62	7,024	5,345.28	7,025
52755 GRIT AND SCREENING DISPOSAL	43,582.31	40,368	42,664.26	52,733
52760 SLUDGE HAULING DISPOSAL	2,315.33	7,078	38,979.96	15,248
52765 ASH HAULING DISPOSAL	97,129.16	96,820	93,303.70	95,300
52770 UNIFORMS	8,742.10	15,025	1,880.94	15,000
52775 LICENSES, FEES, AND PERMITS	35,186.94	35,035	35,395.24	35,889
52780 OTHER CONTRACTUAL SERVICES	40,420.87	41,550	49,537.99	64,500
Total Contractual Services	232,539.38	245,200	271,992.17	291,495

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1200 (WESTERLY WWTP)

	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>
	<i>ACTUALS</i>	<i>ADOPTED</i>	<i>ACTUALS</i>	<i>ADOPTED</i>
		<i>BUDGET</i>		<i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	2,198.93	3,000	3,035.02	3,000
52806 SOFTWARE	5,715.00	1,000	0.00	10,000
52810 FUEL AND OIL	14,943.20	25,807	8,259.03	15,000
52811 VEHICLE MAINTENANCE PARTS	179.99	200	1,563.99	2,000
52825 CHEMICALS	175,627.47	200,000	201,976.33	225,000
52840 LABORATORY SUPPLIES	2,053.28	2,000	1,372.23	2,000
52845 GENERAL HARDWARE SUPPLIES	66,518.59	75,000	78,421.80	80,000
52846 EQUIPMENT AND INSTRUMENTATION PARTS	238,965.66	258,330	239,846.15	250,000
52851 OTHER MINOR EQUIPMENT	36,276.34	30,500	57,617.45	30,000
52860 POSTAGE, UPS	13.92	50	0.00	50
52861 TRAINING SUPPLIES	1,163.13	0	471.30	0
52865 OTHER SUPPLIES	113,888.77	104,500	127,698.91	116,500
52870 FREIGHT	4,440.89	4,400	6,510.24	5,000
Total Materials & Supplies	661,985.17	704,787	726,772.45	738,550
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	99.99	500	0.00	500
52920 EQUIPMENT REPAIR AND MAINTENANCE	277,354.78	211,950	218,351.10	150,000
Total Equipment Repair & Maintenance	277,454.77	212,450	218,351.10	150,500
Building & Road Repair				
53010 BUILDING REPAIR AND MAINTENANCE	2,500.00	0	1,166.00	0
53020 ROAD REPAIR AND MAINTENANCE	0.00	0	0.00	0
53030 SEWER REPAIR AND MAINTENANCE	0.00	0	14,850.00	0
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	35,439.88	21,400	35,153.91	20,000
53050 BUILDING MAINTENANCE SUPPLIES	39,583.20	60,000	27,161.51	60,000
53051 BUILDING MAINTENANCE SERVICES	45,856.61	55,000	76,147.60	61,000
53052 BUILDING MAINTENANCE MISCELLANEOUS	9,782.83	15,000	11,121.66	18,000
Total Building & Road Repair	133,162.52	151,400	165,600.68	159,000
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	7,805,981.56	8,339,731	8,430,168.45	8,557,422

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1200 (WESTERLY WWTP)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	32,422.18	70,000	0.00	145,000
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	108,217.52	145,000	39,694.37	95,000
Vehicles				
15204 VEHICLES	0.00	50,000	35,000.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	45,614.45	0	33,483.05	35,000
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	2,046.64	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	10,000	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>186,254.15</u>	<u>275,000</u>	<u>110,224.06</u>	<u>275,000</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Easterly WWTP - 1300

MANAGED BY Robert M. Bonnett
Superintendent

Pg 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Easterly Wastewater Treatment Plant (WWTP) provides service for approximately 370,000 residents and various businesses in Northeastern Cleveland and 16 surrounding suburbs. The raw influent wastewater is a combination of sanitary sewage, storm water and industrial wastewater. The collection area encompasses approximately 49,184 acres. This activated sludge treatment plant is designed to treat an average daily flow of 155 MGD and wet weather flow of 400 MGD. Full secondary treatment is provided up to 320 MGD with an additional 80 MGD receiving preliminary and primary treatment. The Easterly plant provided complete treatment to 35,314 million gallons in 2007 at an average daily flow of 96.75 MGD. In 2008, the Easterly plant will focus on the following:

Plant Administration: Support the District's mission and vision statements, and Strategic Plan. Institute and/or review the guidelines for plant performance, equipment maintenance and operating procedures to assure that all National Pollutant Discharge Elimination System (NPDES) requirements are met. Apply and enforce District policies. Issue policies for the safe operation of the facility. Generate periodic performance reports. Promote good public relations by conducting plant tours. Encouraging staff participation in District public outreach efforts to educate the public to the benefits of a clean water environment.

Process Operations and Equipment Maintenance: Continue cost effective management of process operations and equipment maintenance to meet environmental compliance. Continue to further implement and improve plant automation for improved process monitoring and control. Make recommendations for equipment upgrades and modifications to insure longer service life and/or improved efficiency.

Labor Relations: Continue work team strategies to utilize worker skills and improve internal communications. Provide training to enhance worker development and continue to improve performance and work quality. Conduct monthly labor management committee meetings.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Easterly WWTP - 1300

MANAGED BY Robert M. Bonnett
 Superintendent

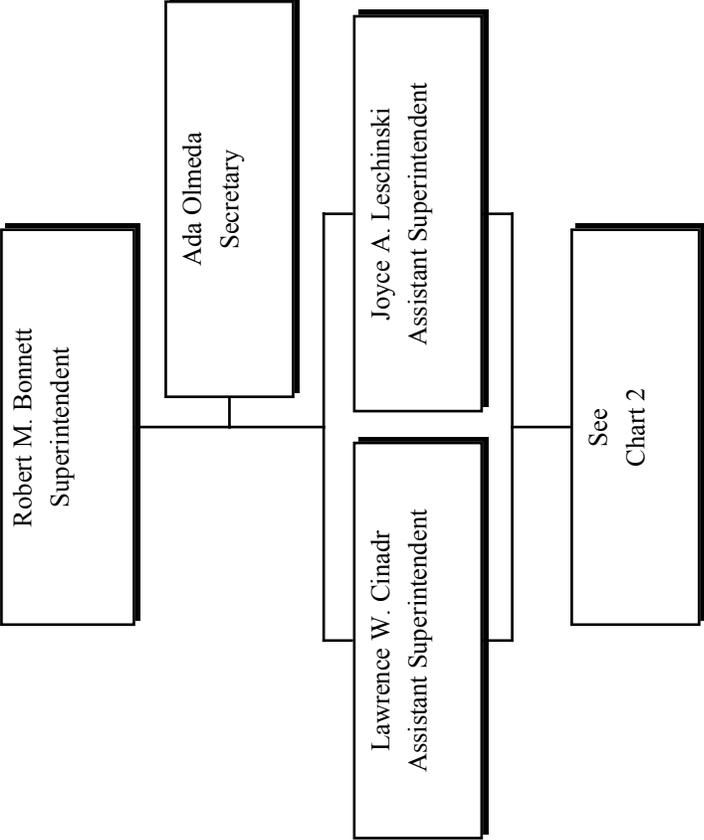
Pg 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

Safety: Continue a proactive and effective plant safety program to provide a safe work environment and promote employee safety consciousness. Supplement mandated OSHA training with additional classroom and hands-on training. Conduct monthly safety committee meetings with labor representatives to discuss and implement improvements.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Upgraded three of the Grit Pumps with “Chopper Pump” conversion kits.▪ Removed one older style seal water system and installed a new variable speed/pressure regulated seal water system to reduce water usage.▪ Installed an in-line grinder in the grease off-loading line.▪ Continued to rebuild the Bar Rakes with new rollers and shafts, and improve lubrication.	<ul style="list-style-type: none">▪ Upgrade two of the Grit Pumps with “Chopper Pump” conversion kits.▪ Install two replacement grinders for the grease handling system.▪ Continue the commissioning of a new treated effluent monitoring station.▪ Modify the backwash piping for the non-potable water strainer.▪ Continue to rebuild the Bar Rakes with new rollers and shafts, and improve lubrication.▪ Install flow indicators for verifying grease flow to the lower bearings on the effluent screw pumps.

Northeast Ohio Regional Sewer District
Easterly WWTP
Budget Center - 1300



Northeast Ohio Regional Sewer District
 Easterly WWTP
 Budget Center - 1300

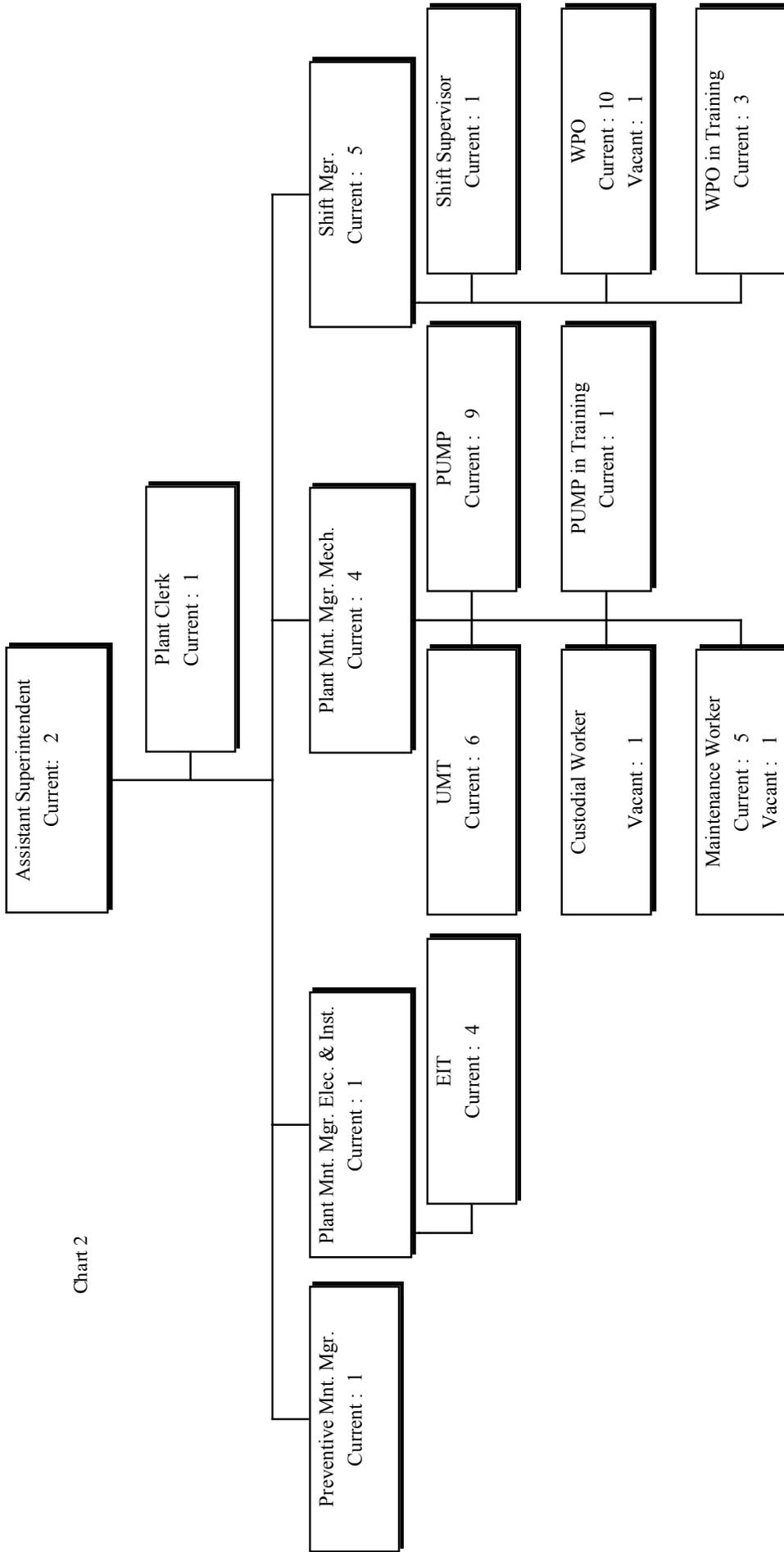


Chart 2

NORTHEAST OHIO REGIONAL SEWER DISTRICT

EASTERLY WASTE WATER TREATMENT PLANT -- 1300

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Superintendent	1	1	1	1	0
Assistant Superintendent	2	2	2	2	0
Shift Manager	5	5	5	5	0
Shift Supervisor	1	1	1	1	0
Plant Mnt. Manager- Elec. & Instr.	1	1	1	1	0
Plant Mnt. Manager- Mech.	3	3	3	4	1
Preventive Maint. Manager	1	1	1	1	0
Secretary	1	1	1	1	0
Plant Clerk	1	1	1	1	0
Wastewater Plant Operator	13	11	12	11	-1
Wastewater Plant Operator-Training	1	1	2	3	1
Plant Utility Mnt Person (PUMP)	8	9	9	9	0
Plant Utility Mnt Person (PUMP)-Training	1	1	1	1	0
Electrical/Instrument Technician (EIT)	4	4	4	4	0
Utility Maintenance Technician (UMT)	6	6	6	6	0
Maintenance Worker	6	6	6	6	0
Custodial Worker	1	1	1	1	0
TOTAL POSITIONS	56	55	57	58	1

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1300 (EASTERLY WWTP)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	1,025,636.72	1,059,551	1,093,156.50	1,164,384
52030 PROFESSIONALS SALARIES	0.00	0	0.00	0
52031 ADMINISTRATIVE SUPPORT SALARIES	62,779.22	64,626	64,677.09	66,601
52040 OPERATIONS HOURLY	574,015.79	630,493	540,638.42	616,571
52050 MAINTENANCE HOURLY	1,013,527.20	1,162,308	1,042,772.34	1,163,552
52060 STUDENT SALARIES	17,113.60	27,720	4,610.40	20,800
52071 LONGEVITY	19,025.00	20,275	20,350.00	21,700
52081 SICK BUY OUT	0.00	0	0.00	22,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	234.84	500	344.66	500
52240 OPERATIONS HOURLY OVERTIME	227,664.26	233,624	234,117.26	240,632
52250 MAINTENANCE HOURLY OVERTIME	52,572.53	50,000	62,455.64	75,000
52260 STUDENT OVERTIME	0.00	0	0.00	0
Total Salary & Wages	2,992,569.16	3,249,097	3,063,122.31	3,391,740
Personnel Benefits				
52310 HEALTH CARE	565,494.51	581,514	537,104.75	593,783
52311 HEALTH CARE OPT-OUT FULL	167.79	1,500	3,271.40	3,609
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	82.21	0	978.60	892
52320 OPERS	416,880.47	450,000	446,841.07	474,844
52340 LIFE INSURANCE	3,812.90	3,990	3,711.65	4,001
52360 MEDICARE	19,192.95	25,024	19,659.38	25,483
Total Personnel Benefits	1,005,630.83	1,062,028	1,011,566.85	1,102,612
Reimbursable Expenses				
52410 TRAVEL	3,662.88	4,200	1,774.89	2,000
52430 EMPLOYEE EDUCATION	7,465.13	19,500	17,023.20	7,600
Total Reimbursable Expenses	11,128.01	23,700	18,798.09	9,600
Utilities				
52510 ELECTRICITY	1,723,397.98	2,100,000	2,058,352.30	2,240,000
52520 NATURAL GAS	475,882.71	483,750	558,841.15	491,400
52530 WATER AND OTHER UTILITIES	68,004.21	82,280	76,195.01	103,876
52550 COMMUNICATIONS	12,393.31	0	0.00	0
Total Utilities	2,279,678.21	2,666,030	2,693,388.46	2,835,276
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	4,554.74	15,250	1,466.83	5,250
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	0.00	0	0.00	13,000
Total Professional Services	4,554.74	15,250	1,466.83	18,250
Contractual Services				
52715 PRINTING	39.60	500	227.00	500
52730 DUES AND SUBSCRIPTIONS	640.00	250	420.00	650
52735 EQUIPMENT RENTAL	1,956.32	2,000	4,250.01	3,000
52745 GREASE REMOVAL	0.00	0	0.00	0
52755 GRIT AND SCREENING DISPOSAL	121,055.66	148,016	129,268.38	131,832
52770 UNIFORMS	5,689.86	28,950	1,880.25	10,000
52775 LICENSES, FEES, AND PERMITS	44,973.50	44,270	43,635.25	44,334
52780 OTHER CONTRACTUAL SERVICES	69,416.69	103,900	76,832.55	79,500
Total Contractual Services	243,771.63	327,886	256,513.44	269,816

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1300 (EASTERLY WWTP)

	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>
	<i>ACTUALS</i>	<i>ADOPTED</i>	<i>ACTUALS</i>	<i>ADOPTED</i>
		<i>BUDGET</i>		<i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	5,115.62	3,000	3,361.78	3,000
52806 SOFTWARE	0.00	8,325	0.00	0
52810 FUEL AND OIL	107,816.83	132,231	63,815.00	80,000
52811 VEHICLE MAINTENANCE PARTS	0.00	0	56.09	0
52825 CHEMICALS	166,206.93	176,745	185,265.85	220,000
52840 LABORATORY SUPPLIES	1,191.32	2,000	2,012.44	2,000
52845 GENERAL HARDWARE SUPPLIES	42,992.03	52,000	50,584.00	52,000
52846 EQUIPMENT AND INSTRUMENTATION PARTS	225,041.25	270,000	209,078.41	212,975
52851 OTHER MINOR EQUIPMENT	19,120.22	24,600	31,054.20	65,500
52860 POSTAGE, UPS	58.43	0	18.56	0
52861 TRAINING SUPPLIES	0.00	0	0.00	0
52865 OTHER SUPPLIES	81,801.77	79,000	93,994.34	70,000
52870 FREIGHT	1,852.83	3,000	5,482.12	3,000
Total Materials & Supplies	651,197.23	750,901	644,722.79	708,475
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	1,104.74	3,000	0.00	0
52920 EQUIPMENT REPAIR AND MAINTENANCE	37,400.95	105,175	130,300.26	186,800
52930 VEHICLE REPAIRS	(1,975.00)	3,000	0.00	0
Total Equipment Repair & Maintenance	36,530.69	111,175	130,300.26	186,800
Building & Road Repair				
53010 BUILDING REPAIR AND MAINTENANCE	37,025.00	40,000	766.24	2,000
53020 ROAD REPAIR AND MAINTENANCE	0.00	0	0.00	2,000
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	17,238.70	20,000	66,552.02	64,415
53050 BUILDING MAINTENANCE SUPPLIES	23,092.27	10,056	21,414.78	32,000
53051 BUILDING MAINTENANCE SERVICES	79,103.55	83,335	44,634.33	60,000
53052 BUILDING MAINTENANCE MISCELLANEOUS	0.00	0	2,618.56	15,000
Total Building & Road Repair	156,459.52	153,391	135,985.93	175,415
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	7,381,520.02	8,359,458	7,955,864.96	8,697,984

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1300 (EASTERLY WWTP)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	10,760.53	50,000
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	326,477.00	322,694	106,034.95	304,220
Vehicles				
15204 VEHICLES	56,690.00	14,000	12,564.16	81,000
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	46,616.82	6,000	0.00	6,000
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	35,007	0.00	23,000
Computer Software				
15208 COMPUTER SOFTWARE	0.00	11,505	0.00	6,500
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>429,783.82</u>	<u>389,206</u>	<u>129,359.64</u>	<u>470,720</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Maintenance Services -- 1400

MANAGED BY Robert Gow
Superintendent of Maintenance Services

Pg 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Maintenance Services provides management for the following departments:

Building Maintenance
Fleet Services
Sewer System Maintenance and Operation

Environmental & Maintenance Services Center (EMSC) administration is also performed by Maintenance Services personnel. This includes managing and maintaining the buildings and grounds; administering multiple service contracts; and providing technical support to other District departments. EMSC hosts an average of over 800 meetings per year. Maintenance Services meeting services includes meeting scheduling, meeting room set-up, and catering when required. Meeting rooms are provided for District personnel as well as non-District groups. The more notable customers routinely utilizing EMSC's facilities are the Local Emergency Planning Committee, Mayor's and Manager's Association, and the Sewer Pipe Users Group.

Maintenance Services strives to provide a comfortable and safe facility that helps its customers maximize their productivity. Customer service is job #1 in Maintenance Services.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Maintenance Services -- 1400

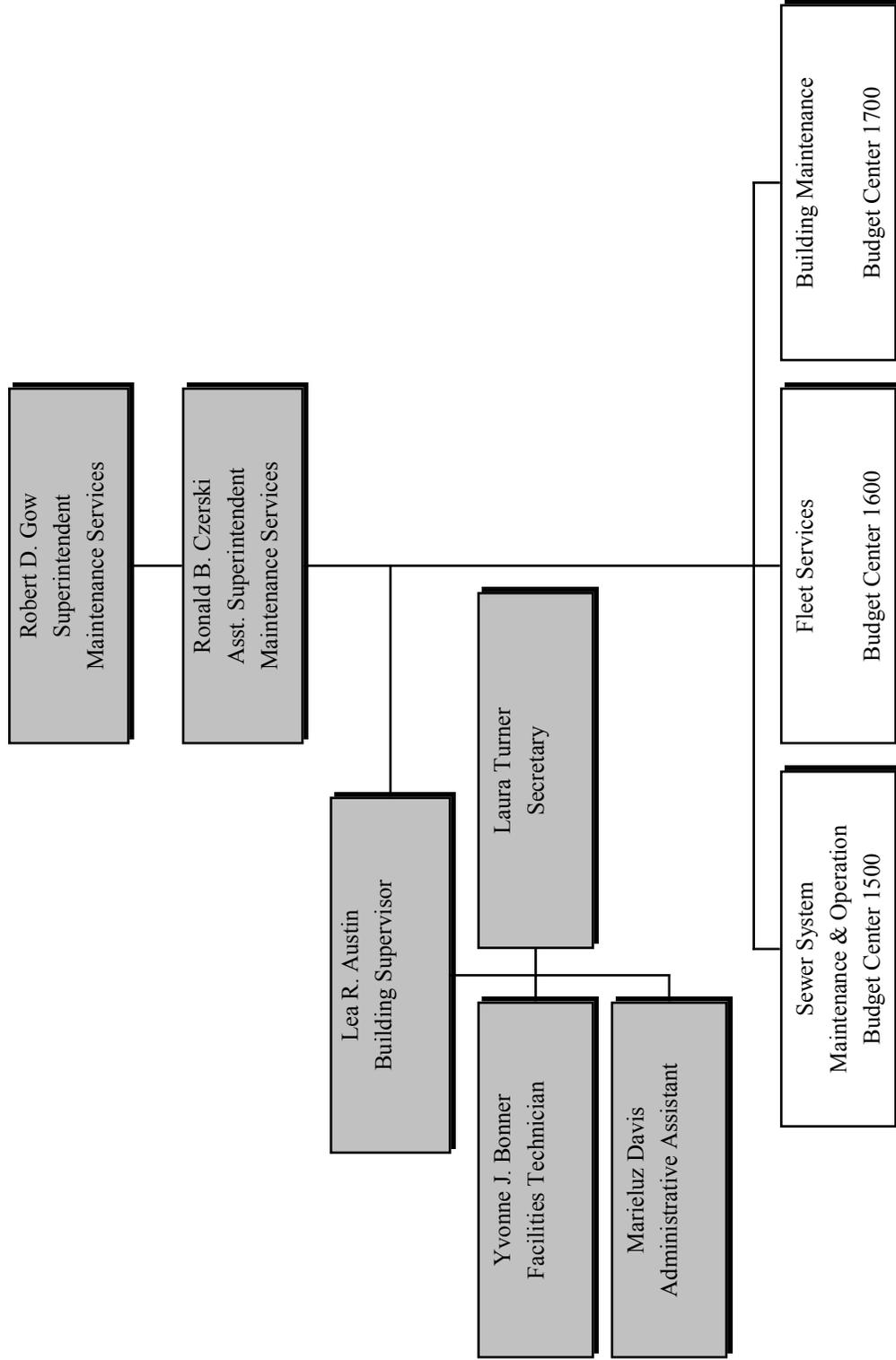
MANAGED BY Robert Gow
 Superintendent of Maintenance Services

Pg 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Documented vehicle procurement process.▪ Hosted 1025 external and internal meetings.▪ Created development plans for administrative staff▪ Hardened District facilities, including new fences and correction of security breaches.▪ Implemented access control measures at EMSC with the assistance of Security.▪ Since Maintenance Services oversees Building Maintenance, Vehicle Maintenance, and Sewer System Operation and Maintenance, please refer to those Departments' accomplishments and initiatives.	<ul style="list-style-type: none">▪ Provide services for hosting 1000+ meetings.▪ Review key Building Maintenance and Vehicle Maintenance business process and make recommendations for improvements.▪ Document business processes▪ Begin structure for stormwater inspection and maintenance program.▪ Implement crisis management projects to protect District Personnel.▪ Since Maintenance Services oversees Building Maintenance, Vehicle Maintenance, and Sewer System Operation and Maintenance, please refer to those Departments' accomplishments and initiatives.

Northeast Ohio Regional Sewer District
 Maintenance Services
 Budget Center - 1400



Shaded Boxes are in Budget Center

NORTHEAST OHIO REGIONAL SEWER DISTRICT

MAINTENANCE SERVICES -- 1400

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL BUDGET	2008 BUDGET	BUDGET CHANGE	
Superintendent of Maintenance Services	1	1	1	1	0
Asst. Superintendent of Maint. Services	1	1	1	1	0
Building Supervisor	1	1	1	1	0
Facilities Technician	1	0	1	1	0
Secretary	1	1	1	1	0
Administrative Assistant	1	1	1	1	0
TOTAL POSITIONS	6	5	6	6	0

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1400 (MAINTENANCE SERVICES)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	224,322.66	230,714	231,347.43	239,220
52030 PROFESSIONALS SALARIES	0.00	0	0.00	0
52031 ADMINISTRATIVE SUPPORT SALARIES	92,786.71	102,238	76,881.70	114,505
52060 STUDENT SALARIES	7,034.28	8,320	8,435.43	8,320
52071 LONGEVITY	2,175.00	2,175	2,000.00	2,000
52081 SICK BUY OUT	0.00	0	0.00	5,500
52231 ADMINISTRATIVE SUPPORT OVERTIME	6,439.15	5,000	10,377.74	11,000
52260 STUDENT OVERTIME	24.00	0	372.00	400
Total Salary & Wages	332,781.80	348,447	329,414.30	380,945
Personnel Benefits				
52310 HEALTH CARE	49,771.91	48,387	45,243.21	49,559
52311 HEALTH CARE OPT-OUT FULL	0.00	0	250.00	1,500
52320 OPERS	49,589.04	48,260	46,228.96	53,332
52340 LIFE INSURANCE	397.10	404	345.15	421
52360 MEDICARE	1,249.10	1,682	1,388.15	2,030
Total Personnel Benefits	101,007.15	98,733	93,455.47	106,842
Reimbursable Expenses				
52410 TRAVEL	1,382.46	3,500	1,387.78	5,000
52430 EMPLOYEE EDUCATION	5,306.00	17,000	11,487.95	7,000
Total Reimbursable Expenses	6,688.46	20,500	12,875.73	12,000
Utilities				
52510 ELECTRICITY	311,083.27	330,000	314,058.61	318,500
52520 NATURAL GAS	22,119.63	25,000	30,222.65	37,600
52530 WATER AND OTHER UTILITIES	8,351.06	10,331	14,534.11	12,892
52550 COMMUNICATIONS	19,365.42	0	686.38	0
Total Utilities	360,919.38	365,331	359,501.75	368,992
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	19,260.35	25,000	7,927.84	20,000
Total Professional Services	19,260.35	25,000	7,927.84	20,000
Contractual Services				
52715 PRINTING	0.00	500	22.70	300
52720 TAXES	0.00	0	0.00	0
52730 DUES AND SUBSCRIPTIONS	686.00	750	1,317.58	1,500
52735 EQUIPMENT RENTAL	5,198.62	6,000	580.76	2,000
52750 ADVERTISING	0.00	0	0.00	0
52770 UNIFORMS	195.19	1,000	0.00	1,000
52775 LICENSES, FEES, AND PERMITS	3,026.50	5,100	2,043.25	5,700
52780 OTHER CONTRACTUAL SERVICES	134,954.66	143,630	137,972.44	146,900
Total Contractual Services	144,060.97	156,980	141,936.73	157,400

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1400 (MAINTENANCE SERVICES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	4,523.41	3,500	5,346.67	5,000
52810 FUEL AND OIL	3,668.13	10,087	2,544.51	5,000
52811 VEHICLE MAINTENANCE PARTS	2.98	0	4.67	0
52840 LABORATORY SUPPLIES	424.31	0	22.66	0
52845 GENERAL HARDWARE SUPPLIES	5,839.03	7,500	5,838.22	7,500
52846 EQUIPMENT AND INSTRUMENTATION PARTS	293.04	3,000	19.60	1,500
52851 OTHER MINOR EQUIPMENT	5,608.36	8,000	1,180.29	5,000
52860 POSTAGE, UPS	9,332.65	10,000	8,450.39	10,000
52861 TRAINING SUPPLIES	20,505.48	22,000	10,812.90	10,000
52865 OTHER SUPPLIES	12,541.59	13,000	12,923.53	13,000
52870 FREIGHT	379.42	2,000	572.89	1,000
Total Materials & Supplies	63,118.40	79,087	47,716.33	58,000
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	0.00	3,000	0.00	0
52920 EQUIPMENT REPAIR AND MAINTENANCE	12,407.98	23,029	22,239.58	13,600
Total Equipment Repair & Maintenance	12,407.98	26,029	22,239.58	13,600
Building & Road Repair				
53010 BUILDING REPAIR AND MAINTENANCE	0.00	0	0.00	0
53020 ROAD REPAIR AND MAINTENANCE	0.00	0	0.00	0
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	2,206.02	5,000	2,085.42	5,000
53050 BUILDING MAINTENANCE SUPPLIES	79,727.21	70,000	62,343.63	80,000
53051 BUILDING MAINTENANCE SERVICES	129,179.64	150,000	133,611.08	164,500
53052 BUILDING MAINTENANCE MISCELLANEOUS	2,114.00	5,000	7,867.13	6,000
Total Building & Road Repair	213,226.87	230,000	205,907.26	255,500
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	1,253,471.36	1,350,107	1,220,974.99	1,373,279

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1400 (MAINTENANCE SERVICES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	2,450.00	95,000	12,200.00	187,000
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	7,404.00	0	4,944.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	49,794.22	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>9,854.00</u>	<u>95,000</u>	<u>66,938.22</u>	<u>187,000</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Sewer System Maintenance & Operation -- 1500

MANAGED BY Thomas Madej
Manager Sewer System Maintenance & Operation

Page 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Sewer System Maintenance and Operation Budget Center (SSMO) operates and maintains the District's collection system infrastructure. The infrastructure includes pumping stations, interceptors, trunk sewers, combined sewer regulators, diversion structures, manholes, drop shafts, bar racks, floatable control facilities, odor control facilities, and monitoring systems.

The budget center is comprised of one (1) Manager, one (1) Assistant Manager, seven (7) Supervisors, one (1) Preventive Maintenance Manager, one (1) Secretary, two (2) Systems Support Specialist, nine (9) Field Technicians, eight (8) Operator/Technicians, nine (9) Field Technician Operators, nine (9) System Utility Maintenance Persons, one (1) Utility Maintenance Person, and two (2) Technical Support Aides. Currently, the department maintains two hundred ninety seven (297) miles of sewer pipe, six hundred thirty (630) fixed weir regulators and control structures, twenty five (25) automated regulators, twenty five (25) rain gauges, one hundred and thirty (130) level and flow monitoring sites, ten (10) floatable control facilities, eight (8) odor control facilities, seven (7) pump stations, seven (7) generators, two (2) tunnel control structure and one (1) storm water control dam.

The budget center is also responsible for the maintenance of the District's portable gas detectors, and the CSO distributed process control system. Additional duties include the inspection and management of the District's emergency repairs to the collection system, portable flow monitoring in the collection system, minor design, drafting, and operation of the Ohio Utility Protection Services program.

The main objectives for 2008 are:

Administration: Support the District's mission statement, strategic plan, and operational plan. Apply and enforce District policies. Provide guidelines for equipment performance, maintenance and operating procedures to ensure that all operational requirements are met. Establish an operation and maintenance program for new equipment including additional controls. Make recommendations to other District departments to ensure continued efficient operation of the wastewater collection facilities. Provide support and training to ensure future excellence in the operation and maintenance of the facilities. Continue the development of and reinforce the use of emergency response procedures related to the District and collection system.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Sewer System Maintenance & Operation -- 1500

MANAGED BY Thomas Madej
 Manager Sewer System Maintenance & Operation

Page 2 of 2

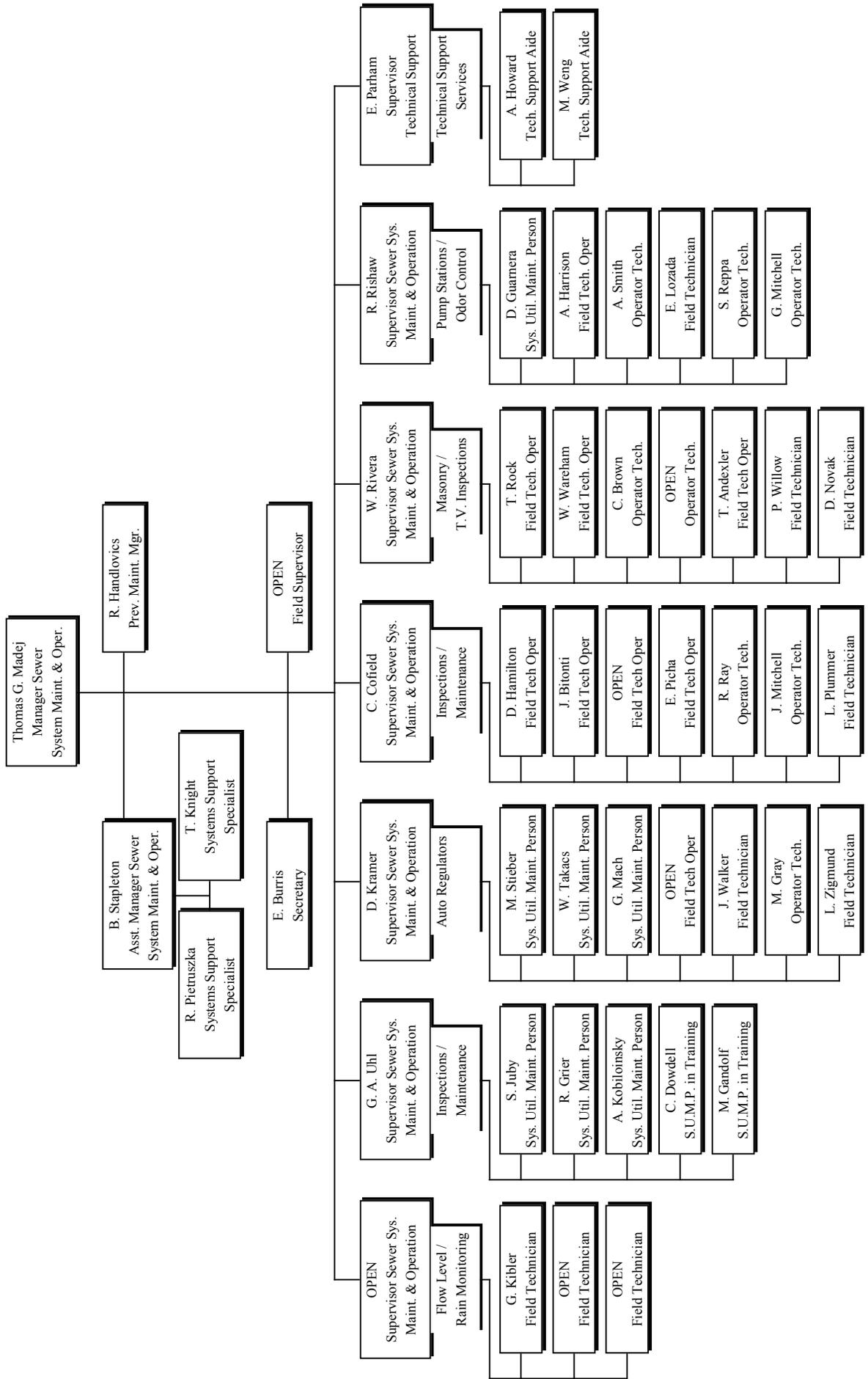
**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

Operation and Maintenance: Encourage efficient operation of the pump stations, regulators, and sewers to comply with all NPDES permit limitations and other applicable local and federal regulations. Comply with the Combined Sewer Overflows Guidance for Nine Minimum Controls. Promote the efficient and cost effective operation of the pumping stations, automated regulators, fixed weir regulators, diversion structures, level and flow monitors, floatable control facilities, generators and odor control facilities. Make recommendations for maintenance needs and/or process improvements.

Provide quality and efficient repair of equipment. Plan and improve the existing Preventive Maintenance Program. Follow the District’s work and safety guidelines. Communicate and cooperate with other stakeholders and District departments to ensure adequate supply of parts and services. Provide employee training to ensure a high level of electrical, mechanical, instrument, sewer cleaning and sewer inspection knowledge. Make recommendations for equipment upgrades or modifications to prolong service life and/or increase efficiency.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Assisted in improving the data transmission from our automated equipment. ▪ Received the Collection System of the Year Safety Award. ▪ Provided monitoring assistance for the USEPA 308(a) sampling request. ▪ Modified Emergency Contract Procedure for minor collection system emergencies. ▪ Completed the majority of regulator inspections with Engineering. ▪ Performed Emergency Response Drills involving multiple departments. 	<ul style="list-style-type: none"> ▪ Begin maintenance Southerly Wetlands. ▪ Implement web based pump station monitoring. ▪ Participate with Engineering in becoming a stormwater utility. ▪ Evaluate flow monitoring and make improvement recommendations. ▪ Implement revised emergency contract procedures and improve documentation and selection process. ▪ Work with engineering on the implementation of specific asset management projects.

Northeast Ohio Regional Sewer District
 Sewer System Maintenance and Operation
 Budget Center - 1500



NORTHEAST OHIO REGIONAL SEWER DISTRICT

SEWER SYSTEM MAINTENANCE AND OPERATION -- 1500

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Manager Serwer System M & O	1	1	1	1	0
Asst. Manager Serwer System M & O	1	1	1	1	0
Field Supervisor	1	1	1	0	-1
Supervisor Sewer Systems M & O	5	4	6	6	0
Supervisor Technical Support	1	1	1	1	0
Preventive Maintenance Manager	1	1	1	1	0
Secretary	1	1	1	1	0
Technical Support Aide	2	2	2	2	0
Systems Support Specialist	2	2	2	2	0
Field Tech. Operator	8	8	9	9	0
Operator Technician	7	7	10	8	-2
Field Technician	4	6	9	9	0
Systems Utility Maintenance Person	8	7	9	7	-2
Systems Utility Maintenance Person-Train	2	2	2	2	0
TOTAL POSITIONS	44	44	55	50	-5

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1500 (SEWER SYSTEM MAINTENANCE AND OPERATION)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	606,770.14	637,770	608,068.79	596,482
52030 PROFESSIONALS SALARIES	0.00	0	0.00	0
52031 ADMINISTRATIVE SUPPORT SALARIES	34,105.69	35,402	35,471.29	36,483
52034 TECHNICIANS SALARIES	178,994.08	197,912	193,762.96	203,882
52040 OPERATIONS HOURLY	0.00	0	0.00	0
52050 MAINTENANCE HOURLY	1,228,250.94	1,269,024	1,203,956.59	1,315,142
52060 STUDENT SALARIES	5,104.00	4,160	3,384.00	4,160
52071 LONGEVITY	11,125.00	11,925	10,625.00	10,850
52081 SICK BUY OUT	0.00	0	0.00	12,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	24.72	0	0.00	0
52234 TECHNICIAN OVERTIME	5,081.62	4,000	4,383.13	4,150
52240 OPERATIONS HOURLY OVERTIME	0.00	0	0.00	0
52250 MAINTENANCE HOURLY OVERTIME	84,719.03	76,000	108,635.55	131,400
52260 STUDENT OVERTIME	22.80	0	0.00	0
Total Salary & Wages	2,154,198.02	2,236,193	2,168,287.31	2,314,549
Personnel Benefits				
52310 HEALTH CARE	460,402.68	450,583	420,559.30	413,089
52311 HEALTH CARE OPT-OUT FULL	167.79	1,500	3,200.48	4,217
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	0.00	0	320.92	892
52320 OPERS	299,878.73	309,713	315,458.69	324,037
52340 LIFE INSURANCE	3,217.50	3,089	2,989.35	3,019
52360 MEDICARE	24,149.60	25,455	25,237.66	28,010
Total Personnel Benefits	787,816.30	790,340	767,766.40	773,264
Reimbursable Expenses				
52410 TRAVEL	3,358.14	5,000	4,008.20	5,000
52430 EMPLOYEE EDUCATION	33,691.00	44,800	35,614.80	44,800
Total Reimbursable Expenses	37,049.14	49,800	39,623.00	49,800
Utilities				
52510 ELECTRICITY	604,938.05	635,510	618,564.02	340,510
52520 NATURAL GAS	611.55	700	664.82	900
52530 WATER AND OTHER UTILITIES	10,712.73	15,000	21,921.00	18,110
52550 COMMUNICATIONS	185,592.38	0	0.00	0
Total Utilities	801,854.71	651,210	641,149.84	359,520
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	60,914.75	47,500	44,053.75	25,000
Total Professional Services	60,914.75	47,500	44,053.75	25,000
Contractual Services				
52715 PRINTING	39.60	500	931.80	2,000
52730 DUES AND SUBSCRIPTIONS	1,337.95	2,000	927.90	1,250
52735 EQUIPMENT RENTAL	0.00	500	0.00	500
52750 ADVERTISING	428.15	1,000	0.00	0
52770 UNIFORMS	6,650.95	19,000	3,099.67	6,000
52775 LICENSES, FEES, AND PERMITS	4,900.00	4,720	4,955.00	5,020
52780 OTHER CONTRACTUAL SERVICES	170,236.73	282,200	191,029.39	275,000
Total Contractual Services	183,593.38	309,920	200,943.76	289,770

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1500 (SEWER SYSTEM MAINTENANCE AND OPERATION)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	5,435.99	3,800	4,745.22	4,500
52806 SOFTWARE	0.00	0	0.00	995
52810 FUEL AND OIL	3,236.40	8,680	5,461.11	15,100
52811 VEHICLE MAINTENANCE PARTS	190.31	700	229.68	500
52840 LABORATORY SUPPLIES	166.92	1,000	142.84	500
52845 GENERAL HARDWARE SUPPLIES	40,280.99	35,000	42,873.67	40,000
52846 EQUIPMENT AND INSTRUMENTATION PARTS	135,864.47	125,000	123,297.53	115,000
52851 OTHER MINOR EQUIPMENT	86,968.46	72,450	34,355.25	94,100
52860 POSTAGE, UPS	0.00	50	0.00	50
52865 OTHER SUPPLIES	113,174.71	109,500	112,492.05	98,500
52870 FREIGHT	2,493.72	1,700	2,553.57	1,700
Total Materials & Supplies	387,811.97	357,880	326,150.92	370,945
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	2,926.86	3,000	1,225.03	2,000
52920 EQUIPMENT REPAIR AND MAINTENANCE	84,447.23	114,783	139,840.71	110,400
52930 VEHICLE REPAIRS	0.00	0	0.00	0
Total Equipment Repair & Maintenance	87,374.09	117,783	141,065.74	112,400
Building & Road Repair				
53010 BUILDING REPAIR AND MAINTENANCE	0.00	5,000	0.00	2,500
53020 ROAD REPAIR AND MAINTENANCE	0.00	1,000	0.00	1,000
53030 SEWER REPAIR AND MAINTENANCE	214,528.54	737,600	740,958.67	380,000
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	0.00	15,000	0.00	5,000
53050 BUILDING MAINTENANCE SUPPLIES	14,306.09	3,000	4,138.37	5,500
53051 BUILDING MAINTENANCE SERVICES	9,672.13	4,000	11,946.80	5,500
53052 BUILDING MAINTENANCE MISCELLANEOUS	0.00	2,000	0.00	2,000
Total Building & Road Repair	238,506.76	767,600	757,043.84	401,500
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	4,739,119.12	5,328,226	5,086,084.56	4,696,748

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1500 (SEWER SYSTEM MAINTENANCE AND OPERATION)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	5,998.48	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	20,386.00	71,000	37,112.44	330,000
Vehicles				
15204 VEHICLES	47,860.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	11,573.80	200,000
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	20,550	0.00	11,810
Computer Software				
15208 COMPUTER SOFTWARE	0.00	10,100	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>74,244.48</u>	<u>101,650</u>	<u>48,686.24</u>	<u>541,810</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Fleet Services -- 1600

MANAGED BY Ernest F. Bertok
 Manager of Fleet Services

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

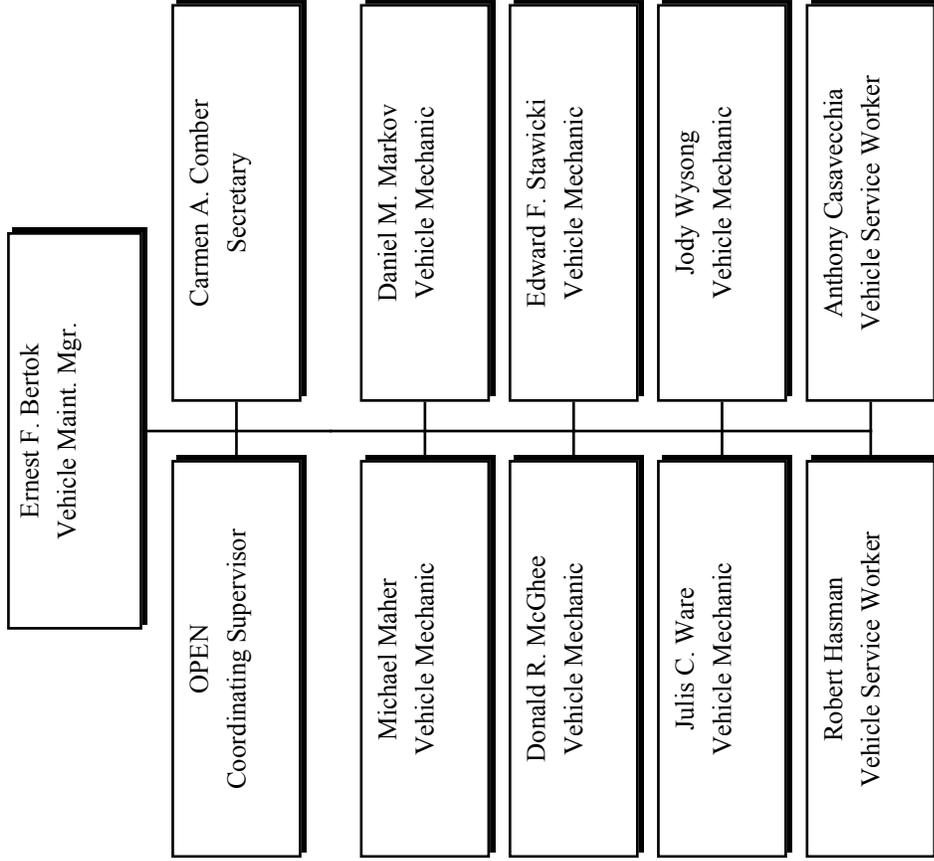
The Fleet Services Budget Center provides services for 655 units of District fleet equipment. Included for fleet services are 18 cars, 111 field vehicles, 411 units of facility maintenance equipment, 70 units of equipment used for collection system and sewer maintenance work, and a combined total of 45 portable and stationary generators.

The budget center also participates in matters relating to safety, acquisition, utilization, fuel, maintenance, repair and record keeping for all vehicles and motorized equipment. To accomplish the work, both in house and outside contract services are managed for optimum effectiveness.

The Fleet Services Budget Center supports the District's mission by providing vehicle and motor equipment support to those responsible for wastewater collection and treatment. A cost-effective and responsible level of equipment services are tailored to meet user needs, insure safety, and protect the capital invested in equipment.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Satisfied all 2007 District Fleet Services requests and completed on-time maintenance requirements.▪ Monitored emergency generator maintenance contracts, warranties and documentation for all locations.▪ Implemented scheduling process to increase cross-training within the department.▪ Administered District-wide fuel management program for improved effectiveness, emergency preparedness and control.	<ul style="list-style-type: none">▪ Fill open position for Fleet Services Coordinating Supervisor.▪ Manage improved and approved procurement processes▪ Complete evaluation of fleet maintenance practices and begin implementation of recommended improvements.▪ Administer vehicle and other fleet equipment purchase contracts.▪ Develop training objectives and target schedules.▪ Ongoing development and execution of safety practices and procedures

Northeast Ohio Regional Sewer District
Fleet Services
Budget Center - 1600



NORTHEAST OHIO REGIONAL SEWER DISTRICT

FLEET SERVICES -- 1600

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL	2007 BUDGET	2008 BUDGET	BUDGET CHANGE
Manager Vehicle Maintenance	1	1	1	1	0
Secretary	1	1	1	1	0
Coordinating Supervisor	0	0	1	1	0
Vehicle Mechanic	6	6	6	6	0
Vehicle Service Worker	2	2	2	2	0
TOTAL POSITIONS	10	10	11	11	0

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1600 (FLEET SERVICES)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	69,572.97	71,656	71,852.85	73,819
52030 PROFESSIONALS SALARIES	0.00	0	0.00	0
52031 ADMINISTRATIVE SUPPORT SALARIES	34,369.37	35,402	29,643.98	61,483
52040 OPERATIONS HOURLY	0.00	0	0.00	0
52050 MAINTENANCE HOURLY	311,258.63	322,275	323,180.76	332,052
52071 LONGEVITY	3,025.00	3,025	3,025.00	3,025
52081 SICK BUY OUT	0.00	0	0.00	2,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	0.00	0	102.12	0
52240 OPERATIONS HOURLY OVERTIME	0.00	0	0.00	0
52250 MAINTENANCE HOURLY OVERTIME	21,789.00	22,000	21,017.95	23,100
Total Salary & Wages	440,014.97	454,358	448,822.66	495,479
Personnel Benefits				
52310 HEALTH CARE	89,821.56	85,021	85,019.95	94,200
52320 OPERS	61,191.87	62,929	63,630.07	69,367
52340 LIFE INSURANCE	702.00	702	702.00	737
52360 MEDICARE	3,915.28	3,976	3,849.63	4,493
Total Personnel Benefits	155,630.71	152,628	153,201.65	168,797
Reimbursable Expenses				
52410 TRAVEL	0.00	1,000	602.42	500
52430 EMPLOYEE EDUCATION	0.00	3,000	2,578.56	2,000
Total Reimbursable Expenses	0.00	4,000	3,180.98	2,500
Total Utilities	0.00	0	0.00	0
Total Professional Services	0.00	0	0.00	0
Contractual Services				
52715 PRINTING	2,240.60	2,400	6,105.30	2,000
52730 DUES AND SUBSCRIPTIONS	564.00	950	440.00	750
52735 EQUIPMENT RENTAL	932.00	1,500	1,046.00	1,500
52770 UNIFORMS	958.91	3,450	838.43	2,000
52775 LICENSES, FEES, AND PERMITS	0.00	0	0.00	0
52780 OTHER CONTRACTUAL SERVICES	12,407.35	9,500	10,178.44	6,500
Total Contractual Services	17,102.86	17,800	18,608.17	12,750
Materials & Supplies				
52805 OFFICE SUPPLIES	2,023.32	1,950	2,332.17	2,100
52810 FUEL AND OIL	108,465.78	129,027	134,577.13	145,000
52811 VEHICLE MAINTENANCE PARTS	186,505.35	180,000	190,235.28	189,000
52840 LABORATORY SUPPLIES	890.31	500	(350.99)	250
52845 GENERAL HARDWARE SUPPLIES	3,165.45	3,750	4,117.70	3,925
52846 EQUIPMENT AND INSTRUMENTATION PARTS	1,198.96	750	394.04	600
52851 OTHER MINOR EQUIPMENT	12,043.23	12,500	7,670.06	10,500
52865 OTHER SUPPLIES	11,349.05	9,250	10,618.95	8,250
52870 FREIGHT	1,289.45	1,500	1,031.47	1,200
Total Materials & Supplies	326,930.90	339,227	350,625.81	360,825

OPERATING EXPENSE BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1600 (FLEET SERVICES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	0.00	0	28.35	0
52920 EQUIPMENT REPAIR AND MAINTENANCE	11,667.49	9,500	12,912.18	10,500
52930 VEHICLE REPAIRS	118,847.87	140,000	106,716.52	135,000
Total Equipment Repair & Maintenance	130,515.36	149,500	119,657.05	145,500
Building & Road Repair				
53050 BUILDING MAINTENANCE SUPPLIES	0.00	0	2,039.66	0
Total Building & Road Repair	0.00	0	2,039.66	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	1,070,194.80	1,117,513	1,096,135.98	1,185,851

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1600 (FLEET SERVICES)

	<i>2006 ACTUALS</i>	<i>2007 ADOPTED BUDGET</i>	<i>2007 ACTUALS</i>	<i>2008 ADOPTED BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	51,250	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	138,478.75	0	49,279.09	0
Vehicles				
15204 VEHICLES	5,533.00	0	0.00	12,700
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	144,011.75	51,250	49,279.09	12,700

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Building Maintenance -- 1700

MANAGED BY Robert L. Scherma
 Building Maintenance Manager

Page 1 of 2

**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

To support the District’s mission statement. Apply and enforce District policies. Maintain the District buildings and grounds including heating, ventilation and air conditioning equipment, perimeter fencing, parking lots & roads, roofs, etc. Make recommendations to the other District departments for upkeep of facilities and grounds. Encourage and support the plant personnel, operation and maintenance, to achieve the high standards as set by the District. Issue and enforce policies for the safe operation of the facility. Provide and/or support training to insure future excellence in maintenance of the facility. Make recommendations for maintenance needs. Follow the District and/or plant’s work and safety guidelines. Communicate and cooperate with other plant work groups and District departments to insure adequate services, supplies and training of personnel to accomplish its mission.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ● Remodeled offices, including Vehicle Maintenance, EMSC, WQIS, and Security. Applied protective coating at Southerly Effluent and Dewatering Buildings. ● Started recommendations for improving the approval process of Building Maintenance projects to improve cost effectiveness. ● Implemented intranet HVAC monitoring system for Westerly. ● Implemented crisis management projects to protect District Personnel and facilities. Projects included maintenance of perimeter fence lines, relocation of Emergency Operations Center generator, and installation of perimeter fences. 	<ul style="list-style-type: none"> ■ Renovate offices/work areas including WQIS, SCBA room, Fleet Services infrared heating, Westerly 300 Bldg Control room and maintenance locker room. Apply protective coating on Southerly Maintenance Building floor. ■ Implement intranet HVAC monitoring system for Southerly. ■ Implement crisis management projects to protect District Personnel and facilities. Projects include collection system perimeter fencing. ● Implement service bid maintenance contracts for facilities, overhead doors, entrance fiberglass doors, electrical repairs, tree and foliage maintenance, high security

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Building Maintenance -- 1700

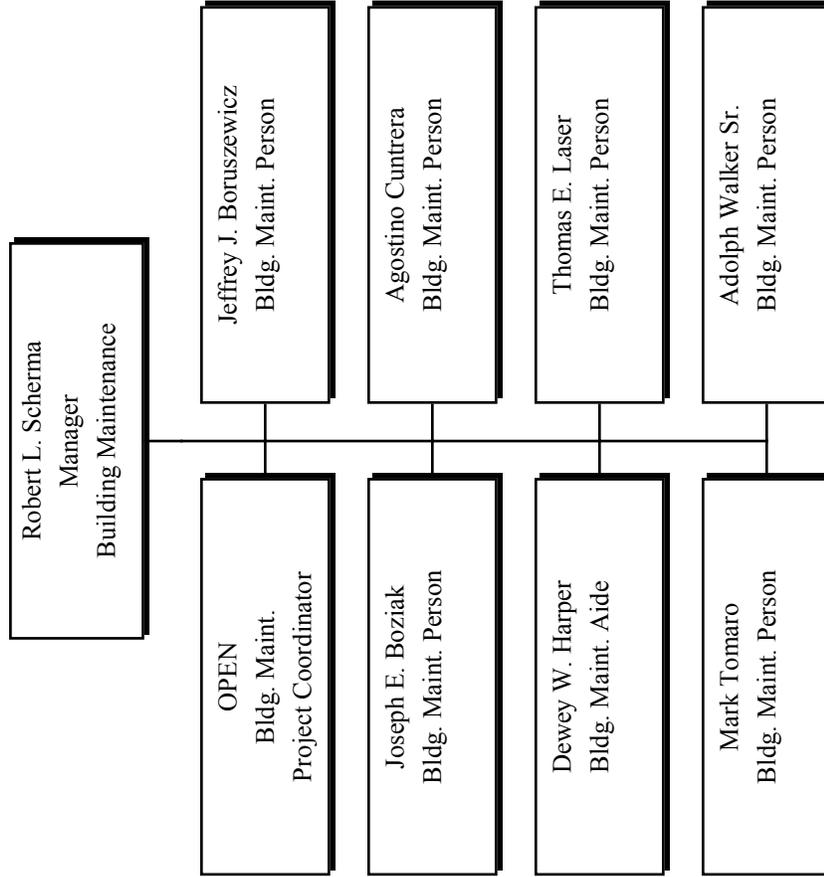
MANAGED BY Robert L. Scherma
 Building Maintenance Manager

Page 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Developed an HVAC energy efficient program at the EMSC facility.	<ul style="list-style-type: none">▪ Install EMSC substation weather protection and test and repair lightning protection system.▪ Implement text message early warning for critical pieces of equipment in climate controlled rooms.

Northeast Ohio Regional Sewer District
Building Maintenance
Budget Center - 1700



NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUILDING MAINTENANCE -- 1700

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL	2007 BUDGET	2008 BUDGET	BUDGET CHANGE
Manager Building Maintenance	1	1	1	1	0
Building Maintenance Project Coordinator	0	0	1	1	0
Building Maintenance Aide	1	1	1	1	0
Building Maintenance Person	6	6	7	6	-1
TOTAL POSITIONS	8	8	10	9	-1

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1700 (BUILDING MAINTENANCE)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	70,740.86	72,862	73,062.58	75,067
52030 PROFESSIONALS SALARIES	0.00	20,000	0.00	41,250
52031 ADMINISTRATIVE SUPPORT SALARIES	37,268.23	38,397	38,502.28	39,562
52040 OPERATIONS HOURLY	0.00	0	0.00	0
52050 MAINTENANCE HOURLY	255,994.99	279,261	265,785.66	290,222
52060 STUDENT SALARIES	15,669.26	12,480	11,146.57	12,480
52071 LONGEVITY	2,425.00	2,150	2,150.00	2,550
52081 SICK BUY OUT	0.00	0	0.00	3,500
52231 ADMINISTRATIVE SUPPORT OVERTIME	0.00	0	0.00	0
52240 OPERATIONS HOURLY OVERTIME	0.00	0	0.00	0
52250 MAINTENANCE HOURLY OVERTIME	65,543.18	70,000	42,934.99	42,000
52260 STUDENT OVERTIME	282.00	500	67.20	500
Total Salary & Wages	447,923.52	495,650	433,649.28	507,131
Personnel Benefits				
52310 HEALTH CARE	92,446.66	93,576	90,208.70	87,481
52311 HEALTH CARE OPT-OUT FULL	0.00	0	125.00	1,500
52320 OPERS	65,620.95	68,648	63,925.54	70,998
52340 LIFE INSURANCE	561.60	562	561.60	614
52360 MEDICARE	4,889.47	5,447	4,369.98	5,534
Total Personnel Benefits	163,518.68	168,233	159,190.82	166,127
Reimbursable Expenses				
52410 TRAVEL	7.00	950	1,030.44	1,000
52430 EMPLOYEE EDUCATION	0.00	2,500	0.00	1,000
Total Reimbursable Expenses	7.00	3,450	1,030.44	2,000
Utilities				
52550 COMMUNICATIONS	0.00	0	0.00	0
Total Utilities	0.00	0	0.00	0
Total Professional Services				
	0.00	0	0.00	0
Contractual Services				
52730 DUES AND SUBSCRIPTIONS	135.95	200	185.95	200
52735 EQUIPMENT RENTAL	0.00	0	376.39	0
52770 UNIFORMS	932.21	3,000	501.39	1,500
Total Contractual Services	1,068.16	3,200	1,063.73	1,700
Materials & Supplies				
52805 OFFICE SUPPLIES	694.93	1,000	286.43	0
52810 FUEL AND OIL	0.00	300	0.00	0
52811 VEHICLE MAINTENANCE PARTS	9.36	0	9.10	0
52840 LABORATORY SUPPLIES	27.27	0	10.61	0
52845 GENERAL HARDWARE SUPPLIES	4,706.83	5,000	5,683.47	5,400
52846 EQUIPMENT AND INSTRUMENTATION PARTS	85.57	0	422.57	0
52851 OTHER MINOR EQUIPMENT	3,120.50	8,000	5,808.60	8,000
52860 POSTAGE, UPS	6.66	50	0.00	300
52865 OTHER SUPPLIES	5,532.01	5,200	5,185.37	5,500
52870 FREIGHT	16.33	500	0.00	500
Total Materials & Supplies	14,199.46	20,050	17,406.15	19,700

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1700 (BUILDING MAINTENANCE)

	<i>2006 ACTUALS</i>	<i>2007 ADOPTED BUDGET</i>	<i>2007 ACTUALS</i>	<i>2008 ADOPTED BUDGET</i>
Equipment Repair & Maintenance				
52920 EQUIPMENT REPAIR AND MAINTENANCE	0.00	2,500	0.00	2,000
Total Equipment Repair & Maintenance	0.00	2,500	0.00	2,000
Building & Road Repair				
53030 SEWER REPAIR AND MAINTENANCE	0.00	0	0.00	0
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	0.00	0	0.00	0
53050 BUILDING MAINTENANCE SUPPLIES	12,552.09	0	494.43	0
53051 BUILDING MAINTENANCE SERVICES	683.86	0	2,056.79	0
53052 BUILDING MAINTENANCE MISCELLANEOUS	0.00	0	0.00	0
Total Building & Road Repair	13,235.95	0	2,551.22	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	639,952.77	693,083	614,891.64	698,658

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1700 (BUILDING MAINTENANCE)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	28,303.00	74,500	84,089.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	28,303.00	74,500	84,089.00	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Environmental Services (WQIS) -- 1800

MANAGED BY Francis G. Foley
Superintendent of Environmental Services

Page 1 of 3

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Environmental Services – Water Quality and Industrial Surveillance (WQIS) provides plant support through its control and oversight of approximately 180 Significant Industrial Users (SIUs), 150 Industrial Surcharges, 140 Categorical Industrial Users (CIUs), 682 general industrial users, 540 dental offices, and 14 hospitals. Additionally, WQIS provides 24-hour emergency spill response and/or mitigation to chemical products accidentally or deliberately discharged to the collection system and area waterways. Between January and October 2007, WQIS responded to 160 spill or odor complaints. WQIS also appropriately bills industrial users, investigates water leaks, and conducts environmental sampling and monitoring of streams and rivers and near-shore Lake Erie within the District's service area.

WQIS is responsible for complying with all NPDES pretreatment requirements. By controlling industrial discharges, WQIS supports all District wastewater treatment plants in meeting their NPDES limits.

WQIS plays a proactive role regarding pending regulatory issues such as mercury, Whole Effluent Toxicity (WET), and wet weather issues, and represents the District on numerous national, state and local trade association committees, such as the National Association of Clean Water Agencies (NACWA) Water Quality Committee, NACWA Mercury Workgroup, NACWA Emerging Contaminants Workgroup, Ohio Lake Erie Phosphorus Task Force, Association of Ohio Metropolitan Wastewater Agencies (AOMWA), Ohio Environmental Protection Agency (OEPA) / Ohio Water Environment Association (OWEA) Industrial Pretreatment Committee, OWEA Industrial Pretreatment Operator Certification Committee, OWEA Industrial Pretreatment Inspection Certification Committee and the Water Environment Research Foundation (WERF) Research Council.

WQIS coordinates oversight of the District's Radiological License issued by the Ohio Department of Health and represents the District at outreach activities such as school presentations, environmental events, and Household Hazardous Waste collection days.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Environmental Services -- 1800
MANAGED BY Francis G. Foley
 Superintendent of Environmental Services

Page 2 of 3

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The major objectives for WQIS in 2008 are:

Pretreatment: Sample and investigate all pretreatment industries as required and address violations with appropriate enforcement action. Track down and remedy any discharges causing plant treatment difficulties. Meet all pretreatment program performance requirements in NPDES permits, such as industrial user inventory maintenance, required plant sampling, reporting requirements and public notification. Continue to implement and expand a Pollutant Minimization Program (PMP) for mercury.

Surcharge: Sample and investigate all surcharge industries to ensure compliance and appropriate rates. Continue to examine industrial base to seek new surcharge industries.

Water Quality Monitoring: Sample, monitor and track water quality in local streams, rivers and Lake Erie. Follow-up on all environmental disruptions, document water quality improvements, provide current scientifically sound information for internal decision making and reporting to the appropriate control authority.

Business: Process all applications (NCS, SSCBOUTS, Water Leaks, etc.) quickly and efficiently. Follow-up on all customer concerns and inquiries professionally.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Environmental Services -- 1800

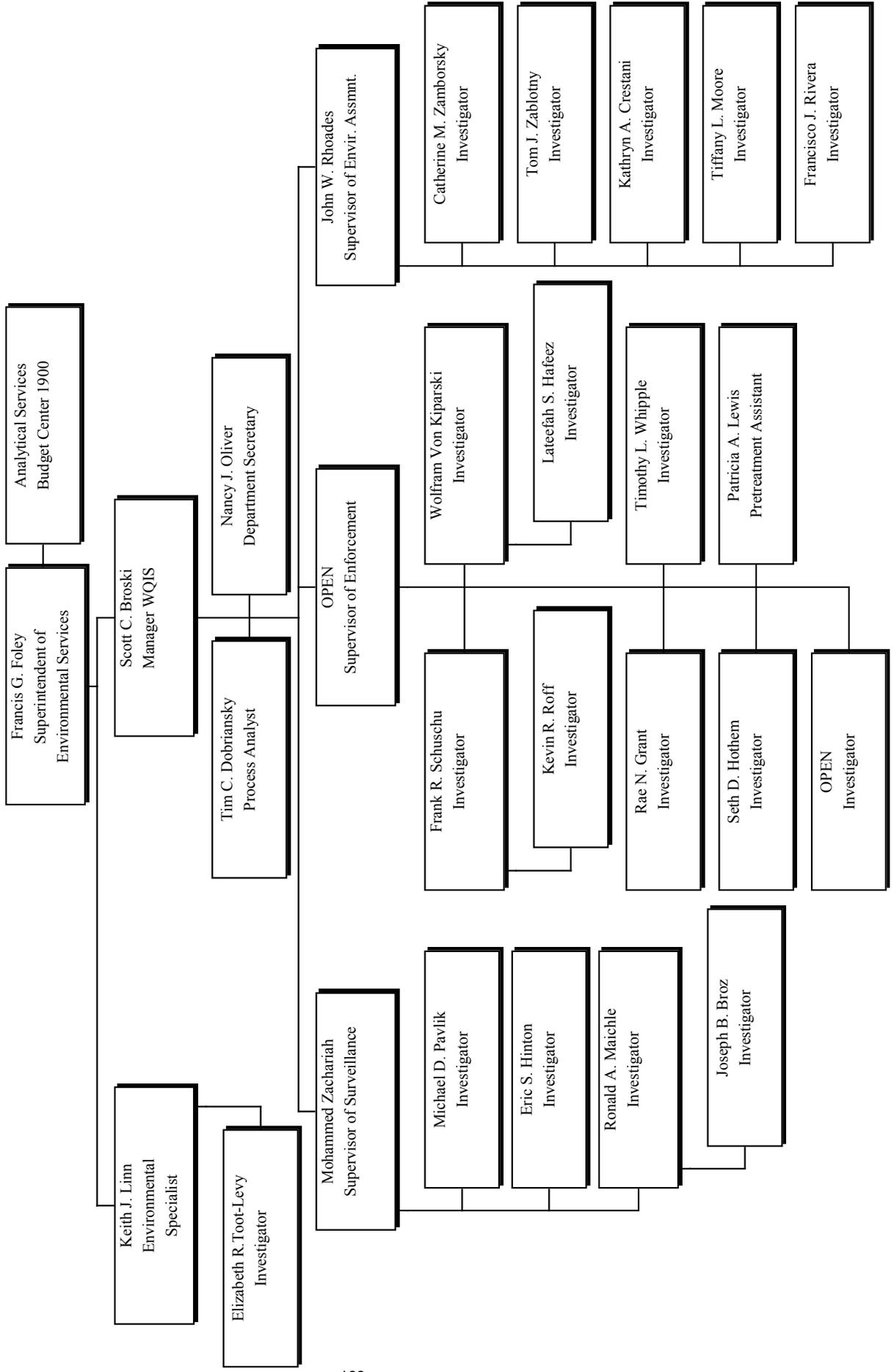
MANAGED BY Francis G. Foley
Superintendent of Environmental Services

Page 3 of 3

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Met all NPDES Pretreatment Program Requirements.▪ Completed Combined Sewer Overflow sampling required by 308(a) request from the United States Environmental Protection Agency and Department of Justice.▪ Completed West Creek baseline water quality evaluation.▪ Coordinated regulatory compliance seminar for metal finishing industry; Worked with Local Emergency Planning Committee on county-wide emergency exercise.▪ Completed all planned environmental monitoring projects for 2007.	<ul style="list-style-type: none">▪ Meet all NPDES Pretreatment Program Requirements.▪ Work to address regulatory and environmental issues posed by mercury and pollutants of emerging concern.▪ Utilize a watershed approach to evaluate and manage water quality in the area's waterways; Assist in the District's transition to stormwater management.▪ Improve process for tracking and documenting billing issues for industrial users.▪ Improve level of emergency response preparedness; Continue to work with other local emergency responders and improve our emergency response capabilities.

Northeast Ohio Regional Sewer District
 Environmental Services
 Budget Center - 1800



NORTHEAST OHIO REGIONAL SEWER DISTRICT

ENVIRONMENTAL SERVICES -- 1800

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Superintendent of Environmental Services	1	1	1	1	0
Manager WQIS	1	1	1	1	0
Supervisor of Surveillance	1	1	1	1	0
Supervisor of Enforcement	1	1	1	1	0
Supervisor of Environmental Assessment	1	1	1	1	0
Investigator	19	17	19	18	-1
Process Analyst	1	1	1	1	0
Environmental Specialist	1	1	1	1	0
Department Secretary	1	1	1	1	0
Pretreatment Program Assistant	0	1	1	1	0
TOTAL POSITIONS	27	26	28	27	-1

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1800 (ENVIRONMENTAL SERVICES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	361,415.20	372,237	330,845.05	366,942
52030 PROFESSIONALS SALARIES	962,986.44	1,071,553	1,025,737.35	1,030,141
52031 ADMINISTRATIVE SUPPORT SALARIES	32,251.25	52,378	50,627.86	82,888
52040 OPERATIONS HOURLY	0.00	0	0.00	0
52060 STUDENT SALARIES	17,463.38	38,334	30,826.63	32,633
52071 LONGEVITY	6,650.00	7,050	5,800.00	6,550
52081 SICK BUY OUT	0.00	0	0.00	14,000
52230 PROFESSIONAL OVERTIME	14,124.47	17,750	50,060.74	20,000
52260 STUDENT OVERTIME	0.00	500	2,001.88	500
Total Salary & Wages	1,394,890.74	1,559,802	1,495,899.51	1,553,654
Personnel Benefits				
52310 HEALTH CARE	264,501.84	264,007	239,340.46	250,459
52311 HEALTH CARE OPT-OUT FULL	128.37	0	1,646.41	1,826
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	164.42	0	2,031.49	2,674
52320 OPERS	201,315.79	216,033	207,951.78	217,511
52340 LIFE INSURANCE	1,643.85	1,948	1,665.90	1,814
52360 MEDICARE	15,048.17	17,134	16,824.28	18,926
Total Personnel Benefits	482,802.44	499,122	469,460.32	493,210
Reimbursable Expenses				
52410 TRAVEL	29,044.91	33,300	21,966.11	24,000
52430 EMPLOYEE EDUCATION	20,992.12	22,000	15,458.00	20,000
Total Reimbursable Expenses	50,037.03	55,300	37,424.11	44,000
Utilities				
52510 ELECTRICITY	0.00	0	0.00	0
52550 COMMUNICATIONS	(865.40)	0	0.00	0
Total Utilities	(865.40)	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	64,449.52	91,250	55,879.48	82,000
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	0.00	0	0.00	4,000
Total Professional Services	64,449.52	91,250	55,879.48	86,000
Contractual Services				
52715 PRINTING	2,911.79	5,000	795.72	2,500
52730 DUES AND SUBSCRIPTIONS	7,001.92	7,300	1,828.50	2,685
52750 ADVERTISING	3,738.24	4,000	2,874.24	3,300
52770 UNIFORMS	2,940.33	5,000	1,015.02	2,500
52775 LICENSES, FEES, AND PERMITS	695.00	1,300	5,695.00	5,800
52780 OTHER CONTRACTUAL SERVICES	10,765.12	0	4,097.95	5,800
Total Contractual Services	28,052.40	22,600	16,306.43	22,585

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1800 (ENVIRONMENTAL SERVICES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	2,299.24	2,500	1,354.90	2,000
52810 FUEL AND OIL	314.23	800	296.49	800
52811 VEHICLE MAINTENANCE PARTS	66.31	0	255.84	0
52825 CHEMICALS	8.52	0	0.00	0
52840 LABORATORY SUPPLIES	3,683.54	6,700	4,933.80	8,200
52845 GENERAL HARDWARE SUPPLIES	14,307.94	20,000	20,883.56	20,250
52846 EQUIPMENT AND INSTRUMENTATION PARTS	15,047.94	8,300	9,185.15	5,000
52851 OTHER MINOR EQUIPMENT	10,709.45	21,350	6,868.80	25,950
52860 POSTAGE, UPS	3,190.64	5,000	6,239.30	6,000
52865 OTHER SUPPLIES	45,838.32	41,200	44,673.85	35,100
52870 FREIGHT	1,634.25	1,000	1,379.07	1,500
Total Materials & Supplies	97,100.38	106,850	96,070.76	104,800
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	0.00	0	0.00	0
52920 EQUIPMENT REPAIR AND MAINTENANCE	9,687.85	15,100	7,960.85	16,150
Total Equipment Repair & Maintenance	9,687.85	15,100	7,960.85	16,150
Building & Road Repair				
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	0.00	0	0.00	0
53050 BUILDING MAINTENANCE SUPPLIES	0.00	0	3,786.47	0
Total Building & Road Repair	0.00	0	3,786.47	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	2,126,154.96	2,350,024	2,182,787.93	2,320,399

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=1800 (ENVIRONMENTAL SERVICES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	15,184.00	6,500	9,048.70	0
Vehicles				
15204 VEHICLES	13,000.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	28,184.00	6,500	9,048.70	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Analytical Services -- 1900

MANAGED BY Mark E. Citriglia
Manager Analytical Services

Pg 1 of 3

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Analytical Services provides the following services:

- Provides legally defensible and quality data, by operating the laboratory under guidelines and standards outlined by the National Environmental Laboratory Accreditation Program (NELAP).
- Provides analytical testing, report generation, chain of custody compliance, and sampling containers to the District's treatment plants in order to meet requirements outlined by the NPDES permits and other requirements defined by the operations department.
- Verifies the quality of the chemicals used in the treatment process to ensure the adherence to contract specifications.
- Provides certified results for samples submitted by the District's Water Quality and Industrial Surveillance (WQIS) department for samples required for the District's pretreatment program, water quality monitoring, sewer surcharge, and enforcement purposes.
- Assists with plant operation by performing microscopic analysis of the activated sludge system, quality control checks on analytical equipment, and providing additional testing, support and sampling at the request of operations and WQIS.
- Provides analytical testing, assists with research efforts, analytical method development and assists with contract laboratory services as needed for initiatives and projects defined by any District department and external agencies.
- Provides support staff for a variety of outreach activities throughout the year, including the Student Technical Enrichment Program (STEP).

Analytical Services is dedicated to the following goals:

- Maintain a Quality System that creates an efficient and supportive environment allowing all analysts to produce quality, and defensible data, while allowing continuous improvement and development of the laboratory and employees.
- Maintain the laboratory's NELAP Accreditation in support of the District's NPDES requirements and other environmental and compliance initiatives in support of generating credible data.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Analytical Services -- 1900

MANAGED BY Mark E. Citriglia
 Manager Analytical Services

Pg 2 of 3

**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

- Communicate and cooperate to promote good relationships within the department, with other District departments, and outside agencies to achieve common goals and objectives.
- Keeping up to date with current methods, and technology to provide an efficient and competitive laboratory.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Assisted the District with the efforts needed for the CSO 308 sampling and analysis program. ▪ Successfully complete all required proficiency testing samples for NELAC Accreditation. ▪ Finalize the Laboratory's Quality System and under went a detailed laboratory audit for NELAC Accreditation. ▪ Continued to provide training and QA/QC support of the District's Low Level Chlorine Analyzers. ▪ Assisted the Chagrin River Partners with the preparation of a project plan for analytical needs for a two year storm water project. ▪ Implemented a new automated micro-distillation cyanide method for industrial samples. ▪ Utilize SPL to review stock items purchased from the laboratory chemical warehouse. Validated that the items were still needed and corrected the ordering frequency if necessary. 	<ul style="list-style-type: none"> ▪ Work with the USGS to effectively setup and operate the newly required QPCR unit as defined by the USEPA's Supplemental Environmental Plan. ▪ Successfully pass all the required performance check standards required by NELAC and the District's NPES Permit. ▪ Finalize the Laboratory's NELAC Accreditation and continue to operate the laboratory in accordance to the guidelines of the NELAC standard. ▪ Continue to provide training and QA/QC support of the District's Low Level Chlorine Analyzers. ▪ Assist the Chagrin River Partners with analytical needs for a two year storm water project. ▪ Take over the daily in-house process control samples from Southerly WWTP, and assist the plant with projects and other initiatives. ▪ Utilize SPL to generate work orders, work requests and asset tracking.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Analytical Services -- 1900

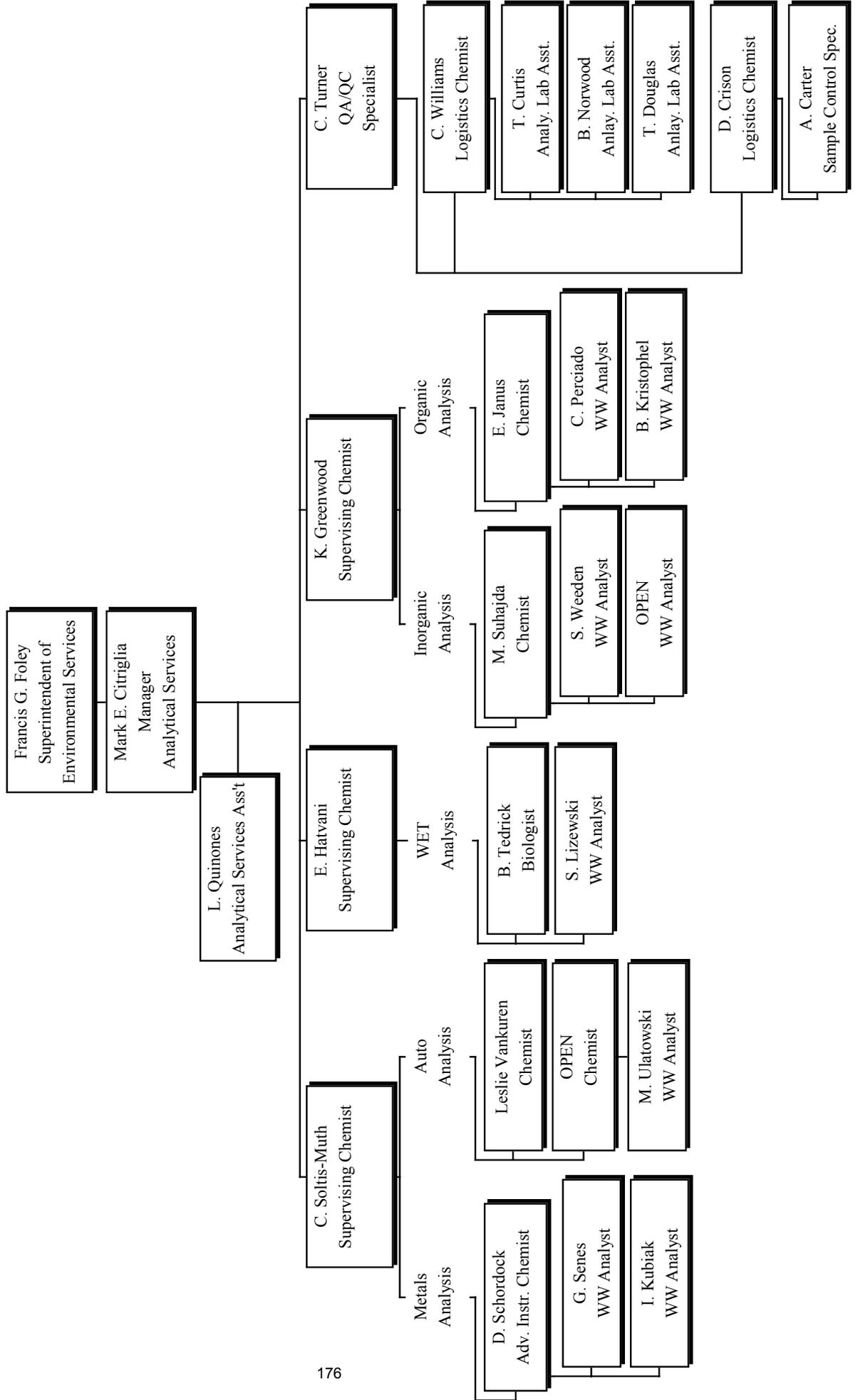
MANAGED BY Mark E. Citriglia
 Manager Analytical Services

Pg 3 of 3

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Created a laboratory Safety Team to look at specific safety concerns within the laboratory.▪ Provided tours of the laboratory and assisted with other outreach activities as needed, most notable is the STEP program.▪ Worked with USGS to identify possible sources of E. coli contamination at Villa Angela Beach.▪ Worked with the USGS to validate the predictive model created for Edgewater Beach.▪ Worked on testing and validating the LabLynx upgrade to the latest version.▪ Continued to provide training for the Wastewater Analyst Certification for all laboratory personnel.	<ul style="list-style-type: none">▪ Provide tours of the laboratory and other outreach activities as needed for the STEP program and other initiatives.▪ Continue to provide training for the Wastewater Analyst Certificate for all laboratory personnel.▪ Continue to work with USGS to identify possible sources of E. coli contamination at Villa Angela Beach.▪ Continue our efforts with the USGS to validate the predictive model created for Edgewater Beach and create a “Now Cast System”.▪ Continue to test and finally upgrade the LabLynx systems newest version for final implementation in 2008.▪ Assist WQIS and Southerly identify the intermittent toxicity that has been observed at Southerly.

Northeast Ohio Regional Sewer District
 Analytical Services
 Budget Center - 1900



NORTHEAST OHIO REGIONAL SEWER DISTRICT

ANALYTICAL SERVICES --1900

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007		2008 BUDGET	BUDGET CHANGE
		ACTUAL	BUDGET		
Manager Analytical Services	1	1	1	1	0
Supervising Chemist	3	3	3	3	0
Logistics Chemist	2	2	2	2	0
QA/QC Specialist	1	1	1	1	0
Chemist	5	4	5	4	-1
Biologist	1	1	2	1	-1
Advanced Instrumentation Chemist	1	0	1	1	0
Analytical Services Assistant	1	1	1	1	0
Sample Control Specialist	1	1	1	1	0
WW Analyst	9	7	8	8	0
Analytical Lab Assistant	3	3	3	3	0
TOTAL POSITIONS	28	24	28	26	-2

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1900 (ANALYTICAL SERVICES)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	229,814.64	262,616	263,962.24	273,686
52030 PROFESSIONALS SALARIES	422,227.89	512,107	472,978.57	466,981
52031 ADMINISTRATIVE SUPPORT SALARIES	33,650.07	38,126	32,195.14	39,247
52034 TECHNICIANS SALARIES	397,386.64	365,874	360,309.56	384,384
52040 OPERATIONS HOURLY	0.00	0	0.00	0
52050 MAINTENANCE HOURLY	0.00	0	622.00	0
52060 STUDENT SALARIES	33,912.82	44,990	17,831.07	40,830
52071 LONGEVITY	6,225.00	6,525	5,775.00	6,100
52081 SICK BUY OUT	0.00	0	0.00	8,500
52230 PROFESSIONAL OVERTIME	22,866.71	24,000	29,428.12	28,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	1,604.13	1,000	1,610.65	1,600
52234 TECHNICIAN OVERTIME	8,720.64	30,000	37,124.82	34,000
52240 OPERATIONS HOURLY OVERTIME	0.00	0	0.00	0
52250 MAINTENANCE HOURLY OVERTIME	0.00	0	0.00	0
52260 STUDENT OVERTIME	3,681.97	4,000	1,864.91	4,000
Total Salary & Wages	1,160,090.51	1,289,238	1,223,702.08	1,287,328
Personnel Benefits				
52310 HEALTH CARE	219,681.93	206,075	179,158.16	203,892
52311 HEALTH CARE OPT-OUT FULL	128.37	3,000	1,291.62	609
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	164.42	514	1,554.07	892
52320 OPERS	164,781.99	178,560	168,359.96	180,226
52340 LIFE INSURANCE	1,769.35	1,878	1,597.05	1,685
52360 MEDICARE	13,608.54	14,627	13,333.32	14,479
Total Personnel Benefits	400,134.60	404,654	365,294.18	401,783
Reimbursable Expenses				
52410 TRAVEL	12,610.07	14,000	8,470.87	9,000
52430 EMPLOYEE EDUCATION	17,785.00	20,000	8,564.10	5,000
Total Reimbursable Expenses	30,395.07	34,000	17,034.97	14,000
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	69,920.77	75,000	84,474.92	60,000
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	7,759.08	13,000	7,300.00	7,000
Total Professional Services	77,679.85	88,000	91,774.92	67,000
Contractual Services				
52715 PRINTING	0.00	0	87.90	100
52720 TAXES	(4.51)	0	0.00	0
52730 DUES AND SUBSCRIPTIONS	1,321.45	2,000	1,456.80	2,000
52735 EQUIPMENT RENTAL	4,698.50	6,000	15,268.34	12,800
52770 UNIFORMS	3,404.20	12,000	910.00	1,000
52780 OTHER CONTRACTUAL SERVICES	15,384.68	12,500	12,907.78	25,500
Total Contractual Services	24,804.32	32,500	30,630.82	41,400

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1900 (ANALYTICAL SERVICES)

	<i>2006</i> ACTUALS	<i>2007</i> ADOPTED BUDGET	<i>2007</i> ACTUALS	<i>2008</i> ADOPTED BUDGET
Materials & Supplies				
52805 OFFICE SUPPLIES	11,923.33	12,000	5,274.78	6,000
52810 FUEL AND OIL	0.00	100	0.00	100
52811 VEHICLE MAINTENANCE PARTS	72.49	0	9.93	0
52825 CHEMICALS	105,450.36	110,000	79,605.74	100,000
52840 LABORATORY SUPPLIES	132,038.02	140,000	161,415.96	140,000
52845 GENERAL HARDWARE SUPPLIES	5,494.60	5,000	5,275.97	5,000
52846 EQUIPMENT AND INSTRUMENTATION PARTS	11,424.78	12,000	11,647.31	10,000
52851 OTHER MINOR EQUIPMENT	6,503.68	5,000	4,553.71	5,000
52860 POSTAGE, UPS	0.00	250	9.40	250
52865 OTHER SUPPLIES	16,678.31	17,000	19,288.97	15,000
52870 FREIGHT	6,344.39	5,000	5,312.80	5,000
Total Materials & Supplies	295,929.96	306,350	292,394.57	286,350
Equipment Repair & Maintenance				
52920 EQUIPMENT REPAIR AND MAINTENANCE	69,451.08	72,700	75,176.87	85,450
Total Equipment Repair & Maintenance	69,451.08	72,700	75,176.87	85,450
Building & Road Repair				
53010 BUILDING REPAIR AND MAINTENANCE	(17,972.50)	0	575.00	0
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	27.92	0	0.00	0
53050 BUILDING MAINTENANCE SUPPLIES	0.00	0	306.54	0
53051 BUILDING MAINTENANCE SERVICES	0.00	0	0.00	11,200
53052 BUILDING MAINTENANCE MISCELLANEOUS	0.00	0	0.00	7,200
Total Building & Road Repair	(17,944.58)	0	881.54	18,400
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	2,040,540.81	2,227,442	2,096,889.95	2,201,711

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=1900 (ANALYTICAL SERVICES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	75,000	0.00	37,741
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	75,782.47	70,000	102,101.88	87,000
Vehicles				
15204 VEHICLES	41,795.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>117,577.47</u>	<u>145,000</u>	<u>102,101.88</u>	<u>124,741</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Human Resources -- 2000

MANAGED BY Janet A. Gyevat
Acting Director of Human Resources

Page 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Human Resources supports the District's mission, strategies, objectives, and goals by partnering with consulting, or coaching employees and administering plans, programs, policies and systems, including but not limited to the following functions:

Strategic Planning- Developing and implementing a strategic human resources plan to support the District's mission, strategies, objectives, and goals

Recruiting and Hiring- Internal/External Job Posting, Application Tracking, Candidate Selection, New Hire Processing, Orientation

Assessment for Selection- Hiring Manager Consult, Recommend/Administer Assessment Instruments, Provide Feedback, Facilitate Job Analysis, Write Job Descriptions, Interview Guides

Benefits Administration- Employee Assistance, Healthcare Statement Verification and Administration, Enrollment, Employee Paid Deductions, Benefits Fair, Plan Analysis

Compensation Administration Salary Analysis and Tracking, Job Evaluations, FLSA Compliance, Communications

Leave Administration FMLA, Workers Compensation, Short Disability

File Administration Record keeping such as personnel files and government regulation compliance

Policy/Procedure Administration Establish and Maintain Policies and Procedures; Employee Handbook.

Systems Support-Data Entry and Reporting via PCPW, Cyborg, Synergen, KRONOS, HR Profile, Prognos, Oracle

Recognition Programs Service Awards, Retiree and Employee Recognition Program

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Human Resources -- 2000

MANAGED BY Janet A. Gyevat
Acting Director of Human Resources

Page 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

EEO Labor Force Reporting- EEO-4 Compliance, Quarterly and Annual Labor Force Analysis and Reporting

Legal Support- Provide Information and Documentation for Defending Claims or Charges

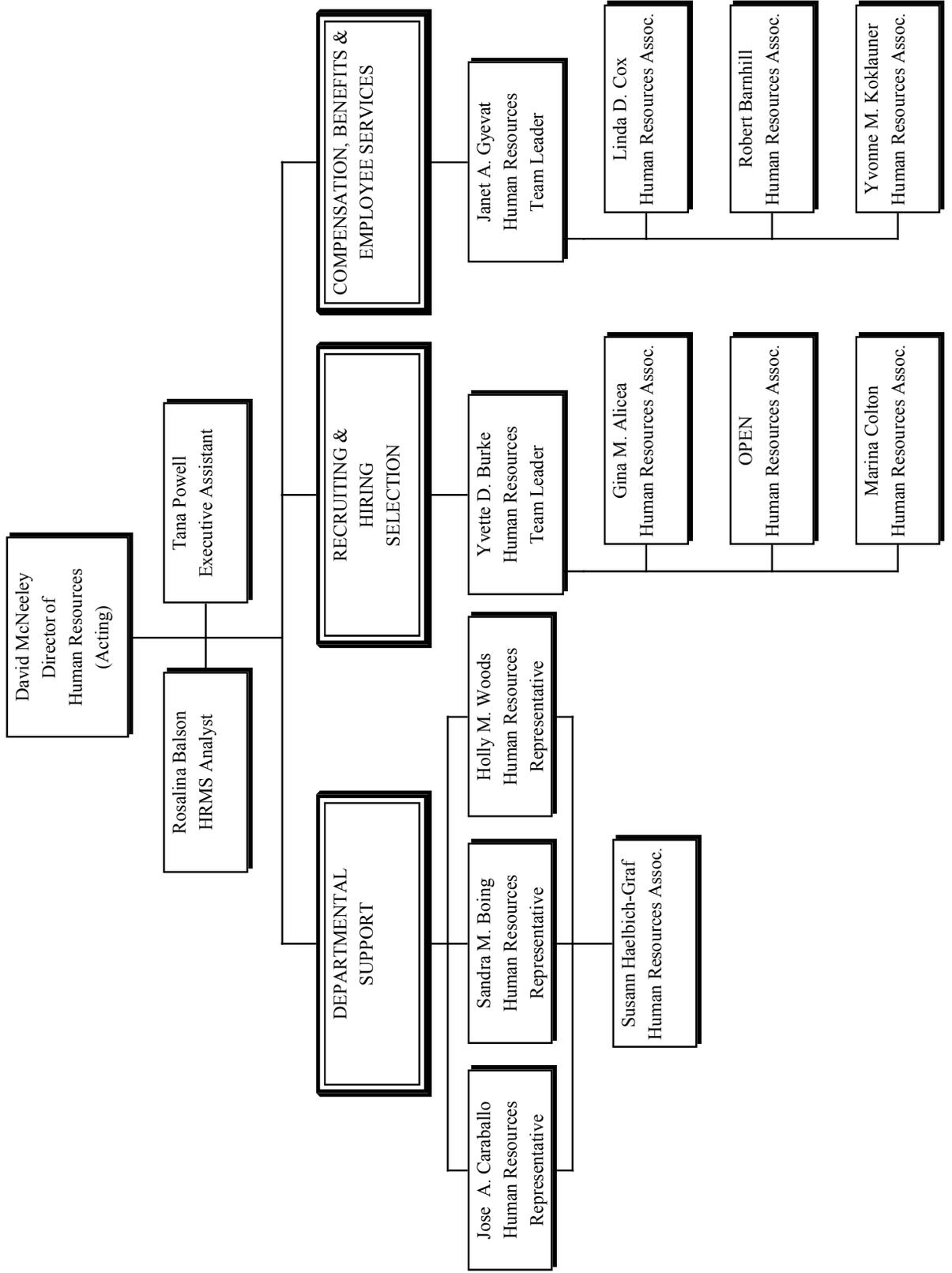
Consults/Interventions- Work, Workforce, Development, and Performance

Employee Education- Workshops, Seminars, Courses, Programs, Classes, and Self study materials

Assessment for Development– Consults, Administration of Instruments, Feedback, Facilitate discussion with Manager, Coach or Mentor.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Upgrade ORACLE to version 11.5.10 ▪ Maintained OTA module and upgraded it to OLM – ORACLE Learning Mgmt. ▪ Included self-service and iRecruitment in the ORACLE upgrade. ▪ Ongoing updates to documentation of HR policies, procedures and processes. ▪ 38 Fulltime New Hires 17 New Hire Co-ops / Law Clerks 37 Promotions 9 Reclassifications 	<ul style="list-style-type: none"> ▪ Review all benefits, vendors and services and source new providers as needed. ▪ Expand employee “Wellness” programs ▪ Update Employee Handbook ▪ Enhance Hiring and Recruiting practices for greater efficiencies. ▪ Implement ORACLE iRecruitment Module ▪ Active role in Labor Negotiations ▪ Continue to closely monitor FMLA, STD and WC claims ▪ Ongoing updates to documentation of HR policies, procedures and processes.

Northeast Ohio Regional Sewer District
 Human Resources
 Budget Center - 2000



NORTHEAST OHIO REGIONAL SEWER DISTRICT

HUMAN RESOURCES --2000

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Director of Human Resources	0	0	1	1	0
Human Resources Manager	0	0	1	0	-1
Human Resources Team Leader	1	2	3	2	-1
Human Resources Representative	0	3	3	3	0
Training & Development Representative	0	1	1	0	-1
Human Resources Mgmt Sys Apps Analyst	0	0	0	1	1
Human Resources Associate	9	4	4	4	0
Human Resources Associate (Part Time)	1	1	1	0	-1
Human Resources Associate	3	3	3	3	0
Executive Assistant	0	0	0	1	1
General Office Clerk	1	1	1	0	-1
Employee Relations Representative	1	0	0	0	0
Health, Safety and Development Manager	1	0	0	0	0
TOTAL POSITIONS	17	15	18	15	-3

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=2000 (HUMAN RESOURCES)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	72,851.76	342,498	133,639.62	214,357
52030 PROFESSIONALS SALARIES	464,741.23	292,386	312,077.78	364,477
52031 ADMINISTRATIVE SUPPORT SALARIES	194,040.67	145,954	246,778.69	161,346
52041 PROTECTIVE SERVICE SALARIES	0.00	0	948.00	0
52060 STUDENT SALARIES	2,596.94	36,670	6,613.15	4,800
52071 LONGEVITY	3,500.00	3,875	4,050.00	3,700
52081 SICK BUY OUT	0.00	0	0.00	5,000
52230 PROFESSIONAL OVERTIME	0.00	0	0.00	0
52231 ADMINISTRATIVE SUPPORT OVERTIME	2,793.28	4,000	1,876.79	4,000
52260 STUDENT OVERTIME	0.00	0	0.00	0
Total Salary & Wages	740,523.88	825,383	705,984.03	757,680
Personnel Benefits				
52310 HEALTH CARE	170,598.37	151,327	133,669.79	147,773
52311 HEALTH CARE OPT-OUT FULL	42.79	1,500	521.40	609
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	82.21	0	978.60	891
52320 OPERS	109,079.58	106,698	100,567.81	106,075
52330 WORKERS COMPENSATION	312,097.31	400,000	111,424.60	363,500
52340 LIFE INSURANCE	1,154.55	1,035	988.65	959
52350 UNEMPLOYMENT COMPENSATION	4,823.00	5,000	33,222.56	5,000
52360 MEDICARE	7,742.28	8,660	7,507.60	9,379
52370 UNIFORM ALLOWANCE	2,669.85	0	0.00	0
52380 AWARDS AND RECOGNITION	9,618.57	30,000	16,271.52	25,000
Total Personnel Benefits	617,908.51	704,220	405,152.53	659,186
Reimbursable Expenses				
52410 TRAVEL	8,346.44	20,000	11,603.08	12,000
52430 EMPLOYEE EDUCATION	25,424.50	25,000	8,179.00	9,000
52440 TUITION REIMBURSEMENT	182,098.21	180,000	115,536.12	0
Total Reimbursable Expenses	215,869.15	225,000	135,318.20	21,000
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	223,730.17	347,000	203,523.88	204,000
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	96,208.73	347,000	70,322.51	0
52620 TEMPORARY STAFFING	19,353.81	20,000	105,151.40	75,000
Total Professional Services	339,292.71	714,000	378,997.79	279,000
Contractual Services				
52715 PRINTING	455.40	3,000	4,498.71	10,000
52720 TAXES	0.00	0	0.00	0
52730 DUES AND SUBSCRIPTIONS	7,447.96	8,000	8,521.50	8,700
52750 ADVERTISING	18,570.15	25,000	20,127.46	25,000
52770 UNIFORMS	300.00	0	0.00	0
52780 OTHER CONTRACTUAL SERVICES	0.00	0	0.00	0
Total Contractual Services	26,773.51	36,000	33,147.67	43,700

OPERATING EXPENSE BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=2000 (HUMAN RESOURCES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	952.73	1,000	1,361.04	1,500
52806 SOFTWARE	5,000.00	0	0.00	0
52810 FUEL AND OIL	84.49	0	0.00	0
52845 GENERAL HARDWARE SUPPLIES	0.00	0	0.00	0
52851 OTHER MINOR EQUIPMENT	0.00	0	1,300.00	0
52860 POSTAGE, UPS	0.00	0	0.00	0
52861 TRAINING SUPPLIES	17,985.28	20,000	20,388.63	0
52865 OTHER SUPPLIES	6,675.08	15,000	975.00	10,000
52870 FREIGHT	7,415.61	600	996.96	1,000
Total Materials & Supplies	38,113.19	36,600	25,021.63	12,500
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	1,978,480.95	2,541,203	1,683,621.85	1,773,066

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=2000 (HUMAN RESOURCES)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	0.00	0	0.00	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Safety & Security -- 2100

MANAGED BY James Davidson
 Manager of Safety & Security

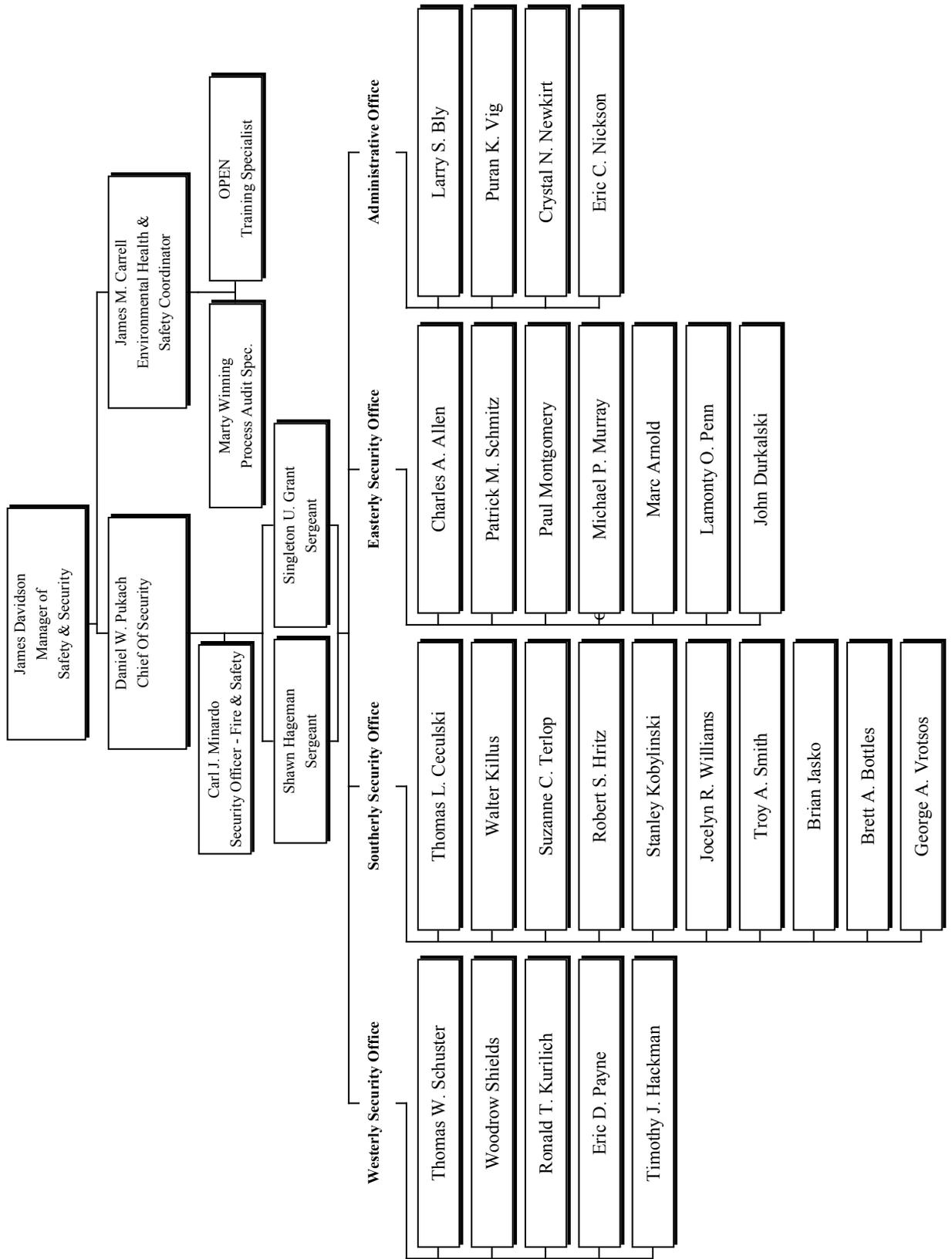
**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

The Budget Center’s role is to provide a safe and secure work environment, which will enable the District employees to perform their duties and support the District’s goal of meeting all NPDES permit limits.

Currently, the Budget Center consists of 27 Officers, 1 Chief of Security, 1 Manager of Security, 2 Sergeants, 1 Environmental Health & Safety Coordinator, 1 Audit Specialist and 1 Training Specialist. Security is provided at the three Wastewater Treatment Plants, EMSC and the Administration Building. Our duties include patrolling all buildings and grounds, signing in and directing visitors, investigating any thefts, submit Damage to Property reports, accident or injury reports. Access control has become a key priority. Perimeter monitoring is also now a primary task at Wastewater Treatment Plants and the GJM Administration building.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Developed and implement new supervisory positions within the security division. ▪ Initiated process for revision and development of District Environmental Health and Safety (EHS) policy through analysis and prioritization. ▪ Formulated and implemented management and supervisory EHS training initiative. ▪ Developing and integrating a scalable access control system to provide improved physical hardening of District facilities. ▪ Identified and implemented upgrade of District wide communications systems. 	<ul style="list-style-type: none"> ▪ Revise and implement safety and security procedures to meet Department of Homeland Security Mandates and solutions. ▪ Facilitate updated Crisis Management response team development of action plans and facility emergency response plans (ERP’s). ▪ Upgrade District communication capabilities through advanced IP solution hardware. ▪ Continue development and implement new Safety and Security Department policies. ▪ Facilitate Incident Command System training certification of all security division personnel.

Northeast Ohio Regional Sewer District
 Safety and Security
 Budget Center - 2100



NORTHEAST OHIO REGIONAL SEWER DISTRICT

SAFETY AND SECURITY --2100

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL BUDGET		2008 BUDGET	BUDGET CHANGE
Manager of Safety & Security	1	1	1	1	0
Chief of Security	1	1	1	1	0
Sergeant	0	2	2	2	0
Envir'l Health & Safety Coordinator	0	1	1	1	0
Training Specialist	1	0	1	1	0
Human Resources Associate	0	1	0	0	0
Process/Audit Specialist	0	0	1	1	0
Security Officer	27	27	27	27	0
TOTAL POSITIONS	30	33	34	34	0

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=2100 (SAFETY AND SECURITY)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	109,424.89	232,342	265,091.60	328,140
52030 PROFESSIONALS SALARIES	15,643.76	45,282	8,848.00	41,250
52031 ADMINISTRATIVE SUPPORT SALARIES	0.00	20,000	38,454.40	57,595
52040 OPERATIONS HOURLY	0.00	0	0.00	0
52041 PROTECTIVE SERVICE SALARIES	944,939.83	1,077,732	1,015,640.25	1,089,705
52071 LONGEVITY	5,700.00	6,200	5,550.00	6,175
52081 SICK BUY OUT	0.00	0	0.00	14,000
52240 OPERATIONS HOURLY OVERTIME	0.00	0	0.00	0
52241 PROTECTIVE SERVICE OVERTIME	335,976.29	235,000	244,035.76	240,000
Total Salary & Wages	1,411,684.77	1,616,556	1,577,620.01	1,776,865
Personnel Benefits				
52310 HEALTH CARE	270,868.13	302,173	279,365.44	288,158
52311 HEALTH CARE OPT-OUT FULL	42.79	1,500	2,265.85	2,434
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	82.21	0	1,784.86	2,674
52320 OPERS	206,761.57	223,893	225,831.55	248,761
52340 LIFE INSURANCE	1,854.45	2,264	2,228.25	2,317
52360 MEDICARE	17,721.50	20,423	19,414.99	22,811
52370 UNIFORM ALLOWANCE	24,950.00	19,500	16,741.67	20,000
Total Personnel Benefits	522,280.65	569,753	547,632.61	587,155
Reimbursable Expenses				
52410 TRAVEL	2,738.68	5,000	2,574.31	5,000
52430 EMPLOYEE EDUCATION	2,154.00	5,000	8,178.75	10,000
Total Reimbursable Expenses	4,892.68	10,000	10,753.06	15,000
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	0.00	0	500.00	50,000
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	25,150.00	75,000	1,260.60	0
Total Professional Services	25,150.00	75,000	1,760.60	50,000
Contractual Services				
52715 PRINTING	1,966.36	0	0.00	0
52730 DUES AND SUBSCRIPTIONS	149.00	0	2,435.90	0
52735 EQUIPMENT RENTAL	0.00	0	8.00	0
52770 UNIFORMS	7,893.00	21,000	30,203.55	21,500
Total Contractual Services	10,008.36	21,000	32,647.45	21,500

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=2100 (SAFETY AND SECURITY)

	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>
	<i>ACTUALS</i>	<i>ADOPTED BUDGET</i>	<i>ACTUALS</i>	<i>ADOPTED BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	1,443.60	1,500	631.90	1,500
52810 FUEL AND OIL	1,324.12	1,500	1,840.83	2,000
52811 VEHICLE MAINTENANCE PARTS	0.00	0	59.52	0
52840 LABORATORY SUPPLIES	65.03	0	6.98	0
52845 GENERAL HARDWARE SUPPLIES	802.19	1,000	1,518.54	2,000
52846 EQUIPMENT AND INSTRUMENTATION PARTS	8.42	0	7.20	0
52851 OTHER MINOR EQUIPMENT	3,275.38	2,000	3,945.82	6,000
52861 TRAINING SUPPLIES	0.00	0	0.00	0
52865 OTHER SUPPLIES	7,118.81	9,600	5,887.21	7,600
52870 FREIGHT	215.99	200	82.45	200
Total Materials & Supplies	14,253.54	15,800	13,980.45	19,300
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	1,988,270.00	2,308,109	2,184,394.18	2,469,820

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=2100 (SAFETY AND SECURITY)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	12,800.00	49,000	43,700.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>12,800.00</u>	<u>49,000</u>	<u>43,700.00</u>	<u>0</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Information Technology -- 3000

MANAGED BY Ana I. Maldonado
 Director of Information Technology

Pg 1 of 3

**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

Translates both the District and department goals into strategies and tactical solutions. Supports the District’s business and operations through information technology systems, analyses and processes. Deploys and manages the District’s voice and data infrastructure and information systems. Provides information technology-related solutions and business analysis services to improve and maximize the use of information technology. Assists District personnel in the creation, use, distribution, and management of electronic information. The budget center’s structure and related responsibilities are as follows:

IT Infrastructure	End User Support	IT Project Management
<ul style="list-style-type: none"> ➤ Ensure the stability, reliability, and quality of the information technology infrastructure including desktops, server, network, and telecommunication systems to promote the use of technology as productivity tools. 	<ul style="list-style-type: none"> ➤ Provide high quality technology-based solutions and customer oriented services in the most cost –effective manner in order to increase employee’s effective utilization of technology. ➤ Services provided are in three main areas: Database Administration, Application Support, Programming, and Training. 	<ul style="list-style-type: none"> ➤ Ensure effective implementations of information technology throughout the organization by providing tactical strategic planning and project management methodologies, tools and resources. ➤ Through business analysis, identify effective solutions that maximize the use of information technology investments

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Information Technology -- 3000

MANAGED BY Ana I. Maldonado
 Director of Information Technology

Pg 2 of 3

**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ System/application deployments: Noetix web-based budget reporting, Electronic Plant Logbook, Online Purchasing Bid Information ▪ System upgrades & enhancements: Oracle eBusiness, ODMS, LABLynx Phase III, Intranet & Internet Web Infrastructure, Web Analytics Tools, Permit Tracking Application – Easterly WWTP ▪ Planning for Storage Area Network technology selection, procurement & implementation ▪ Transition to in-house technical support for ODMS and IAS applications ▪ Successfully supported GIS application, database and training. ▪ Completed Information Security Assessment ▪ Planned for Enterprise Information Security Architecture ▪ Performed audit of telecom circuits ▪ Continued server consolidation via VMWare ▪ Supported Asset Management Program vendor selection 	<ul style="list-style-type: none"> ▪ System/application deployments: Kronos Online Leave Requests, Oracle Payables, BI Publisher for check printing & invoicing, Ohio EPA 4500 Report Electronic Submittal, Linux Operating System (servers), Oracle iRecruitment, Oracle iExpense ▪ System upgrades & enhancements: SPL Work Management System, Kronos Timekeeping, Oracle databases (10g), GIS Upgrade (ESRI components), LABLynx, InfoKeeper, Oracle Project Costing, Oracle Learning Module, IAS-SPL Integration, Network Remote Access ▪ Paging system upgrade (Easterly, Southerly, & Westerly) ▪ Storage Area Network vendor selection and deployment ▪ Complete disaster recovery plan documentation update ▪ Internet/Intranet Development Strategy ▪ Continue server consolidation via VMWare

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Information Technology -- 3000

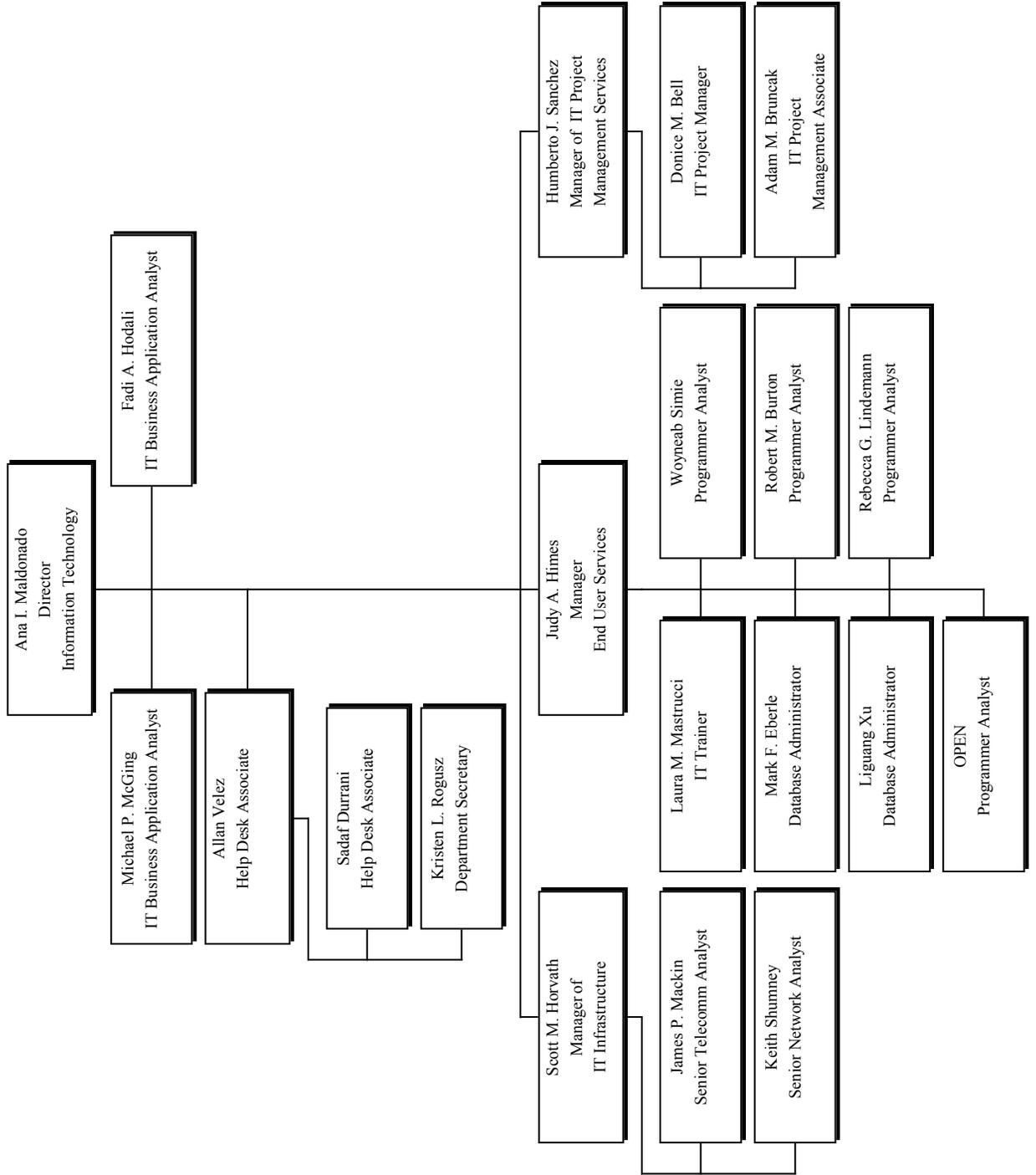
MANAGED BY Ana I. Maldonado
 Director of Information Technology

Pg 3 of 3

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Identified District functional requirements for Division of Water’s CC&B Billing System▪ Supported Division of Water in selection of vendor for Outsourced Bill Printing and for Hosting & Managed Services (CC&B Application)▪ Began IT strategic planning process▪ Established Business Analysis unit	<ul style="list-style-type: none">▪ Information Technology Assessment▪ Information Technology Strategic Plan▪ Support Asset Management Program components▪ Complete implementation of recommendations from ODMS Evaluation▪ Development of Enterprise Information Security Architecture

Northeast Ohio Regional Sewer District
 Information Technology
 Budget Center - 3000



NORTHEAST OHIO REGIONAL SEWER DISTRICT

INFORMATION TECHNOLOGY -- 3000

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Director of Information Technology	1	1	1	1	0
Deputy Director of Information Technology	0	0	1	0	-1
Manager of IT Infrastructure	1	1	1	1	0
Manager of IT Project Mngm't Services	1	1	1	1	0
Manager of End-User Services	1	1	1	1	0
Manager of District Records	1	1	1	0	-1
IT Project Manager	1	1	1	1	0
IT Business Applications Analyst	0	2	2	2	0
IT Project Manager Associate	1	1	1	1	0
IT Trainer	2	2	2	1	-1
Helpdesk Associate	2	2	2	2	0
Department Secretary	1	1	1	1	0
Records Associate	1	1	1	0	-1
Database Administrator	2	2	2	2	0
Senior Telecomm Analyst	0	0	0	1	1
Senior Network Analyst	0	0	0	1	1
IT Infrastructure and Telecomm Analyst	1	1	2	0	-2
Programmer/Analyst	4	3	3	4	1
TOTAL POSITIONS	20	21	23	20	-3

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=3000 (INFORMATION TECHNOLOGY)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	437,316.35	457,891	459,149.23	408,013
52030 PROFESSIONALS SALARIES	224,001.23	234,269	219,775.29	229,528
52031 ADMINISTRATIVE SUPPORT SALARIES	120,494.08	140,878	128,005.65	75,878
52034 TECHNICIANS SALARIES	267,934.00	330,886	282,708.47	384,369
52060 STUDENT SALARIES	54,696.59	136,565	82,762.51	111,862
52071 LONGEVITY	2,100.00	2,375	2,375.00	3,000
52081 SICK BUY OUT	0.00	0	0.00	11,000
52230 PROFESSIONAL OVERTIME	0.00	0	0.00	0
52231 ADMINISTRATIVE SUPPORT OVERTIME	574.60	0	339.78	500
52260 STUDENT OVERTIME	71.57	500	228.95	200
Total Salary & Wages	1,107,188.42	1,303,364	1,175,344.88	1,224,350
Personnel Benefits				
52310 HEALTH CARE	173,213.30	195,740	177,371.36	182,602
52311 HEALTH CARE OPT-OUT FULL	0.00	0	1,050.71	0
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	0.00	0	74.29	0
52320 OPERS	153,418.94	180,516	163,241.38	171,311
52340 LIFE INSURANCE	1,317.00	1,439	1,269.45	1,252
52360 MEDICARE	16,162.24	18,899	16,817.64	17,743
52370 UNIFORM ALLOWANCE	0.00	0	0.00	0
52380 AWARDS AND RECOGNITION	0.00	0	14.03	0
Total Personnel Benefits	344,111.48	396,594	359,838.86	372,908
Reimbursable Expenses				
52410 TRAVEL	28,297.41	22,000	14,877.05	17,000
52430 EMPLOYEE EDUCATION	49,899.41	42,000	21,336.35	25,000
Total Reimbursable Expenses	78,196.82	64,000	36,213.40	42,000
Utilities				
52550 COMMUNICATIONS	427,087.38	663,000	640,597.23	630,000
Total Utilities	427,087.38	663,000	640,597.23	630,000
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	763,415.16	692,700	594,421.91	600,000
52620 TEMPORARY STAFFING	9,792.00	25,000	37,296.00	10,000
Total Professional Services	773,207.16	717,700	631,717.91	610,000
Contractual Services				
52715 PRINTING	0.00	0	110.60	0
52725 INSURANCE AND BONDS	0.00	0	0.00	0
52730 DUES AND SUBSCRIPTIONS	5,719.98	5,400	4,837.10	4,175
52735 EQUIPMENT RENTAL	2,553.00	5,000	180.00	3,000
52750 ADVERTISING	518.40	0	0.00	0
52775 LICENSES, FEES, AND PERMITS	420.00	0	0.00	0
52780 OTHER CONTRACTUAL SERVICES	2,417.64	33,200	28,345.65	2,000
Total Contractual Services	11,629.02	43,600	33,473.35	9,175

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=3000 (INFORMATION TECHNOLOGY)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	1,261.83	1,200	1,100.71	1,000
52806 SOFTWARE	188,891.21	129,800	38,977.10	100,000
52810 FUEL AND OIL	669.60	600	354.10	600
52845 GENERAL HARDWARE SUPPLIES	381.62	0	0.00	0
52846 EQUIPMENT AND INSTRUMENTATION PARTS	1,159.12	9,000	18,074.68	9,000
52851 OTHER MINOR EQUIPMENT	113,855.02	68,500	82,761.92	121,120
52861 TRAINING SUPPLIES	1,568.41	5,600	2,164.29	4,000
52865 OTHER SUPPLIES	14,727.94	8,900	17,352.79	16,000
52870 FREIGHT	2,195.67	2,000	1,107.71	1,000
Total Materials & Supplies	324,710.42	225,600	161,893.30	252,720
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	597,798.85	633,575	582,221.74	635,000
Total Equipment Repair & Maintenance	597,798.85	633,575	582,221.74	635,000
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	3,663,929.55	4,047,433	3,621,300.67	3,776,153

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=3000 (INFORMATION TECHNOLOGY)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	4,000.00	0	0.00	0
Vehicles				
15204 VEHICLES	12,800.00	17,500	14,299.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	151,449.90	300,000	230,334.41	352,000
Computer Software				
15208 COMPUTER SOFTWARE	13,711.32	85,350	11,181.50	242,585
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	7,248.80	0	0.00	90,000
Budget Center Total	<u>189,210.02</u>	<u>402,850</u>	<u>255,814.91</u>	<u>684,585</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Administration and External Affairs -- 5000

MANAGED BY Constance Haqq
 Director of Administration and External Affairs

Pg 1 of 2

**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

The Administration and External Affairs Budget Center is responsible for: Communications and Community Relations (CCR); Government Relations; Board Process Management; and Strategic District Initiatives (e.g. Leadership Sustainability and Diversity and Inclusion.) The Department also oversees the Executive Administrative Team.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Designed Public Community Awareness Program. ▪ Provided the Aquabots Robotics Program for the second year to the Carl and Louis Stokes Academy ▪ Designed the Wastewater Prep Program for high school students ▪ Conducted two levels of District media training; gatekeepers and content experts ▪ Participated in the Clean Beaches Week with the City and Friends of Edgewater Beach ▪ Participated in 25 Community Outreach activities and Career Day programs ▪ Coordinated District interaction with the media ▪ Provided and managed District internet content 	<ul style="list-style-type: none"> ▪ Launch the Community Awareness Program (Wheredoesitgo?) ▪ Coordinate and secure funding for Aquabots for year 3 ▪ Launch the Wastewater Prep program for 15 high school students ▪ Conduct media training for senior level employees ▪ Participate in 25 Community Outreach activities and Career Day programs ▪ Coordinate all media contact ▪ Publish two annual reports monthly staff newsletter, bi-annual community newsletter and monthly environment newsletter (Environotes) ▪ Publish the History of the District ▪ Begin implementation of the Diversity and Inclusion recommendations ▪ Develop and launch the Organization and Employee Development function

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Administration and External Affairs -- 5000

MANAGED BY Constance Haqq
 Director of Administration and External Affairs

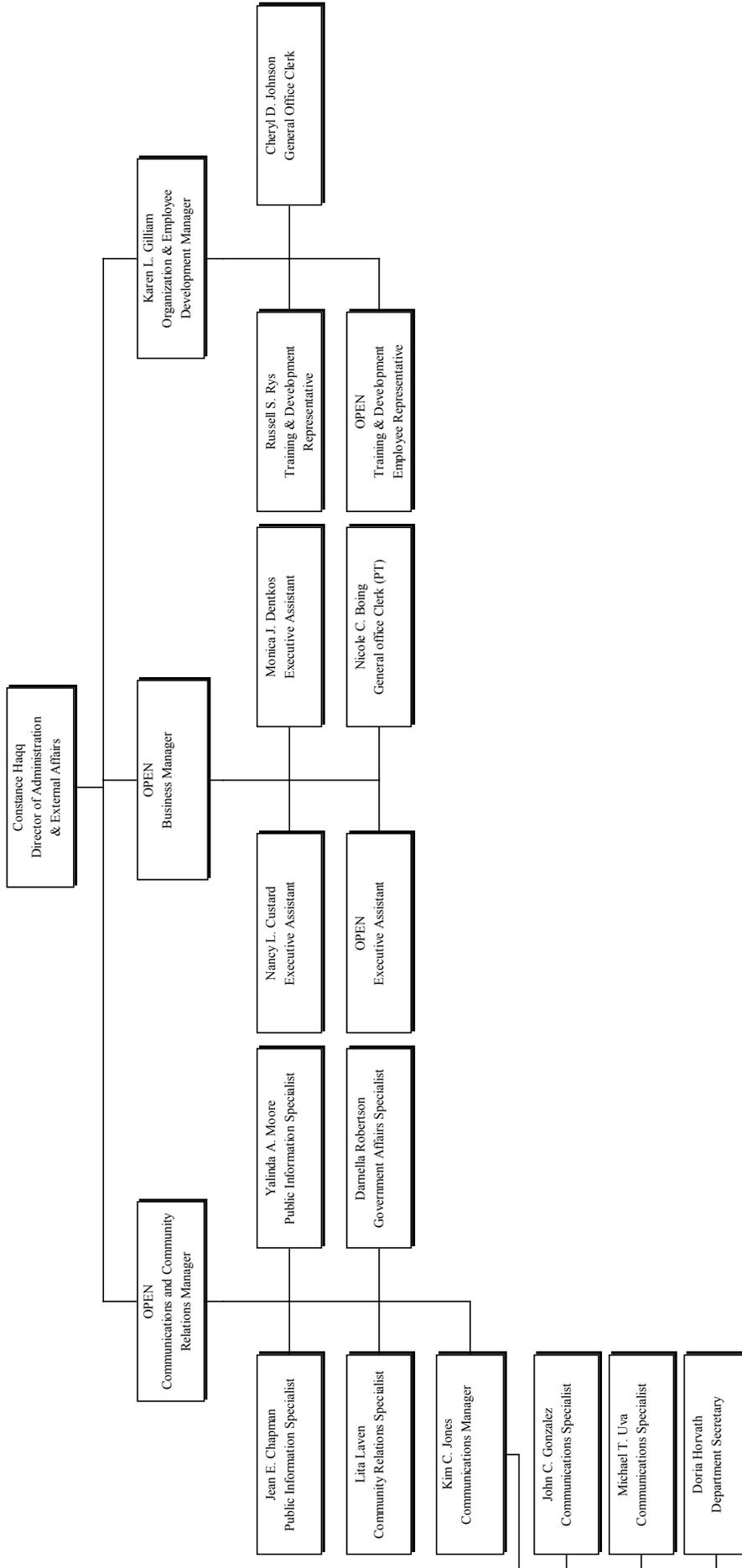
Pg 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

The Administration and External Affairs Budget Center is responsible for: Communications and Community Relations (CCR); Government Relations; Board Process Management; and Strategic District Initiatives (e.g. Leadership Sustainability and Diversity and Inclusion.) The Department also oversees the Executive Administrative Team.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Published the annual report, monthly employee newsletter and bi-annual community newsletter ▪ Launched the District Diversity and Inclusion Program ▪ Complete two Knowledge Retention videos ▪ Write the History of the District ▪ Assist with the District reorganization ▪ Conducted 30 facility tours ▪ Oversee the evaluation process for the Leadership Sustainability Program ▪ Conducted the Success@Work program for summer students and co-ops ▪ Coordinated the Charity Choice Drive ▪ Assisted with the creation of 15 department publications, presentations and Powerpoints 	<ul style="list-style-type: none"> ▪ Coordinate the completion of the District 2009-2013 Strategic Plan ▪ Coordinate the development and distribution of the Board of Trustee’s meeting packets ▪ Coordinate Staff Board committee meetings ▪ Promote and conduct facility tours ▪ Assist with the development of the Stormwater program ▪ Participate and coordinate “Treasure the Beach” ▪ Incorporate the Government Affairs function into the District ▪ Coordinate the re-design of the Leadership Sustainability Program ▪ Assist with the design and launch of the District performance management system ▪ Conduct the Success@Work program for summer students and c-ops

Northeast Ohio Regional Sewer District
 Administration and External Affairs
 Budget Center - 5000



NORTHEAST OHIO REGIONAL SEWER DISTRICT

ADMINISTRATION and EXTERNAL AFFAIRS

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Director of Administration & External Affairs	1	1	1	1	0
Comm. & Community Relations Manager	0	0	0	1	1
Business Manager	0	0	0	1	1
Organization & Employee Devel. Manager	0	0	0	1	1
Communications Manager	1	1	1	1	0
Public Information Specialist	1	1	1	2	1
Community Relations Specialist	0	0	0	1	1
Governmental Affairs Specialist	0	0	0	1	1
Training & Development Employee Rep.	0	0	0	2	2
Environmental Education Specialist	1	1	1	0	-1
Communications Specialist	2	3	2	2	0
Department Secretary	0	0	0	1	1
Executive Assistant	1	1	1	3	2
General Office Clerk	0	0	0	1	1
General Office Clerk P/T	0	0	0	1	1
TOTAL POSITIONS	7	8	7	19	12

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=5000 (ADMINISTRATION AND EXTERNAL AFFAIRS)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	177,883.80	177,320	177,957.14	245,804
52030 PROFESSIONALS SALARIES	138,136.92	214,427	216,598.65	440,605
52031 ADMINISTRATIVE SUPPORT SALARIES	33,232.00	41,725	40,420.20	227,386
52060 STUDENT SALARIES	15,154.79	34,174	12,435.76	36,670
52071 LONGEVITY	450.00	625	450.00	1,700
52081 SICK BUY OUT	0.00	0	0.00	7,000
52260 STUDENT OVERTIME	102.42	0	462.79	0
Total Salary & Wages	364,959.93	468,271	448,324.54	959,165
Personnel Benefits				
52310 HEALTH CARE	44,256.43	55,187	59,554.54	109,666
52320 OPERS	50,447.87	64,856	62,591.35	134,283
52340 LIFE INSURANCE	345.15	491	462.15	1,147
52360 MEDICARE	5,249.58	6,790	6,434.79	12,899
52380 AWARDS AND RECOGNITION	0.00	0	128.95	0
Total Personnel Benefits	100,299.03	127,324	129,171.78	257,995
Reimbursable Expenses				
52410 TRAVEL	5,051.77	10,000	3,793.16	10,000
52430 EMPLOYEE EDUCATION	9,958.00	10,000	20,999.00	10,000
52440 TUITION REIMBURSEMENT	0.00	0	0.00	133,500
Total Reimbursable Expenses	15,009.77	20,000	24,792.16	153,500
Utilities				
52550 COMMUNICATIONS	0.00	0	0.00	0
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	34,068.33	150,000	45,238.87	140,000
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	638.25	0	25,233.80	150,000
Total Professional Services	34,706.58	150,000	70,472.67	290,000
Contractual Services				
52715 PRINTING	46,213.43	110,000	35,541.96	139,000
52730 DUES AND SUBSCRIPTIONS	9,244.42	12,500	11,730.33	12,500
52735 EQUIPMENT RENTAL	1,014.00	0	0.00	0
52750 ADVERTISING	120,311.09	245,000	239,551.02	170,000
52780 OTHER CONTRACTUAL SERVICES	20.00	95,000	1,540.50	30,000
Total Contractual Services	176,802.94	462,500	288,363.81	351,500

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=5000 (ADMINISTRATION AND EXTERNAL AFFAIRS)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	2,144.78	1,000	1,314.86	5,000
52845 GENERAL HARDWARE SUPPLIES	1.09	0	0.00	0
52851 OTHER MINOR EQUIPMENT	240.41	0	0.00	0
52860 POSTAGE, UPS	3,537.05	5,000	6,000.00	15,000
52861 TRAINING SUPPLIES	1,735.93	1,500	1,341.85	20,000
52865 OTHER SUPPLIES	128.43	9,000	0.00	9,000
52870 FREIGHT	1,813.12	2,500	6,304.24	2,500
Total Materials & Supplies	9,600.81	19,000	14,960.95	51,500
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Total Building & Road Repair	0.00	0	0.00	0
Judgments & Awards				
53220 OTHER AWARDS	128.95	0	0.00	0
Total Judgments & Awards	128.95	0	0.00	0
BUDGET CENTER TOTAL	701,508.01	1,247,095	976,085.91	2,063,660

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=5000 (ADMINISTRATION AND EXTERNAL AFFAIRS)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	0.00	0	0.00	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Finance -- 6000

MANAGED BY Jennifer L. Demmerle
Director of Finance

Page 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Executive and Administrative: As a member of senior management, the Director of Finance assists the Executive Director in general management and policy formation by insuring that he, the Board of Trustees and District Managers have reliable and comprehensive financial and management information. In addition to this budget center, the Director of Finance is responsible for the Purchasing, Customer Service and Inventory Control budget centers, all of which are components of the Finance Department and have separate Descriptions of Services Provided.

Revenue and User Support: As the District's representative, the Director of Finance and staff provide liaison with user communities, certain customers and all billing agents. They also negotiate contracts related to revenue enhancement and billing arrangements, monitor services provided by billing agents to ensure they are following District policies and procedures, provide assistance to other departments in their contact with service communities and billing agents, and provide billing and collection services for a small number of master meter communities, septic haulers and other accounts.

Treasury/Investment: As the District's de facto Treasurer, the Director of Finance is responsible for all funds, including their disbursement and investment. Disbursement is made only to payees authorized by contract, provision of services, law or action of the Board of Trustees. Actual implementation of disbursement decisions is carried out by Finance staff, following guidelines and procedures established by the Director of Finance. Investments are made in securities or at depositories as authorized by Ohio Statute or the Board of Trustees. The primary investment goal is preservation of capital, followed by liquidity and rate of return.

General Accounting:

The General Accounting Section is responsible for the recommendation and implementation of procedures, internal controls and financial reporting to accurately reflect District operations. Currently, the General Accounting Section is primarily concerned with recording accrual basis originating, adjusting and closing entry transactions. Supporting responsibilities include maintaining ledgers and various supporting data, and preparation of any applicable financial reports, and payment of construction contractors, debt service and utility invoices.

Payroll:

The primary function of payroll is to ensure that bi-weekly payroll for all District employees is processed in a timely and accurate manner.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Finance -- 6000

MANAGED BY Jennifer L. Demmerle
Director of Finance

Page 2 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Accounts Payable:

The primary functions of this section are to process for payment outstanding invoices other than those paid through General Accounting. This section has additional responsibilities for data entry of SPL-based purchases into the Invoice Matching Module.

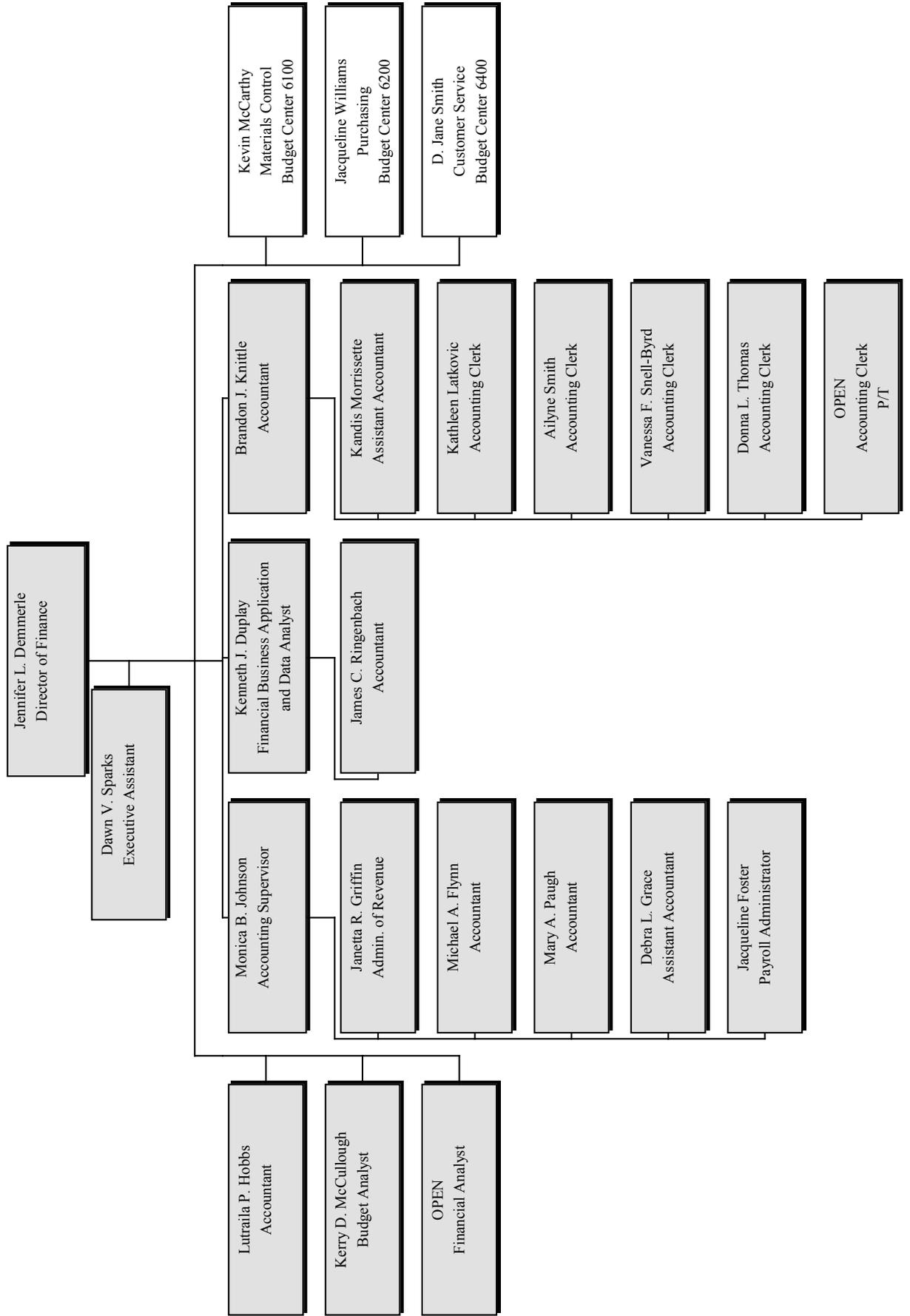
Budget and Financial Reporting:

The primary functions of the Budget and Financial Reporting Section are as follows:

1. The formulation and presentation of the annual budget and to assist various Budget Centers in developing their supporting detail. This process includes the development of budget documents, forms, worksheets and procedures.
2. To account for and provide financial reporting and/or analysis not provided for in other sections of Accounting Services, including the preparation of the District's Comprehensive Annual Financial Report (CAFR).
3. To account for, maintain and update records for the District's fixed assets.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Successful sale of \$120 million Revenue Bonds ▪ Received Certificate of Financial Excellence Award from GFOA for 2006 CAFR ▪ Received Distinguished Budget Presentation Award for 2007 from GFOA ▪ Implemented Debt Management Policy and Interest Rate Swap Policy ▪ Successfully implemented Noetix Reporting Tool allowing budget center heads access to their budgets in real-time. 	<ul style="list-style-type: none"> ▪ Implement schedule for cycle counts of inventory ▪ Conduct annual fixed asset inventory ▪ Update Policies and Procedures ▪ Develop the use of automating various procedures ▪ Develop a 10 year financing plan ▪ Create a Contract compliance office to oversee mbe/wbe program ▪ Meet debt service coverage targets as required by the districts revenue bond covenants ▪ Exceed overall rate study parameters for revenue, operation and maintenance expenses, and debt service ▪ Continue to investigate functionality within current operating systems for more efficiency.

Northeast Ohio Regional Sewer District
 Finance
 Budget Center - 6000



NORTHEAST OHIO REGIONAL SEWER DISTRICT

FINANCE -- 6000

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Director of Finance	1	1	1	1	0
Deputy Director of Finance	1	1	1	0	-1
Finance Manager	2	2	2	0	-2
Internal Audit Manager	1	1	1	0	-1
Accounting Supervisor	1	1	1	1	0
Admin. Of Revenue and User Support	0	1	1	1	0
Budget Analyst	0	0	0	1	1
Financial Analyst	0	0	0	1	1
Financial Business Appl. and Data Analyst	1	1	1	1	0
Accountant	7	7	8	5	-3
Payroll Administrator	1	1	1	1	0
Assistant Accountant	1	1	1	1	0
Accounting Clerk	4	5	5	5	0
Accounting Clerk (Part Time)	0	0	1	1	0
Executive Assistant	1	1	1	1	0
TOTAL POSITIONS	21	23	25	20	-5

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6000 (FINANCE)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	447,856.20	497,994	409,798.08	176,446
52030 PROFESSIONALS SALARIES	439,335.52	466,030	420,485.04	572,215
52031 ADMINISTRATIVE SUPPORT SALARIES	229,933.14	224,993	240,001.56	290,768
52034 TECHNICIANS SALARIES	0.00	0	0.00	0
52036 PARA-PROFESSIONAL SALARIES	0.00	0	0.00	0
52060 STUDENT SALARIES	65,139.54	86,668	64,102.35	30,022
52071 LONGEVITY	3,625.00	4,700	3,775.00	4,275
52081 SICK BUY OUT	283,626.45	300,000	283,818.08	7,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	2,616.66	2,500	899.28	1,000
52260 STUDENT OVERTIME	7.42	100	0.00	100
Total Salary & Wages	1,472,139.93	1,582,985	1,422,879.39	1,081,826
Personnel Benefits				
52310 HEALTH CARE	187,420.83	149,213	134,370.17	152,467
52311 HEALTH CARE OPT-OUT FULL	85.58	1,500	1,393.04	1,826
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	82.21	514	978.60	891
52320 OPERS	165,260.23	219,243	171,175.77	151,456
52340 LIFE INSURANCE	1,415.70	1,474	1,368.90	1,316
52350 UNEMPLOYMENT COMPENSATION	0.00	0	1,047.49	0
52360 MEDICARE	15,883.63	20,560	16,120.12	15,686
Total Personnel Benefits	370,148.18	392,504	326,454.09	323,642
Reimbursable Expenses				
52410 TRAVEL	19,252.30	21,100	9,656.75	13,000
52430 EMPLOYEE EDUCATION	26,306.00	22,100	18,264.00	15,100
Total Reimbursable Expenses	45,558.30	43,200	27,920.75	28,100
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	481,665.62	346,700	335,857.23	277,000
52660 STATE AUDITOR FEES	0.00	1,000	598.14	1,000
Total Professional Services	481,665.62	347,700	336,455.37	278,000
Contractual Services				
52705 COLLECTION FEES	5,577,407.20	5,877,000	5,558,471.94	6,000,000
52715 PRINTING	2,804.28	2,900	7,109.31	12,900
52720 TAXES	13,066.09	18,250	(155.49)	18,250
52725 INSURANCE AND BONDS	1,139,138.91	1,105,000	1,120,774.18	1,105,000
52730 DUES AND SUBSCRIPTIONS	7,781.50	9,990	7,101.80	8,190
52740 REAL PROPERTY RENTAL	15,689.46	14,580	13,432.39	14,580
52750 ADVERTISING	1,532.88	1,750	1,658.36	1,750
52775 LICENSES, FEES, AND PERMITS	6.00	700	200.00	500
Total Contractual Services	6,757,426.32	7,030,170	6,708,592.49	7,161,170

OPERATING EXPENSE BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=6000 (FINANCE)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	902.28	500	(64.30)	500
52810 FUEL AND OIL	723.20	800	194.11	0
52851 OTHER MINOR EQUIPMENT	852.63	800	0.00	1,000
52860 POSTAGE, UPS	0.00	0	0.00	0
52865 OTHER SUPPLIES	15.86	0	35.46	0
52870 FREIGHT	22.50	400	8.00	100
Total Materials & Supplies	2,516.47	2,500	173.27	1,600
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	0.00	0	0.00	0
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Building & Road Repair				
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	0.00	0	190.00	0
Total Building & Road Repair	0.00	0	190.00	0
Judgments & Awards				
53210 JUDGMENTS	0.00	50,000	34,589.35	0
53220 OTHER AWARDS	10,095.04	20,000	73,513.95	50,000
Total Judgments & Awards	10,095.04	70,000	108,103.30	50,000
BUDGET CENTER TOTAL	9,139,549.86	9,469,059	8,930,768.66	8,924,338

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=6000 (FINANCE)

	<i>2006 ACTUALS</i>	<i>2007 ADOPTED BUDGET</i>	<i>2007 ACTUALS</i>	<i>2008 ADOPTED BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	0.00	0	0.00	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Inventory Control -- 6100

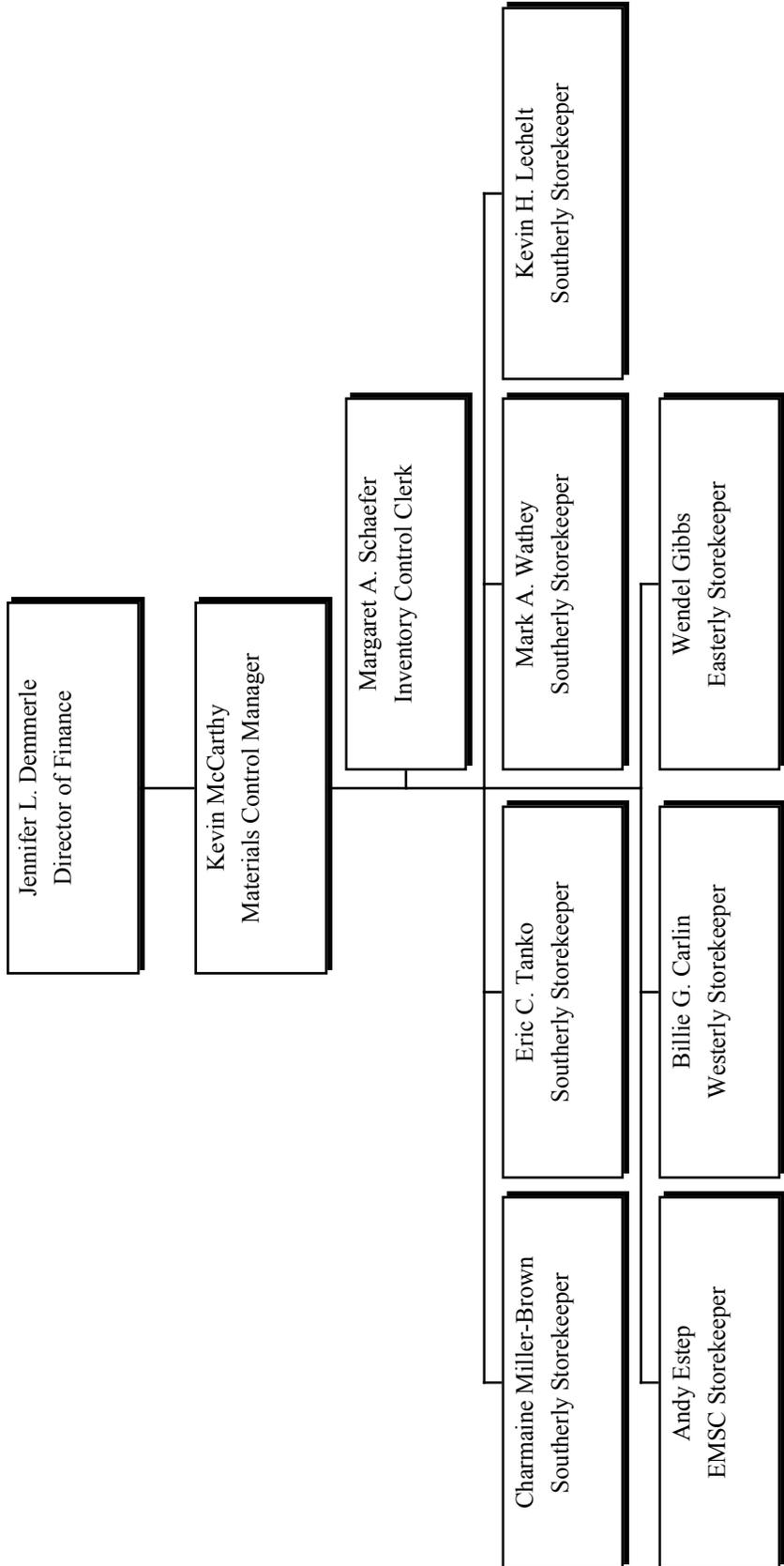
MANAGED BY Kevin McCarthy
Materials Control Manager

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Inventory Control Budget Center provides support for all District departments as it pertains to parts and supplies needed to run the District efficiently and support the District's Mission Statement. Maintain four District Storerooms and part of the District storage facility at Southerly. Work with Operations and Maintenance personnel to achieve results that will enable our plants to meet permits. Order and maintain parts that are needed in a Maintenance Management System. Follow the District's guidelines for safety trained personnel with new technology as it is developed.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Maintain inventory of critical parts so plants meet EPA permits.▪ Helped Southerly sell of the excess screws stored in the storage building which helped free up valuable storage space.▪ We were able to secure a locked area at the Easterly plant screen building to store large parts.▪ Removed some obsolete parts as part of a long term process to remove parts from Inventory that can't be used.▪ Upgraded Oracle Work Asset Management System to 1.7.15 and trained personnel on the changes to the system.	<ul style="list-style-type: none">▪ To create a pipeline of information from operations/maintenance and engineering to insure Inventory Control is notified when an asset is being removed from the process so we can identify obsolete parts and remove them from inventory.▪ Start cycle counting of inventory to keep system up to date as to quantity on hand.▪ Determine which low cost items in inventory can be expensed out upon receipt so we don't spend all our time maintaining low cost material.▪ Look into the possibility of having swipe cards for storerooms to better maintain them in off hours.▪ Continue to develop updated documentation for receiving, transfers, cycle counting and checkout.

Northeast Ohio Regional Sewer District
 Inventory Control
 Budget Center - 6100



NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVENTORY CONTROL --6100

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL BUDGET	2008 BUDGET	BUDGET CHANGE
Materials Control Manager	1	1	1	0
Inventory Control Clerk	1	1	1	0
Storekeeper	7	7	7	0
TOTAL POSITIONS	9	9	9	0

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6100 (INVENTORY CONTROL)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	66,444.68	68,432	68,620.00	70,491
52030 PROFESSIONALS SALARIES	0.00	0	0.00	0
52031 ADMINISTRATIVE SUPPORT SALARIES	264,085.96	299,792	294,913.04	310,211
52040 OPERATIONS HOURLY	0.00	0	0.00	0
52050 MAINTENANCE HOURLY	0.00	0	0.00	0
52060 STUDENT SALARIES	3,708.00	5,552	4,128.00	4,160
52071 LONGEVITY	2,225.00	2,475	2,950.00	2,800
52081 SICK BUY OUT	0.00	0	0.00	3,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	13,078.00	20,000	20,314.66	20,000
52240 OPERATIONS HOURLY OVERTIME	0.00	0	0.00	0
52250 MAINTENANCE HOURLY OVERTIME	0.00	0	0.00	0
Total Salary & Wages	349,541.64	396,251	390,925.70	410,662
Personnel Benefits				
52310 HEALTH CARE	87,089.36	61,246	68,857.03	81,535
52311 HEALTH CARE OPT-OUT FULL	250.00	3,000	2,000.00	1,500
52320 OPERS	51,674.44	54,881	55,788.93	57,493
52340 LIFE INSURANCE	577.95	632	631.80	632
52360 MEDICARE	3,204.58	3,612	3,527.86	3,755
Total Personnel Benefits	142,796.33	123,371	130,805.62	144,915
Reimbursable Expenses				
52410 TRAVEL	1,136.94	3,000	2,046.30	1,500
52430 EMPLOYEE EDUCATION	1,395.00	1,500	400.00	500
Total Reimbursable Expenses	2,531.94	4,500	2,446.30	2,000
Total Utilities	0.00	0	0.00	0
Total Professional Services	0.00	0	0.00	0
Contractual Services				
52715 PRINTING	0.00	250	0.00	250
52730 DUES AND SUBSCRIPTIONS	0.00	50	0.00	50
52770 UNIFORMS	555.17	2,500	229.19	2,500
52780 OTHER CONTRACTUAL SERVICES	93.21	0	260.00	0
Total Contractual Services	648.38	2,800	489.19	2,800

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6100 (INVENTORY CONTROL)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	368.78	1,200	129.85	500
52811 VEHICLE MAINTENANCE PARTS	0.00	50	0.00	50
52840 LABORATORY SUPPLIES	5.99	0	0.00	0
52845 GENERAL HARDWARE SUPPLIES	340.61	1,000	19.35	500
52846 EQUIPMENT AND INSTRUMENTATION PARTS	12.08	0	0.00	0
52851 OTHER MINOR EQUIPMENT	887.50	2,500	0.00	2,000
52860 POSTAGE, UPS	0.00	30	0.00	0
52865 OTHER SUPPLIES	251.20	1,200	490.53	600
52870 FREIGHT	38,030.89	35,000	65,840.21	55,000
Total Materials & Supplies	39,897.05	40,980	66,479.94	58,650
Equipment Repair & Maintenance				
52920 EQUIPMENT REPAIR AND MAINTENANCE	0.00	500	0.00	500
Total Equipment Repair & Maintenance	0.00	500	0.00	500
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	535,415.34	568,402	591,146.75	619,527

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=6100 (INVENTORY CONTROL)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	24,000	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	22,642.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	0.00	24,000	22,642.00	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Purchasing -- 6200

MANAGED BY Jacqueline L. Williams
 Purchasing Manager

Page 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Purchasing is responsible for the management of the acquisition of all materials and services required to sustain the operations of the District in a timely, cost effective manner.

Materials and services costing less than \$25,000.00 are processed by requisitions. After approval, Purchasing requests vendor quotations and issues the purchase order to the lowest and best quote.

Materials and services costing more than \$25,000.00 are processed only after the Board of Trustees authorizes Purchasing to formally advertise for bids. The bids are opened publicly, read out loud and summarized. The user department evaluates the bids, determines the lowest, best bidder and submits a recommendation to the Board of Trustees for approval to award a contract. Purchasing processes the award, issues a purchase order and contract.

Engineering contracts are processed by Purchasing as follows: Advertise for solicitation of bids, sell and distribute plans and specifications, mail out bid packages and addendums, open bids in public and read out loud, tabulate and summarize bids, forward bids to the engineer in charge and Legal. Engineering determines which bidder meets our requirements and requests approval to award a contract. Purchasing processes the contract after approval by the Board of Trustees.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Worked with IT to developed the on-line Bid site that displays contracts for bid, open bids and awarded bids.▪ Worked with IT to modify the existing Purchasing database to capture bidders, bid totals and subcontractors, addendums etc.▪ Developed an internal procedures manual for daily purchasing activities.	<ul style="list-style-type: none">▪ Develop the Purchasing Work Group policies and procedures manual and submit for Senior Staff approval.▪ Implement Phase II of the Intranet/Internet site for online submission of bid documents.▪ Establish requirement contracts with Inventory Control and Vehicle Maintenance.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Purchasing -- 6200

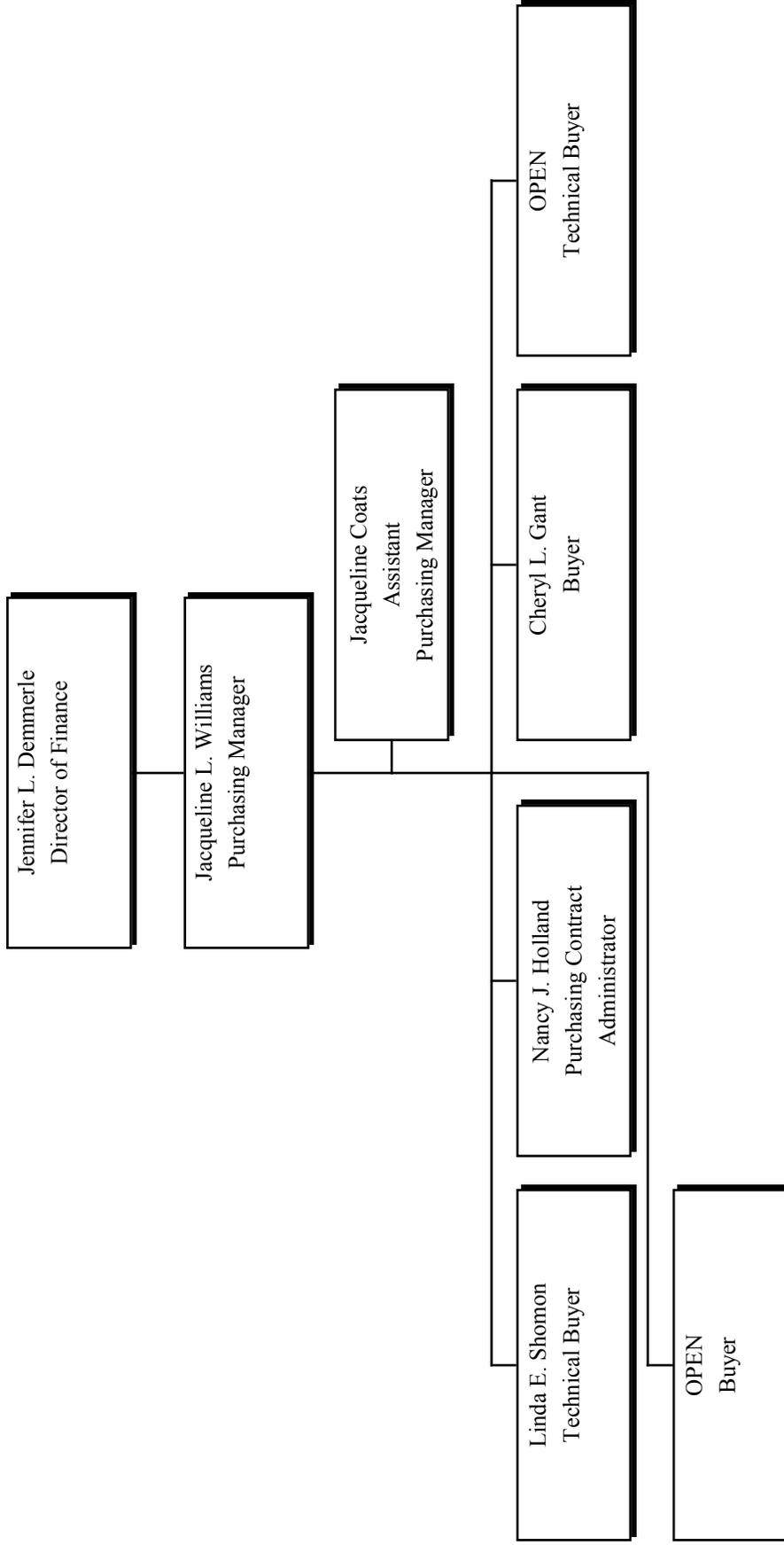
MANAGED BY Jacqueline L. Williams
 Purchasing Manager

Page 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Added a link to the Purchasing Site that helps identify vendors on the State Co-op Program.▪ Successfully utilized the NEO/SO Salt Program to save the District \$4200 on our bulk treated rock salt.▪ Piloted a annual usage quote for the Districts most popular glove. Vendors to hold pricing for 52 weeks with anticipated savings of \$2500.▪ Created a monthly open purchase order report by budget center.▪ Developed a resolution report to track and investigate resolutions.▪ Worked with suppliers to remove or reduce handle charges.▪ Created an expedite report to close the purchase order process to ensure timely delivery and receipt.▪ Worked with the Safety Department to consolidate safety purchases and reduce the number of stocked items.▪ Worked with Leff Electric to receive a 2% discount on all purchases as of July 2007.▪ Worked with Inventory Control to consolidate warehouse purchases to gain cost breaks based on volume.	<ul style="list-style-type: none">▪ Submit recommendations for inventory categorization that can be utilized to track inventory spend.▪ Submit a recommendation for supplier classification to facilitate the quote/bid process.

Northeast Ohio Regional Sewer District
 Purchasing
 Budget Center - 6200



NORTHEAST OHIO REGIONAL SEWER DISTRICT

PURCHASING -- 6200

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL BUDGET		2008 BUDGET	BUDGET CHANGE
Purchasing Manager	1	1	1	1	0
Assistant Purchasing Manager	1	1	1	1	0
Technical Buyer	1	1	1	2	1
Contract Administrator	0	0	0	1	1
Buyer	1	1	1	2	1
Purchasing Assistant	1	1	2	0	-2
TOTAL POSITIONS	5	5	6	7	1

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6200 (PURCHASING)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	97,502.41	121,306	121,842.61	128,128
52030 PROFESSIONALS SALARIES	75,282.81	94,245	94,503.84	183,070
52031 ADMINISTRATIVE SUPPORT SALARIES	36,617.65	37,752	37,855.81	0
52071 LONGEVITY	1,600.00	1,750	1,750.00	1,850
52081 SICK BUY OUT	0.00	0	0.00	2,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	0.00	500	0.00	500
Total Salary & Wages	211,002.87	255,553	255,952.26	315,548
Personnel Benefits				
52310 HEALTH CARE	35,339.33	41,950	27,751.78	35,296
52311 HEALTH CARE OPT-OUT FULL	125.00	0	685.82	609
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	0.00	0	814.18	891
52320 OPERS	30,381.09	35,394	35,539.69	44,177
52340 LIFE INSURANCE	304.20	352	339.30	439
52360 MEDICARE	2,534.56	2,887	2,835.65	3,733
Total Personnel Benefits	68,684.18	80,583	67,966.42	85,145
Reimbursable Expenses				
52410 TRAVEL	2,689.47	5,000	2,122.74	3,000
52430 EMPLOYEE EDUCATION	1,254.00	6,000	3,878.00	13,500
Total Reimbursable Expenses	3,943.47	11,000	6,000.74	16,500
Total Utilities	0.00	0	0.00	0
Total Professional Services	0.00	0	0.00	0
Contractual Services				
52715 PRINTING	595.21	1,500	0.00	1,500
52730 DUES AND SUBSCRIPTIONS	998.95	2,000	3,393.95	5,000
52750 ADVERTISING	51,208.57	60,000	36,789.26	50,000
Total Contractual Services	52,802.73	63,500	40,183.21	56,500
Materials & Supplies				
52805 OFFICE SUPPLIES	304.08	500	0.00	500
52845 GENERAL HARDWARE SUPPLIES	0.00	0	1.44	0
52865 OTHER SUPPLIES	0.00	0	21.30	0
52870 FREIGHT	38.28	100	0.00	100
Total Materials & Supplies	342.36	600	22.74	600
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	336,775.61	411,236	370,125.37	474,293

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6200 (PURCHASING)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	0.00	0	0.00	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Administrative Services -- 6300

MANAGED BY Lisa C. Francisco
 Administrative Services Manager

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

Administrative Services is responsible for facilities management for the Administrative Buildings and campus including physical condition, maintenance and employee amenities. Administrative Services provides all receiving functions for the Administrative Offices.

Administrative Services provides and manages both internal and external services to meet office support needs. Services include receptionist and operator services; office technology (networked copiers, facsimile and other equipment); office supplies; furniture; printing and other services. Responsible for delivery and processing U.S. mail and internal correspondence throughout the District; and courier services throughout the service area as needed.

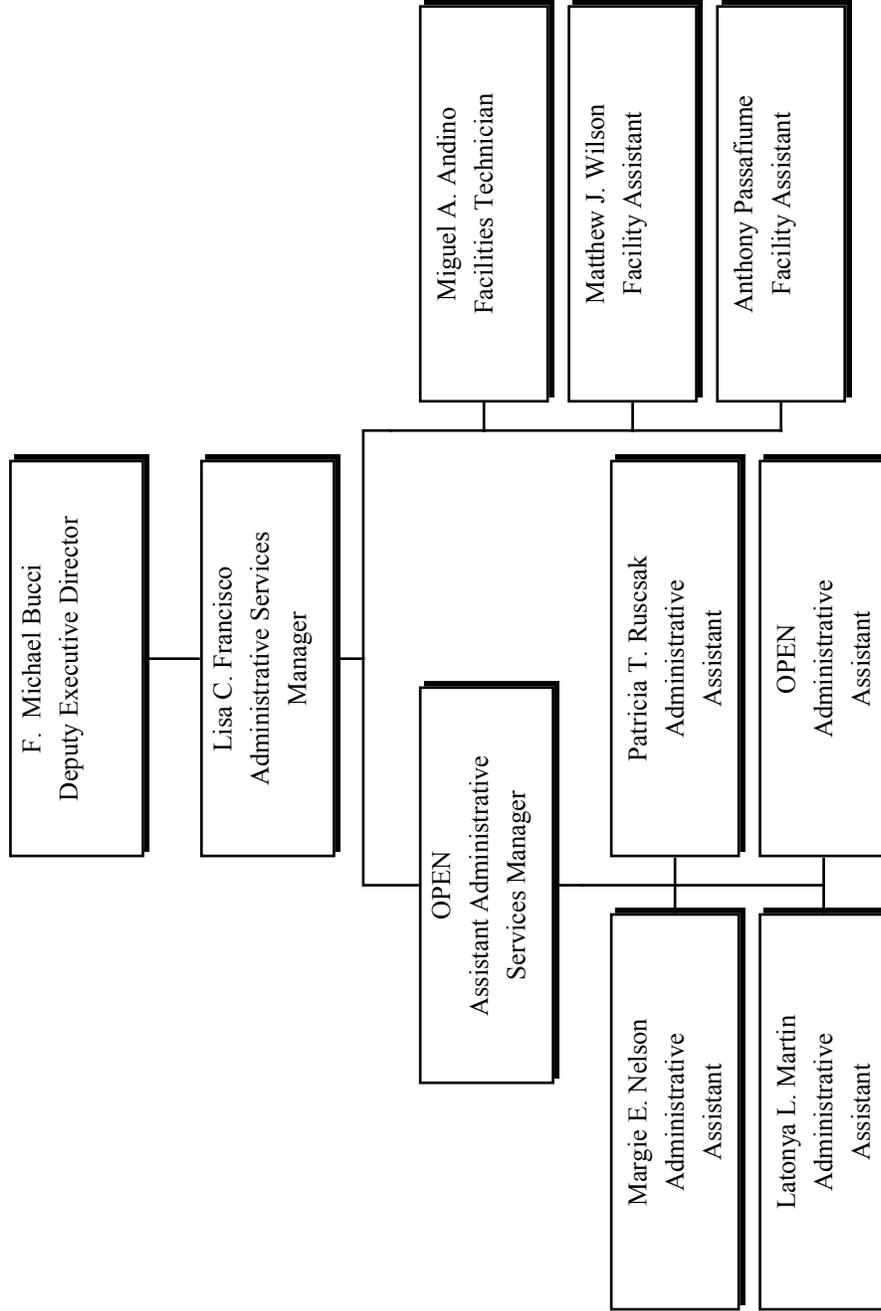
Administrative Services provides secretarial support to all departments in the Administrative Offices for overflow work, special projects, team support and secretarial coverage as requested when secretaries are absent.

Administrative Services keeps the meeting schedules for the Public Meeting Room and procures catering services for meetings when required.

Administrative Services is responsible for meeting coordination at the Administration Building. These meeting services include maintaining a meeting log, set up of meeting and training rooms, providing and operating ,if necessary, special equipment for meetings, catering services and cleaning of the meeting facilities.

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Updated and improved Landscaping at GJM building.▪ Implemented Phase II of Signage Program.	<ul style="list-style-type: none">▪ Implemented cost reduction programs for grounds maintenance including snow removal.▪ Initiated procedural cross-training to improve efficiency the staffs' skill bank.

Northeast Ohio Regional Sewer District
 Administrative Services
 Budget Center - 6300



NORTHEAST OHIO REGIONAL SEWER DISTRICT

ADMINISTRATIVE SERVICES -- 6300

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Administrative Services Manager	1	1	1	1	0
Assistant Administrative Services Manager	1	1	1	1	0
Administrative Assistant	4	3	4	4	0
Facilities Technician	2	1	1	1	0
Facility Assistant	2	2	2	2	0
TOTAL POSITIONS	10	8	9	9	0

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6300 (ADMINISTRATIVE SERVICES)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	115,892.42	119,371	119,699.14	97,554
52031 ADMINISTRATIVE SUPPORT SALARIES	180,537.29	201,261	168,175.19	219,276
52050 MAINTENANCE HOURLY	0.00	0	544.40	0
52060 STUDENT SALARIES	14,528.00	12,480	12,074.40	12,480
52071 LONGEVITY	1,275.00	1,275	1,275.00	925
52081 SICK BUY OUT	0.00	0	0.00	3,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	8,175.42	10,000	7,577.05	10,000
52260 STUDENT OVERTIME	20.40	0	110.40	0
Total Salary & Wages	320,428.53	344,387	309,455.58	343,235
Personnel Benefits				
52310 HEALTH CARE	56,035.41	57,239	65,834.98	69,383
52311 HEALTH CARE OPT-OUT FULL	42.79	0	171.16	0
52320 OPERS	45,087.13	48,519	44,262.32	48,053
52340 LIFE INSURANCE	520.65	562	503.10	509
52360 MEDICARE	3,785.69	4,150	3,408.94	4,397
Total Personnel Benefits	105,471.67	110,470	114,180.50	122,342
Reimbursable Expenses				
52410 TRAVEL	652.72	4,000	1,171.21	1,500
52430 EMPLOYEE EDUCATION	3,844.00	3,000	0.00	500
Total Reimbursable Expenses	4,496.72	7,000	1,171.21	2,000
Utilities				
52510 ELECTRICITY	199,834.59	200,000	203,175.64	235,000
52520 NATURAL GAS	47,590.44	50,000	61,313.25	57,000
52530 WATER AND OTHER UTILITIES	4,376.50	5,000	4,304.71	8,000
Total Utilities	251,801.53	255,000	268,793.60	300,000
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	0.00	3,000	5,104.11	5,000
52620 TEMPORARY STAFFING	0.00	0	0.00	0
Total Professional Services	0.00	3,000	5,104.11	5,000
Contractual Services				
52715 PRINTING	7,983.01	15,000	12,765.02	15,000
52730 DUES AND SUBSCRIPTIONS	965.00	1,500	499.00	1,000
52735 EQUIPMENT RENTAL	2,529.40	5,000	4,689.53	5,000
52740 REAL PROPERTY RENTAL	36,270.00	36,000	37,359.00	36,000
52770 UNIFORMS	1,631.38	1,000	1,332.33	1,800
52775 LICENSES, FEES, AND PERMITS	904.75	2,000	736.00	1,000
52780 OTHER CONTRACTUAL SERVICES	223,839.47	274,500	261,565.82	249,500
Total Contractual Services	274,123.01	335,000	318,946.70	309,300

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6300 (ADMINISTRATIVE SERVICES)

	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>
	<i>ACTUALS</i>	<i>ADOPTED BUDGET</i>	<i>ACTUALS</i>	<i>ADOPTED BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	46,891.63	60,000	93,094.69	72,000
52810 FUEL AND OIL	2,406.79	4,845	1,215.86	4,500
52811 VEHICLE MAINTENANCE PARTS	0.00	0	9.16	0
52825 CHEMICALS	0.00	0	0.00	0
52840 LABORATORY SUPPLIES	0.00	0	6.98	0
52845 GENERAL HARDWARE SUPPLIES	1,661.19	2,000	2,616.22	17,400
52846 EQUIPMENT AND INSTRUMENTATION PARTS	0.00	0	50.80	0
52851 OTHER MINOR EQUIPMENT	15,986.50	6,000	18,451.17	11,000
52860 POSTAGE, UPS	32,727.75	60,000	29,675.33	35,000
52861 TRAINING SUPPLIES	16,133.82	17,000	12,115.21	17,000
52865 OTHER SUPPLIES	17,930.62	18,000	26,044.03	18,000
52870 FREIGHT	651.88	2,000	3,530.77	5,000
Total Materials & Supplies	134,390.18	169,845	186,810.22	179,900
Equipment Repair & Maintenance				
52910 OFFICE EQUIPMENT AND REPAIR	101,298.72	161,000	113,880.26	151,000
52920 EQUIPMENT REPAIR AND MAINTENANCE	46,298.99	66,403	24,089.46	50,000
Total Equipment Repair & Maintenance	147,597.71	227,403	137,969.72	201,000
Building & Road Repair				
53010 BUILDING REPAIR AND MAINTENANCE	2,704.00	2,000	100.00	2,000
53020 ROAD REPAIR AND MAINTENANCE	1,215.60	0	0.00	0
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	12,547.55	12,000	8,249.97	12,000
53050 BUILDING MAINTENANCE SUPPLIES	7,550.72	10,000	10,250.30	10,000
53051 BUILDING MAINTENANCE SERVICES	69,137.26	70,000	60,191.89	70,000
53052 BUILDING MAINTENANCE MISCELLANEOUS	269.00	15,000	6,761.71	15,000
Total Building & Road Repair	93,424.13	109,000	85,553.87	109,000
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	1,331,733.48	1,561,105	1,427,985.51	1,571,777

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6300 (ADMINISTRATIVE SERVICES)

	<i>2006 ACTUALS</i>	<i>2007 ADOPTED BUDGET</i>	<i>2007 ACTUALS</i>	<i>2008 ADOPTED BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	13,497.00	75,000
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	22,653.43	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	30,399.00	40,000	11,258.00	90,000
Budget Center Total	<u>53,052.43</u>	<u>40,000</u>	<u>24,755.00</u>	<u>165,000</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Customer Service -- 6400

MANAGED BY D. Jane Smith
Customer Service Manager

Page 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Department of Customer Service's objectives are to work internally and externally with local governments to insure that customer service requests are directed to the proper service provider and to provide timely response to all service requesters. The Customer Service Budget Center is the District's liaison to the general public, its customers, the Cuyahoga County Auditor's office and four (4) billing agents (Cities of Berea, Cleveland, Cleveland Heights and North Royalton).

The Budget Center answers questions regarding cost-effective and environmentally safe collection, treatment and disposal of municipal, commercial and industrial wastewater. The Budget center also provides services to Bedford, Lakewood, Columbia Township, Olmsted Falls, Olmsted Township, Rural Lorain County Water Authority and 55 other municipalities regarding accounts located in their respective areas.

The Budget Center is responsible for: Communicating (verbally and in writing) with the public, financial institutions and government agencies; determining delinquent accounts for certification; determining allocation of semi-annual collections received from the Cuyahoga County Auditor; reviewing, cataloging, mailing and processing Summer Residential Sprinkling User Charge Program (SRSUC) applications; processing SRSUC adjustments; receiving, recording and delivering to the Cities of Berea, Cleveland and Cleveland Heights customer payments; compiling information for W.Q.I.S.; initiating correspondence and field investigations regarding Underground Leaks , Sewer Service Charge Based on Usage of the System (SSCBOUTS), Non-User Charge Status, Non-Discharge Status and Sanitary Sewer Connections; Processing Surcharge Rate changes; initiating billing statements for Board of Review actions and Hearing Examiner determinations; processing Board of Trustee resolutions; opening new sewer accounts and initiating back-bill procedures when applicable; maintaining customer records. Processing customer name and address changes and customer bankruptcies. Maintaining the operation of the front desk.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Customer Service -- 6400

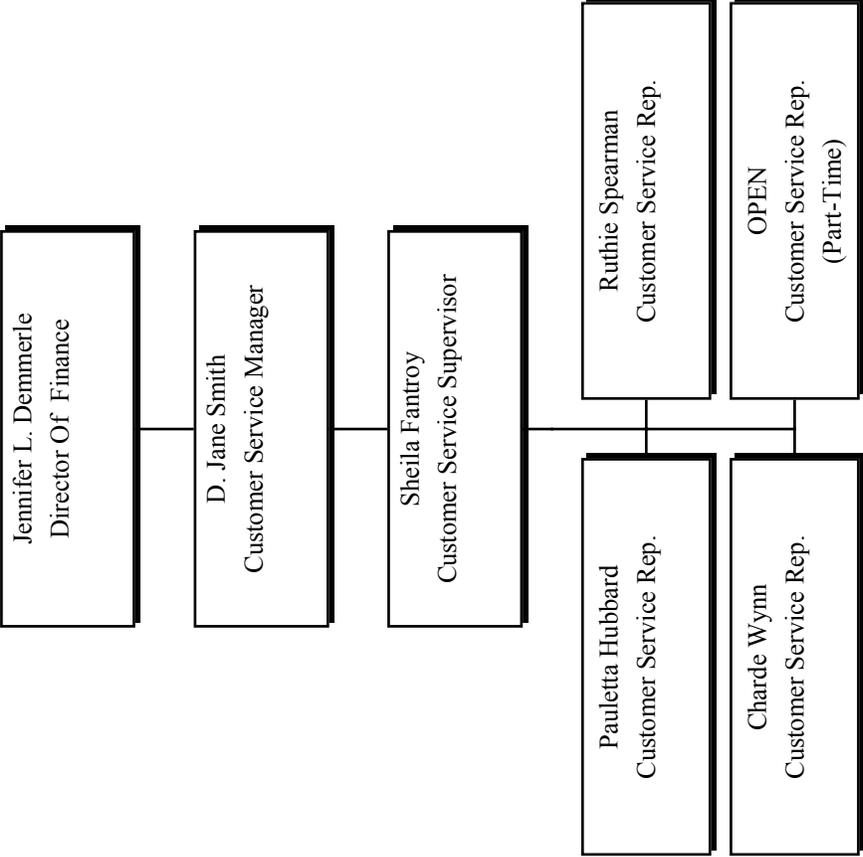
MANAGED BY D. Jane Smith
Customer Service Manager

Page 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Received 17,556 customer calls of which 2,613 were complaints. ▪ Certified 1,928 accounts to the Cuyahoga County Auditor for the 2007 tax year totaling \$2,392,957.86. ▪ Mailed 2,323 Summer Residential User Charge Program Applications. ▪ Processed 1,436 Summer Residential User Charge Program Applications. ▪ Processed 125 Summer Residential Sprinkling User Charge Adjustments totaling \$8,792. ▪ Added 854 accounts to the District's billing roster. ▪ Back-billed 14 accounts with charges totaling \$47,223.80. ▪ Received, posted and delivered 952 payments totaling \$396,533.75 to the City of Cleveland's Division of Water. ▪ Processed 92 Surcharge Rate Changes. ▪ Processed 10 UGL Adjustment requests crediting \$18,477 in District Charges. ▪ Initiated 7 Sewer Service Charge Based on Usage of the System accounts. ▪ Canceled 10 Sewer Service Charge Based on Usage of the System accounts. 	<ul style="list-style-type: none"> ▪ Represent the District in the training process and attend meetings regarding the procurement of the new Customer Care & Billing system for the City of Cleveland's Division of Water ▪ Represent the District on the new Bill Print design team ▪ Member of Stormwater Implementation team ▪ Execute 2008 Summer Sprinkling Program ▪ Execute 2008 Certification Program ▪ Visit approximately 10 communities to disseminate information regarding District rate saving programs

Northeast Ohio Regional Sewer District
Customer Service
Budget Center - 6400



NORTHEAST OHIO REGIONAL SEWER DISTRICT

CUSTOMER SERVICE -- 6400

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL BUDGET		2008 BUDGET	BUDGET CHANGE
Customer Service Manager	1	1	1	1	0
Customer Service Supervisor	1	1	1	1	0
Customer Service Rep	3	3	3	3	0
Customer Service Rep (Part Time)	0	0	1	1	0
TOTAL POSITIONS	5	5	6	6	0

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=6400 (CUSTOMER SERVICE)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	106,674.38	109,865	110,167.43	113,194
52031 ADMINISTRATIVE SUPPORT SALARIES	104,816.87	108,306	108,317.54	111,571
52034 TECHNICIANS SALARIES	0.00	0	0.00	0
52060 STUDENT SALARIES	3,584.00	5,552	3,308.00	5,552
52071 LONGEVITY	1,475.00	1,625	1,625.00	1,625
52081 SICK BUY OUT	0.00	0	0.00	2,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	2,365.41	5,000	1,027.18	2,500
52260 STUDENT OVERTIME	14.40	1,000	18.00	200
Total Salary & Wages	218,930.06	231,348	224,463.15	236,642
Personnel Benefits				
52310 HEALTH CARE	44,623.40	40,734	40,716.14	43,845
52320 OPERS	30,360.74	32,042	31,221.62	33,130
52340 LIFE INSURANCE	351.00	351	351.00	351
52360 MEDICARE	1,644.40	1,743	1,593.77	1,772
Total Personnel Benefits	76,979.54	74,870	73,882.53	79,098
Reimbursable Expenses				
52410 TRAVEL	85.10	1,000	282.59	1,000
52430 EMPLOYEE EDUCATION	198.00	5,000	297.00	1,000
Total Reimbursable Expenses	283.10	6,000	579.59	2,000
Total Utilities	0.00	0	0.00	0
Total Professional Services	0.00	0	0.00	0
Contractual Services				
52710 DATA PROCESSING	0.00	5,000	0.00	1,000
52715 PRINTING	0.00	4,000	1,299.32	2,000
Total Contractual Services	0.00	9,000	1,299.32	3,000
Materials & Supplies				
52805 OFFICE SUPPLIES	176.00	500	1.00	500
52860 POSTAGE, UPS	3,396.00	7,000	1,660.00	5,200
Total Materials & Supplies	3,572.00	7,500	1,661.00	5,700
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	299,764.70	328,718	301,885.59	326,440

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=6400 (CUSTOMER SERVICE)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Legal --7000

MANAGED BY Marlene Sundheimer
 Director of Law

Page 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Legal Budget Center is charged with the responsibility of all legal affairs of the District, including the MBE/WBE program.

Executive: The Director of Law advises the Board of Trustees and the Executive Director in developing overall management policy by reviewing and recommending resolution of claims, litigation, legislation, and regulations which will impact the District. She also advises the Executive Director on matters involving equal employment and affirmative action. She directs the in-house legal staff of the District and coordinates litigation with outside counsel. She functions as insurance adviser and risk manager, and coordinates legislative and administrative policy upon consultation with the Executive Director. She also manages the District's external legislative policy efforts.

Administration: Responsible for the preparation of all District legislation and contracts, purchase of right-of-way and other real estate, informs and assists minority and women businesses, and conducts administrative hearings. Advises on insurance, labor matters, and legislative policy.

Litigation & Claims: Represents the District in all legal actions and administrative hearings, and advises and conducts negotiations and resolves claims filed by third parties arising under contract and tort.

Capital Improvement Program: Provides legal assistance on grants and other matters. Purchases all right-of-way and assists contractors on MBE/WBE program. Recommends resolution of disputes, and provides overall support for District staff on conflicts.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Legal --7000

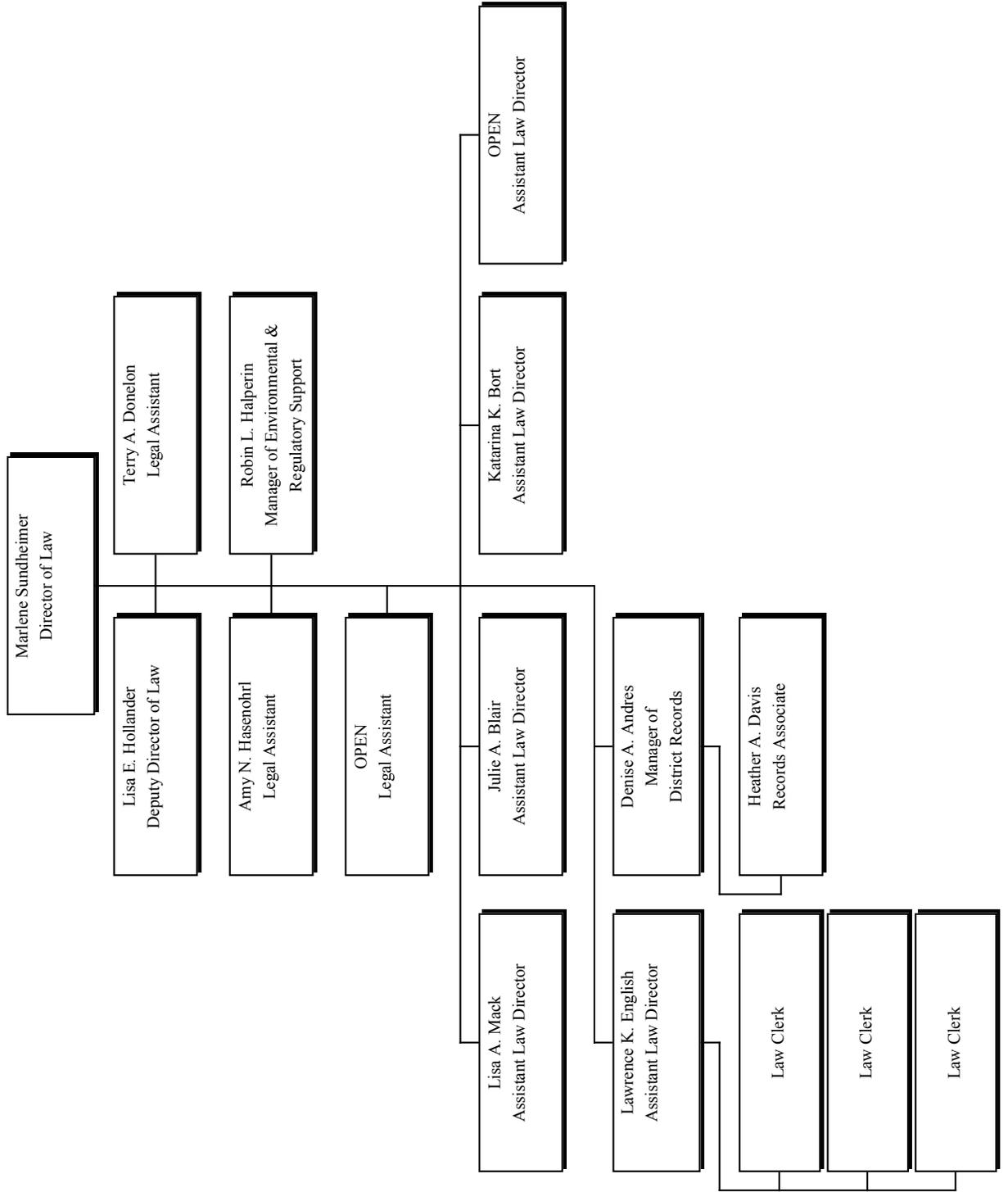
MANAGED BY Marlene Sundheimer
 Director of Law

Page 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Drafted contract change order policy.▪ Developed Ethics Policy and Board Code of Conduct and Decorum for Ethics Committee.▪ Developed guidance documents for Board Governance Committee on flow definition, interpretation of journal entry provisions and related matters for Board considerations.▪ Began Board Bylaws revisions.▪ Identified legal issues relative to the Stormwater Program.▪ Began Court Order revision process for Stormwater Program.▪ Assisted with CSO long-term plan negotiations with federal agencies.▪ Developed standards for Board minutes.	<ul style="list-style-type: none">▪ Develop contracting policies and standards.▪ Revise construction contract terms and conditions.▪ Assist in developing CSO long-term plan strategy, participate in negotiations, and provide legal resources.▪ Provide the Board with legal strategies regarding Stormwater Program.▪ Open court order and amend Plan of Operations to include Stormwater Program and other amendments.▪ Provide Board meeting minutes.▪ Provide resources to Board committees and activities.▪ Develop and implement subcontracting program.▪ Conduct Disparity Study.▪ Establish policies and procedures guidance manual for a Consultant Review Committee.

Northeast Ohio Regional Sewer District
 Legal
 Budget Center - 7000



NORTHEAST OHIO REGIONAL SEWER DISTRICT

LEGAL -- 7000

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL BUDGET		2008 BUDGET	BUDGET CHANGE
Director of Law	1	1	1	1	0
Deputy Director of Law	0	0	0	1	1
Manager of District Records	0	0	0	1	1
Assistant Director of Law	5	5	5	5	0
Contract Compliance Manager	0	0	0	1	1
Legal Assistant	2	2	2	3	1
Records Associate	0	0	0	1	1
TOTAL POSITIONS	8	8	8	13	5

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=7000 (LEGAL)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	155,319.89	159,973	154,800.13	308,651
52030 PROFESSIONALS SALARIES	439,914.29	394,597	385,219.26	342,005
52031 ADMINISTRATIVE SUPPORT SALARIES	80,826.73	90,085	86,549.22	148,442
52036 PARA-PROFESSIONAL SALARIES	0.00	0	0.00	0
52060 STUDENT SALARIES	49,356.32	84,128	38,580.61	43,687
52071 LONGEVITY	2,175.00	2,175	1,375.00	1,375
52081 SICK BUY OUT	0.00	0	0.00	10,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	0.00	1,000	0.00	1,000
52260 STUDENT OVERTIME	0.00	0	145.45	0
Total Salary & Wages	727,592.23	731,958	666,669.67	855,160
Personnel Benefits				
52310 HEALTH CARE	95,711.81	88,617	84,945.06	90,674
52311 HEALTH CARE OPT-OUT FULL	0.00	0	0.00	609
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	0.00	0	0.00	891
52320 OPERS	100,386.82	101,376	89,039.34	119,722
52340 LIFE INSURANCE	608.40	562	526.50	784
52360 MEDICARE	7,786.44	7,526	6,816.91	11,619
52370 UNIFORM ALLOWANCE	0.00	0	0.00	0
Total Personnel Benefits	204,493.47	198,081	181,327.81	224,299
Reimbursable Expenses				
52410 TRAVEL	44,909.79	55,000	28,316.71	35,000
52430 EMPLOYEE EDUCATION	14,518.00	15,000	10,427.50	14,000
Total Reimbursable Expenses	59,427.79	70,000	38,744.21	49,000
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	1,353,563.59	1,200,000	1,039,350.91	2,809,000
52620 TEMPORARY STAFFING	0.00	0	0.00	0
Total Professional Services	1,353,563.59	1,200,000	1,039,350.91	2,809,000
Contractual Services				
52715 PRINTING	0.00	100	68.10	100
52730 DUES AND SUBSCRIPTIONS	19,630.96	20,000	20,806.30	20,300
52740 REAL PROPERTY RENTAL	89.00	0	0.00	0
52750 ADVERTISING	254.80	2,000	2,604.78	3,000
52775 LICENSES, FEES, AND PERMITS	1.75	0	0.00	0
52780 OTHER CONTRACTUAL SERVICES	0.00	2,000	0.00	34,025
Total Contractual Services	19,976.51	24,100	23,479.18	57,425
Materials & Supplies				
52805 OFFICE SUPPLIES	17.25	100	56.15	100
52810 FUEL AND OIL	1,457.17	1,500	730.94	0
52851 OTHER MINOR EQUIPMENT	0.00	0	0.00	0
52865 OTHER SUPPLIES	0.00	0	0.00	150
52870 FREIGHT	0.00	0	0.00	0
Total Materials & Supplies	1,474.42	1,600	787.09	250
Total Equipment Repair & Maintenance	0.00	0	0.00	0

OPERATING EXPENSE BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=7000 (LEGAL)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building & Road Repair				
53050 BUILDING MAINTENANCE SUPPLIES	1,694.90	0	(16.16)	0
Total Building & Road Repair	1,694.90	0	(16.16)	0
Judgments & Awards				
53210 JUDGMENTS	0.00	0	0.00	50,000
Total Judgments & Awards	0.00	0	0.00	50,000
BUDGET CENTER TOTAL	2,368,222.91	2,225,739	1,950,342.71	4,045,134

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS

3/31/2008

BUDGET CENTER=7000 (LEGAL)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER District Administration -- 8000

MANAGED BY Julius Ciaccia
 Executive Director

Pg 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Policy Matters: Alerts Board of Trustees to evolving issues and clearly defines them as the issues more fully develop. Provides information to the Board so it may judge possible issue consequences. Makes recommendations to assist Board members with policy decisions for evolving issues.

Future Business: Supports the Board in becoming more strategic advocates for the District. Builds a foundation for the Board to make future business decisions. Deliberates on strategic issues related to combined sewer overflow control regulatory compliance. Explores options to operate in a more environmentally friendly manner. Engages the Board in the process of determining the District's role in regard to a regional urban drainage system and regional environmental matters.

Executive: Shapes and manages the District to meet current operating goals and to achieve long-term objectives of the Court order under which the District was formed. Implements Board policy and complies with all applicable laws and regulations. Acts as chief spokesperson for the District. Champions organizational systems change.

Management: Guides District employees in the efficient, low cost operation and maintenance of all facilities. Inspires staff by a strong leadership example that encourages concern and understanding for the intricacies of EPA requirements, and collaboration in a spirit of austerity, honesty and efficiency for the rapid and successful completion of the capital program. Perpetuates a comprehensive plan for the formation of a District Upper and Middle Management Development System to ensure Leadership Management Sustainability.

Internal Audit: Designing and implementing of all practical internal functions to be incorporated in the District's operational process. Provide assessment of financial and operational risk exposures and communicating significant exposure to senior Management.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER District Administration -- 8000

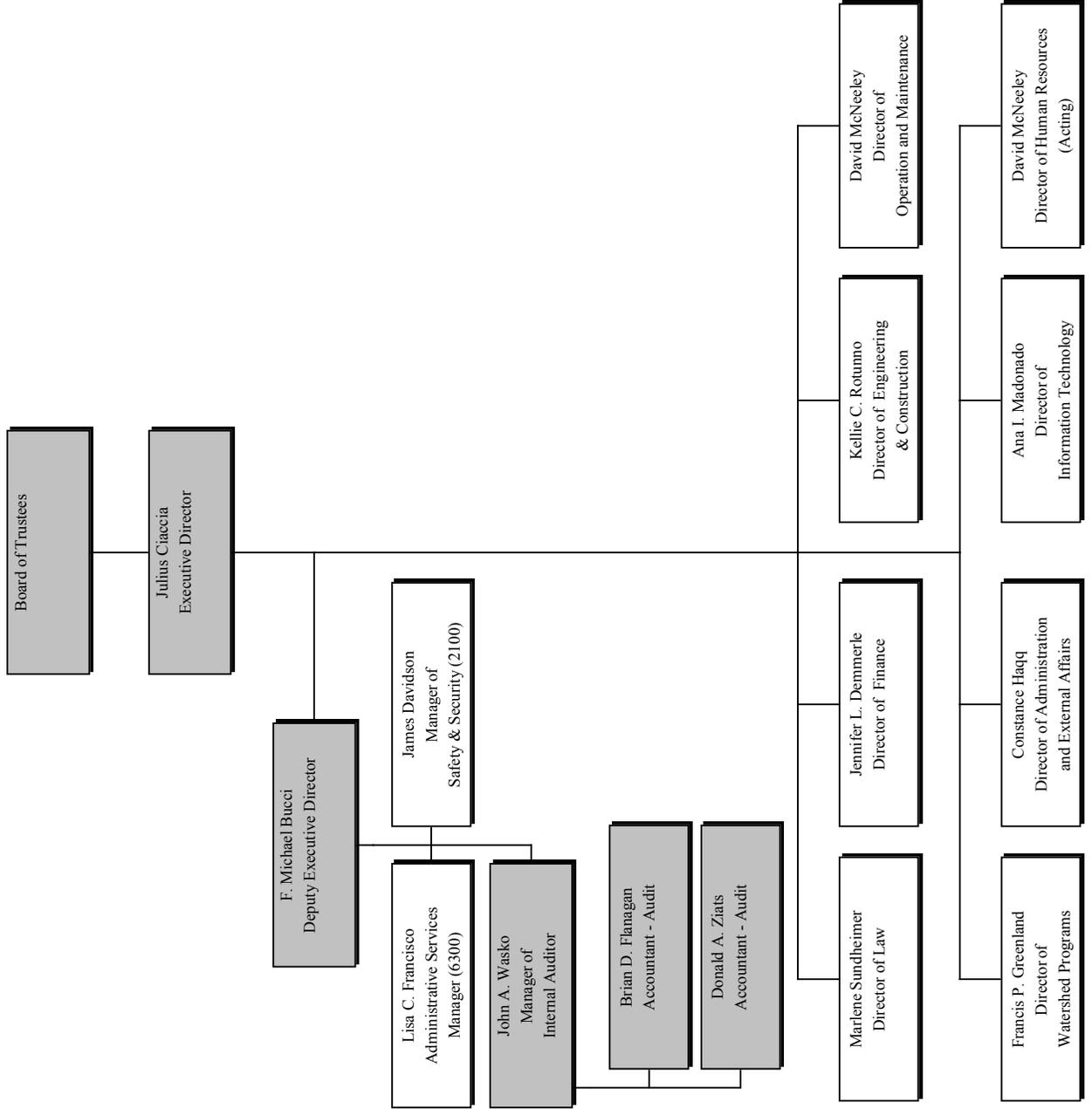
MANAGED BY Julius Ciaccia
Executive Director

Pg 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none"> ▪ Implemented Phase 1 of the Stormwater Program. ▪ Selected new senior management team. ▪ On-boarded new executive director. ▪ Provided excellent levels of treatment and customer service. ▪ Established board committee: ethics; board process; and governance. ▪ Completed planning phase of the Diversity and Inclusion program. ▪ Completed the consultant phase of the Leadership Sustainability Program. ▪ Hired law firm to audit District contracting policies. ▪ Celebrated the 35th anniversary of the District. ▪ Participated in 25 community outreach activities. ▪ Received awards for Financial Excellence. ▪ Established the Richard N. Connelly Scholarship at Tri-C and named the Crisis Management Room in his honor. 	<ul style="list-style-type: none"> ▪ Develop a 10 year Capital Plan. ▪ Implement the findings of the Calfee Audit. ▪ Initiate Program Management in Engineering and Construction. ▪ Develop change order standards. ▪ Complete plans for Stormwater Management. ▪ Establish a Governmental Affairs area. ▪ Re-organize the management team for greater efficiency. ▪ Continue implementation of Leadership Sustainability Program and complete first evaluation. ▪ Develop performance review system for senior staff. ▪ Complete District 5 year strategic plan. ▪ Review and re-design the District MBE/WBE Program. ▪ Exceed Debt Service coverage. ▪ Develop budgetary cost containment controls. ▪ Report to board on overall Rate Study parameters. ▪ Maintain excellent levels of treatment in plants and customer service. ▪ Work with board committees. ▪ Report monthly to the board. ▪ Implement Diversity and Inclusion Program.

Northeast Ohio Regional Sewer District
 District Administration
 Budget Center - 8000



Shaded Boxes are in Budget Center 8000

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DISTRICT ADMINISTRATION -- 8000

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006 ACTUAL	2007 ACTUAL	2007 BUDGET	2008 BUDGET	BUDGET CHANGE
Board Member	7	7	7	7	0
Executive Director	1	1	1	1	0
Deputy Executive Director	0	1	1	1	0
Manage Internal Audit	0	0	0	1	1
Director of Capital Programs	1	1	1	0	-1
Assistant to the Executive Director	1	1	1	0	-1
Accountant	0	0	0	2	2
Executive Assistant	1	2	1	0	-1
Department Secretary	2	1	2	0	-2
General Office Clerk (Part Time)	1	1	1	0	-1
TOTAL POSITIONS	14	15	15	12	-3

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=8000 (DISTRICT ADMINISTRATION)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	352,030.01	362,380	469,972.08	455,563
52030 PROFESSIONALS SALARIES	97,075.30	126,079	89,910.54	114,234
52031 ADMINISTRATIVE SUPPORT SALARIES	83,848.22	92,799	97,934.33	0
52034 TECHNICIANS SALARIES	0.00	0	0.00	0
52036 PARA-PROFESSIONAL SALARIES	0.00	0	0.00	0
52060 STUDENT SALARIES	2,268.00	0	0.00	36,670
52071 LONGEVITY	1,450.00	1,450	1,825.00	650
52081 SICK BUY OUT	0.00	0	0.00	4,000
52231 ADMINISTRATIVE SUPPORT OVERTIME	0.00	0	4,186.72	0
52260 STUDENT OVERTIME	0.00	0	0.00	0
Total Salary & Wages	536,671.53	582,708	663,828.67	611,117
Personnel Benefits				
52310 HEALTH CARE	61,292.84	49,146	60,389.99	73,533
52311 HEALTH CARE OPT-OUT FULL	42.79	0	521.40	0
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	82.21	0	978.60	0
52320 OPERS	73,748.73	80,705	92,065.86	85,557
52340 LIFE INSURANCE	813.15	842	854.10	842
52360 MEDICARE	5,350.91	5,812	5,132.87	6,762
52370 UNIFORM ALLOWANCE	0.00	0	0.00	0
52380 AWARDS AND RECOGNITION	0.00	0	0.00	0
Total Personnel Benefits	141,330.63	136,505	159,942.82	166,694
Reimbursable Expenses				
52410 TRAVEL	14,487.10	35,000	18,574.47	35,000
52430 EMPLOYEE EDUCATION	19,767.26	14,000	10,740.00	15,000
Total Reimbursable Expenses	34,254.36	49,000	29,314.47	50,000
Total Utilities	0.00	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	698,261.07	760,000	781,160.74	186,000
52615 GENERAL PROFESSIONAL SERVICES-TRAINING	0.00	0	0.00	0
Total Professional Services	698,261.07	760,000	781,160.74	186,000
Contractual Services				
52715 PRINTING	2,147.95	1,000	380.60	1,000
52730 DUES AND SUBSCRIPTIONS	317,506.32	322,000	360,773.14	360,000
52735 EQUIPMENT RENTAL	0.00	0	0.00	0
52750 ADVERTISING	6,573.53	0	3,892.21	0
52780 OTHER CONTRACTUAL SERVICES	0.00	0	0.00	0
52785 FACILITIES RENTAL	2,380.86	5,000	0.00	1,500
Total Contractual Services	328,608.66	328,000	365,045.95	362,500

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=8000 (DISTRICT ADMINISTRATION)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	3,968.36	6,000	1,356.23	1,000
52810 FUEL AND OIL	1,531.88	2,000	2,318.93	1,000
52851 OTHER MINOR EQUIPMENT	2,432.54	3,500	1,516.77	0
52860 POSTAGE, UPS	432.00	0	0.00	0
52861 TRAINING SUPPLIES	970.95	1,500	50.86	0
52865 OTHER SUPPLIES	0.00	3,000	728.54	3,000
52870 FREIGHT	266.03	1,000	108.23	500
Total Materials & Supplies	9,601.76	17,000	6,079.56	5,500
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Total Building & Road Repair	0.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	1,748,728.01	1,873,213	2,005,372.21	1,381,811

MINOR CAPITAL BUDGET REPORT

NEORSD SET OF BOOKS
3/31/2008

BUDGET CENTER=8000 (DISTRICT ADMINISTRATION)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	0.00	0	0.00	0

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Watershed Programs -- 8100

MANAGED BY Francis P. Greenland
 Director of Watershed Programs

Page 1 of 2

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

The Watershed Programs Budget Center is responsible for the coordination of watershed management-related work within the District. This group provides watershed management leadership and support in the following areas:

- **Watershed Environmental Monitoring:** Complying with all NPDES pretreatment requirements, review of pending regulatory issues and monitoring of water quality in area waterways through the efforts of the District's WQIS group.
- **Analytical Services:** Providing analytical results required by NPDES Permits and in support of watershed monitoring/sampling and pretreatment efforts through the work of the Analytical Services group.
- **Stormwater Program:** Coordinating the development and implementation of the District's regional stormwater management program.

Environmental Programs: Providing watershed management-related technical expertise, education, coordination and support to area communities, watershed groups and service providers. Plan and coordinate stream restoration projects across the service area. Seek opportunities for sustainable watershed solutions to water quality and quantity problems. Assist communities in complying with regulatory initiatives and work with WQIS to anticipate the impact of future regulatory initiatives on both District and community watershed efforts.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Watershed Programs -- 8100

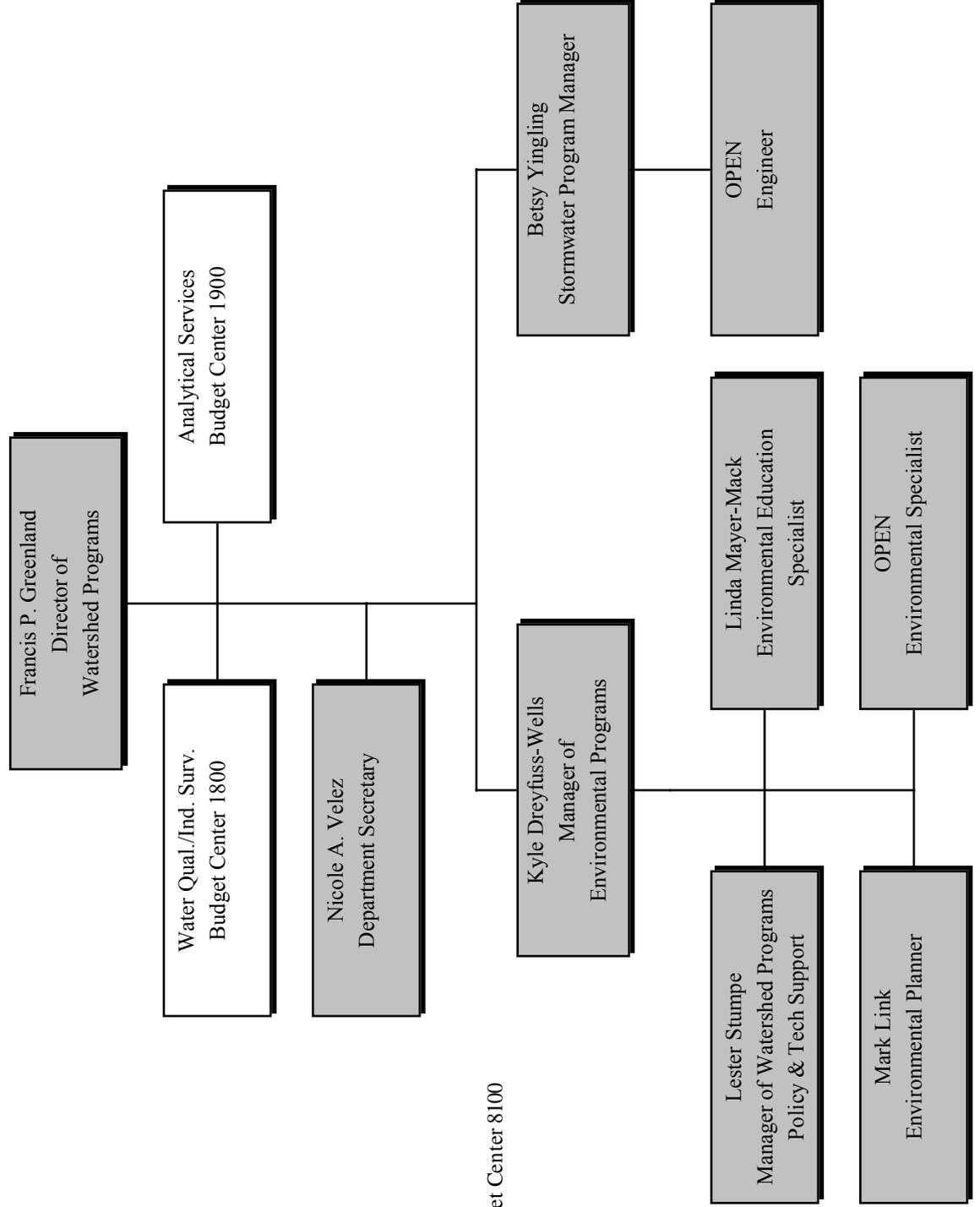
MANAGED BY Francis P. Greenland
 Director of Watershed Programs

Page 2 of 2

**DESCRIPTION OF SERVICES PROVIDED
AND
ACCOMPLISHMENTS & GOALS**

2007 Accomplishments	2008 Goals
<ul style="list-style-type: none">▪ Developed structure for the new Watershed Programs budget center.	<ul style="list-style-type: none">▪ Develop and implement strategies to expand the District’s role and service to the community, watershed groups and watershed service providers in the area of watershed management.▪ Lead implementation efforts related to the District’s proposed regional stormwater management program.▪ Continue to lead technical negotiations and provide needed assistance related to the ongoing EPA CSO Long-Term Control Plan approval.▪ Begin the development of District sustainability practices and programs.▪ Coordinate staff efforts, add staff resources and develop staff expertise to accomplish department goals.

Northeast Ohio Regional Sewer District
 Watershed Programs
 Budget Center - 8100



Shaded Boxes are in Budget Center 8100

NORTHEAST OHIO REGIONAL SEWER DISTRICT

WATERSHED PROGRAMS -- 8100

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Director of Watershed Programs	0	0	0	1	1
Mngr.of Watershed Pgrms. Policy & Tech Supp.	0	0	0	1	1
Managre of Environmental Programs	0	0	0	1	1
Manager os Stormwater Program	0	0	0	1	1
Engineer	0	0	0	1	1
Environmental Specialist	0	0	0	1	1
Environmental Planner	0	0	0	1	1
Environmental Education Specialist	0	0	0	1	1
Department Secretary	0	0	0	1	1
TOTAL POSITIONS	0	0	0	9	9

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=8100 (WATERSHED PROGRAMS)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	0	0	0	392,957.00
52030 PROFESSIONALS SALARIES	0	0	0	166,979.00
52031 ADMINISTRATIVE SUPPORT SALARIES	0	0	0	39,541.00
52060 STUDENT SALARIES	0	0	0	18,335.00
52071 LONGEVITY	0	0	0	1,825.00
52081 SICK BUY OUT	0	0	0	6,500.00
Total Salary & Wages	0	0	0	626,137.00
Personnel Benefits				
52310 HEALTH CARE	0	0	0	83,886.00
52311 HEALTH CARE OPT-OUT FULL	0	0	0	609.00
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	0	0	0	891.00
52320 OPERS	0	0	0	87,660.00
52340 LIFE INSURANCE	0	0	0	544.00
52360 MEDICARE	0	0	0	7,634.00
Total Personnel Benefits	0	0	0	181,224.00
Reimbursable Expenses				
52410 TRAVEL	0	0	0	22,500.00
52430 EMPLOYEE EDUCATION	0	0	0	9,000.00
Total Reimbursable Expenses	0	0	0	31,500.00
Total Utilities	0	0	0	0.00
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	0	0	0	280,000.00
54100 CAPITAL CONTRIBUTIONS TO PROJECTS	0	0	0	2,463,717.00
Total Professional Services	0	0	0	2,743,717.00
Contractual Services				
52715 PRINTING	0	0	0	1,000.00
52730 DUES AND SUBSCRIPTIONS	0	0	0	10,800.00
Total Contractual Services	0	0	0	11,800.00
Materials & Supplies				
52805 OFFICE SUPPLIES	0	0	0	2,000.00
52810 FUEL AND OIL	0	0	0	2,000.00
52865 OTHER SUPPLIES	0	0	0	500.00
52870 FREIGHT	0	0	0	200.00
Total Materials & Supplies	0	0	0	4,700.00
Total Equipment Repair & Maintenance	0	0	0	0.00
Total Building & Road Repair	0	0	0	0.00
Total Judgments & Awards	0	0	0	0.00
BUDGET CENTER TOTAL	0	0	0	3,599,078.00

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=8100 (WATERSHED PROGRAMS)

	<i>2006 ACTUALS</i>	<i>2007 ADOPTED BUDGET</i>	<i>2007 ACTUALS</i>	<i>2008 ADOPTED BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	0.00	0	0.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	10,000
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	0.00	0	0.00	10,000

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Engineering and Construction -- 9000

MANAGED BY Kellie C. Rotunno
Director of Engineering & Construction

Page 1 of 3

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Responsible for the planning, design and construction of the District's Capital Improvement Program. Provide project leadership and proper engineering resources for the planning, design and construction of efficient wastewater and wet weather conveyance, overflow control and treatment systems that best meet the District's current and future EPA requirements and the environmental needs of the community. Administer all aspects of all engineering and construction contracts including procurement, cost negotiations, contractual changes, invoice review and approval and deliverance/acceptance of final project. Responsible to interface with member communities in coordination of community capital improvement programs with the District's own capital improvement program. Nominate District project candidates and submit technically, financially and administratively complete applications for WPCLF awards pursuant to OEPA programmatic requirements. Apply for and administer USEPA special appropriation grant awards to the District. Work with communities, community-based coalitions and regional organizations to define environmental problems, potential solutions and to identify sound watershed management strategies. Coordinate partnership efforts to accomplish identified watershed management strategies.

The main objectives of the Engineering Department in this regard for 2008 are:

- Continue development of an Asset Management system.
- Provide input and assistance with the negotiation of the District's CSO long-term control plan (LTCP).
- Administer the Community Discharge Permit Program. Track community compliance with Permit Program requirements.
- Continue watershed project partnering efforts including the implementation of the West Creek WRRSP, Euclid Creek, Mill Creek and other watershed restoration projects.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Engineering and Construction -- 9000

MANAGED BY Kellie C. Rotunno
Director of Engineering & Construction

Page 2 of 3

DESCRIPTION OF SERVICES PROVIDED AND ACCOMPLISHMENTS & GOALS

Plant Design/Plant Construction:

Design: Southerly Incineration Replacement Project/ Southerly Screen Building and Grit Tank Rehabilitation, Southerly Substation Replacement

Construction: Southerly Second Stage Aeration Tank Rehabilitation/ Southerly Second Stage Bridge Repair/ Easterly Final Clarifiers Rehabilitation/ Easterly Primary Settling Tank Rehabilitation/CVI Lift Station Improvements/ New Incinerator Purchase

Sewer Design/Sewer Construction:

Design: Mill Creek Interceptor Repairs

Construction: Lee Road Relief Sewer/Mill Creek Interceptor Rehabilitation/Rehabilitation of Automated Regulators/Mill Creek Tunnel Contract 3/Spring Jennings Control Structure / BCI-3E/ Valley Belt Gravity Sewer/ Manhole Rehabilitation Contract MR-10

Residuals & Air Emissions

Southerly Incineration Replacement Project Design and incinerator procurement

Administration:

Prepare 2007-2011 Capital Plan and 2007 year-end Capital Plan Summary. Nominate, apply for and receive WPCLF loans awards for District projects under OEPA's 2007 WPCLF Program.

Planning/Watershed Programs/Engineering Information & Technology:

Easterly and Southerly WWTPs Comprehensive Facilities Plans/ / West Creek WRRSP, Euclid Creek, and Mill Creek WRRSPs Projects / Beach Research/ District-wide GIS Phase II Implementation/ Engineering/Storm Water Implementation Assistance
Records Management Program Implementation and Library Upgrades
Asset Management/Program Management

All Departments: Continue to implement department initiatives. Continue to devote staff resources to District teams.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET CENTER Engineering and Construction -- 9000

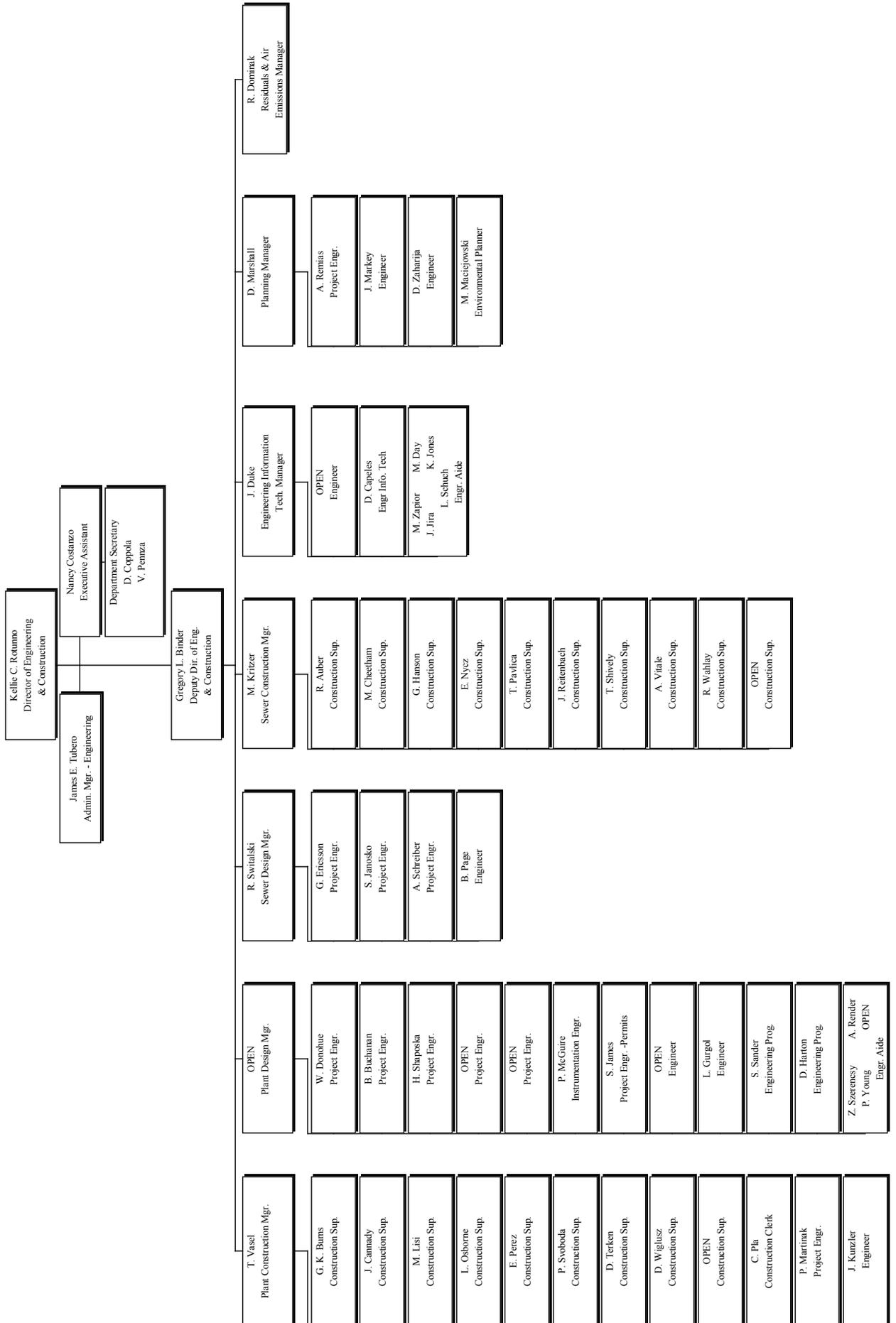
MANAGED BY Kellie C. Rotunno
 Director of Engineering & Construction

Page 3 of 3

**DESCRIPTION OF SERVICES PROVIDED
 AND
 ACCOMPLISHMENTS & GOALS**

2006 Accomplishments	2007 Goals
<ul style="list-style-type: none"> ▪ Completed the mining of the Mill Creek Tunnel Contract 3. ▪ Initiated the Design of the Southerly WWTP Incineration Replacement Project. ▪ Applied for and received funding from the Ohio EPA for the Highland Park and Euclid Creek Stream Restoration Projects. ▪ Completed construction of and Initiated Operation of the Lee Road Relief Sewer Contract2/3, the Bryden-Farnsleigh Relief Sewer, and the Tuxedo Improvement 230 Relief Sewer projects. ▪ Completed installation and successful start-up testing of the Easterly WWTP, the Southerly WWTP, the Westerly WWTP, the GJM and the EMSC Emergency Stand by Power generators. 	<ul style="list-style-type: none"> ▪ Continue development of an asset management program that minimizes the total cost of operation of our assets while still achieving the level of service our customers desire. ▪ Review the capital procurement processes of the District to ensure our rate payers receive maximum benefit for capital dollars expended. ▪ Assist in the negotiations of the long term control plan (LTCP) construction schedule. ▪ Provide technical input into the District’s effort to move into new business area such as storm water management and watershed planning. ▪ Finalize development of a performance evaluation program that provides increased development of our staff to further the goals of the District.

Northeast Ohio Regional Sewer District
 Engineering and Construction
 Budget Center - 9000



NORTHEAST OHIO REGIONAL SEWER DISTRICT

ENGINEERING AND CONSTRUCTION -- 9000

STAFFING

Two Year History and Budget Comparison

JOB TITLE	2006	2007		2008	BUDGET CHANGE
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Director of Engineering & Construction	1	1	1	1	0
Deputy Director of Engineering & Constr.	1	1	2	1	-1
Plant Construction Manager	1	1	1	1	0
Plant Design Manager	1	1	1	1	0
Sewer Design Manager	1	1	1	1	0
Administrative Manager - Engineering	1	1	1	1	0
Planning Manager	1	1	1	1	0
Engineering Info. Technology Manager	1	1	1	1	0
Residuals & Air Emission Manager	1	1	1	1	0
Manager-Watershed Program	1	1	1	0	-1
Sewer Construction Manager	1	1	1	1	0
Construction Supervisor	19	19	20	19	-1
Engineer Programmer	1	2	2	2	0
Project Engineer Permit	1	1	1	1	0
Project Engineer	9	9	9	10	1
Instrument Engineer	1	1	1	1	0
Engineer	9	7	10	7	-3
Engineer Aide	1	2	2	4	2
Librarian	1	0	0	0	0
Environmental Planner	2	2	2	1	-1
Engineering Information Technician	1	1	1	1	0
Executive Assistant	1	1	1	1	0
Research and Development Engineer	0	0	1	0	-1
Department Secretary	3	3	3	2	-1
Construction Clerk	1	1	1	1	0
Engineer Aide	6	5	6	5	-1
TOTAL POSITIONS	67	65	72	65	-7

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=9000 (ENGINEERING AND CONSTRUCTION)

	2006 ACTUALS	2007 ADOPTED BUDGET	2007 ACTUALS	2008 ADOPTED BUDGET
Salary & Wages				
52020 OFFICIALS AND MANAGERS SALARIES	1,038,274.50	1,080,206	1,059,783.50	955,453
52030 PROFESSIONALS SALARIES	2,919,186.69	3,185,949	2,935,288.42	2,806,585
52031 ADMINISTRATIVE SUPPORT SALARIES	192,551.06	151,424	151,840.06	116,480
52034 TECHNICIANS SALARIES	227,135.95	229,027	195,508.19	212,576
52036 PARA-PROFESSIONAL SALARIES	0.00	0	0.00	0
52050 MAINTENANCE HOURLY	0.00	0	0.00	0
52060 STUDENT SALARIES	93,093.61	126,589	34,901.68	126,589
52071 LONGEVITY	14,175.00	14,925	14,925.00	13,625
52081 SICK BUY OUT	0.00	0	0.00	70,000
52230 PROFESSIONAL OVERTIME	190.95	0	67.26	0
52231 ADMINISTRATIVE SUPPORT OVERTIME	0.00	0	152.22	0
52234 TECHNICIAN OVERTIME	0.00	0	0.00	0
52260 STUDENT OVERTIME	46.08	0	245.12	0
Total Salary & Wages	4,484,653.84	4,788,120	4,392,711.45	4,301,308
Personnel Benefits				
52310 HEALTH CARE	736,792.62	654,428	641,291.57	608,438
52311 HEALTH CARE OPT-OUT FULL	128.37	3,000	1,958.41	3,043
52312 HEALTH CARE OPT-OUT SUPPLEMENTAL	164.42	514	2,437.99	3,566
52320 OPERS	619,654.84	663,155	625,305.71	602,183
52340 LIFE INSURANCE	4,451.85	4,762	4,510.35	4,107
52360 MEDICARE	50,020.37	53,746	47,683.87	49,961
52370 UNIFORM ALLOWANCE	0.00	0	0.00	0
Total Personnel Benefits	1,411,212.47	1,379,605	1,323,187.90	1,271,298
Reimbursable Expenses				
52410 TRAVEL	53,833.72	64,200	36,304.58	40,000
52430 EMPLOYEE EDUCATION	53,252.96	51,950	18,101.00	25,000
Total Reimbursable Expenses	107,086.68	116,150	54,405.58	65,000
Utilities				
52550 COMMUNICATIONS	2,112.67	0	0.00	0
Total Utilities	2,112.67	0	0.00	0
Professional Services				
52610 GENERAL PROFESSIONAL SERVICES	117,856.00	50,000	985,164.22	275,000
52670 WATERSHED GRANTS	0.00	0	0.00	0
Total Professional Services	117,856.00	50,000	985,164.22	275,000
Contractual Services				
52715 PRINTING	8,325.84	21,000	13,394.50	12,000
52730 DUES AND SUBSCRIPTIONS	9,764.87	12,350	14,025.45	15,300
52750 ADVERTISING	(24.00)	0	0.00	0
52770 UNIFORMS	1,019.26	0	0.00	5,000
52780 OTHER CONTRACTUAL SERVICES	0.00	0	0.00	0
Total Contractual Services	19,085.97	33,350	27,419.95	32,300

OPERATING EXPENSE BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=9000 (ENGINEERING AND CONSTRUCTION)

	<i>2006</i> <i>ACTUALS</i>	<i>2007</i> <i>ADOPTED</i> <i>BUDGET</i>	<i>2007</i> <i>ACTUALS</i>	<i>2008</i> <i>ADOPTED</i> <i>BUDGET</i>
Materials & Supplies				
52805 OFFICE SUPPLIES	19,273.18	11,000	6,445.24	11,000
52806 SOFTWARE	0.00	0	0.00	0
52810 FUEL AND OIL	8,969.29	9,000	10,520.84	11,000
52840 LABORATORY SUPPLIES	5.86	0	0.00	0
52845 GENERAL HARDWARE SUPPLIES	1,131.94	2,000	426.12	2,000
52846 EQUIPMENT AND INSTRUMENTATION PARTS	31.58	300	0.00	300
52851 OTHER MINOR EQUIPMENT	10,050.29	15,000	8,366.12	7,900
52860 POSTAGE, UPS	0.00	0	0.00	0
52865 OTHER SUPPLIES	1,936.40	2,400	2,019.58	2,400
52870 FREIGHT	694.96	800	634.02	800
Total Materials & Supplies	42,093.50	40,500	28,411.92	35,400
Total Equipment Repair & Maintenance	0.00	0	0.00	0
Building & Road Repair				
53020 ROAD REPAIR AND MAINTENANCE	7,500.00	0	0.00	0
53040 MISCELLANEOUS REPAIR AND MAINTENANCE	8,694.00	0	0.00	0
Total Building & Road Repair	16,194.00	0	0.00	0
Total Judgments & Awards	0.00	0	0.00	0
BUDGET CENTER TOTAL	6,200,295.13	6,407,725	6,811,301.02	5,980,306

MINOR CAPITAL BUDGET REPORT

NEORS D SET OF BOOKS

3/31/2008

BUDGET CENTER=9000 (ENGINEERING AND CONSTRUCTION)

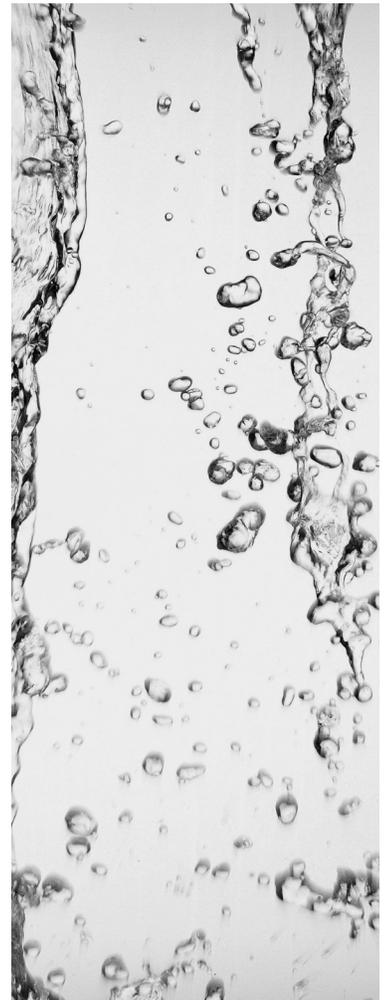
	<i>2006 ACTUALS</i>	<i>2007 ADOPTED BUDGET</i>	<i>2007 ACTUALS</i>	<i>2008 ADOPTED BUDGET</i>
Building Improvements				
15202 BUILDING IMPROVEMENTS	0.00	0	0.00	0
Machinery & Equipment				
15203 MACHINERY AND EQUIPMENT	0.00	0	0.00	0
Vehicles				
15204 VEHICLES	144,925.00	35,000	29,598.00	0
Grounds Improvements				
15206 GROUNDS IMPROVEMENTS	0.00	0	0.00	0
Computer Hardware				
15207 COMPUTER HARDWARE	0.00	0	0.00	0
Computer Software				
15208 COMPUTER SOFTWARE	0.00	0	0.00	0
Furniture & Office Equipment				
15209 FURNITURE AND OFFICE EQUIPMENT	0.00	0	0.00	0
Budget Center Total	144,925.00	35,000	29,598.00	0



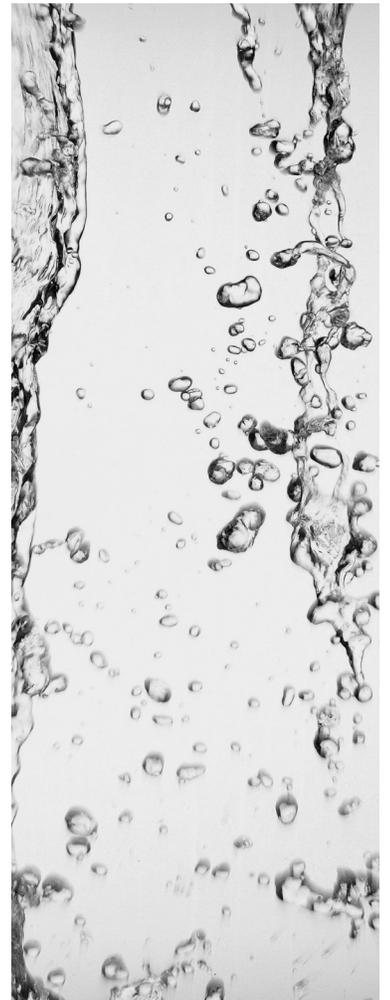
**Northeast Ohio Regional
Sewer District**

Protecting Your Health and Environment

STRATEGIC PLAN, FINANCIAL POLICIES AND BUDGET PROCESS



strategic plan



NORTHEAST OHIO REGIONAL SEWER DISTRICT

STRATEGIC PLAN

MESSAGE FROM THE EXECUTIVE DIRECTOR

A strategic plan is more than brightly colored flowcharts and corporate jargon. It's the people, it is employees turning goals on a page into accomplishments in the real world.

It's preparation for the future. It's our business and how we anticipate doing it well for the next five years, ten years, thirty years. It's both a product and an expectation of the dedication to excellence our employees show every day.



When we reflected on the 1999-2003 plan — our first attempt at such a document — we were proud to see how we have made our goals for the future a reality. But there is always work to be done, and there is always room for improvement. We recognize that. And those strides began even as we considered how to compose the document you hold in your hand.

This Strategic Plan was different from the start. Employees revisited the exercise of creating an updated plan with renewed passion and vision. The way we gathered information, the people we talked to, the goals we outlined began with the people doing the work. We used employees' comments and suggestions, then anticipated changes and challenges, developing this 28-page document, our 2004-2008 Strategic Plan.

It is time to put these pages into action. It is through effective planning that we add value to the services we provide our customers and, in turn, all residents of northeast Ohio. Some of the work will be new, much of yesterday's work will continue, but we expect it all to reach the same levels of excellence that make us a national leader in our industry.


Erwin J. Odeal
Executive Director

2004-2008 PLAN: AN OVERVIEW

Again we look to establish a direction for our future. While our mission stands firm, these milestones are means to make the most of our customers' dollar and our employees' time.

As illustrated in the previous section, the analysis of the information gathered through the planning process yielded a number of strategic issues to be addressed by the strategic plan's goals and objectives. These strategic issues were framed as questions, and then each question was reformulated as a goal. The resulting goals are the District's long-term organizational targets for the 2004-2008 planning horizon, and they state what the District seeks to accomplish over the next several years. A brief description of each goal follows.

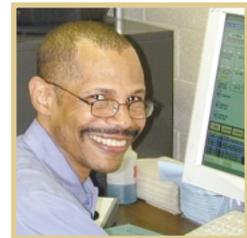
Goal 1: Maintain the District's excellent service record and reputation

This is the one goal that did not result from a specific strategic issue. Instead, it reflects the recognition that we already do an excellent job at our core mission, and we need to continue to do so. We need to continue to meet the conditions of our National Pollutant Discharge Elimination System (NPDES) permits, build necessary capital improvement projects, and influence relevant environmental legislation and regulation.



Goal 2: Improve our dynamic business culture

This goal evolved from the strategic issue "How do we do business?" It covers many aspects of how we operate as an organization, including how we make decisions, how we measure and evaluate our performance, and how we use technologies. This goal also includes objectives that have been recurring concerns for a number of years: retaining, communicating, and utilizing organizational knowledge; improving our outreach and communications with the general public; and promoting a management style that incorporates the diverse viewpoints of all employees.

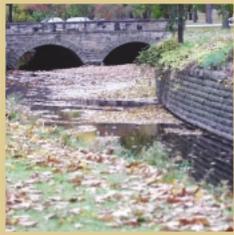


"Teamwork starts at the top and must be supported, by word and deed, at the top."



Goal 3: Improve use of our people resources

This goal was formulated from the strategic issue “How do we manage our people resources?” It includes three basic objectives: to develop a workforce that is reflective of the community we serve; to make sure that we have qualified new people coming in to fill empty positions; and to effectively manage and develop the people that we already have.



Goal 4: Determine our future business

Now, perhaps more than any other time in our history, the District is facing external regulatory and financial pressures that may significantly change our core mission over the next five years. The strategic issue “What business do we want to be in?” was identified, and restated as Goal 4. It includes determining what parts of the sanitary, combined, and storm water collection systems we want to own and operate, and what services we want to provide to our member communities. This goal also includes looking for ways to operate in a more environmentally friendly manner, determining the District’s role in regard to a regional urban drainage system, and determining the District’s role in regional environmental matters. We are committed to the “Plan, Do, Measure and Evaluate” process, and realize the importance of evaluating our current projects before moving on to new endeavors.

“Not everything that has worked in the past will continue to work in the future.”



Goal 5: Determine the most effective and equitable means of funding the future

With a significant capital improvement program looming, and little or no federal funding available, “How do our users pay for it?” was clearly a strategic issue. In order to fund the future, the District needs to manage its existing financial resources wisely, and also continue to look for new sources of funding.

“[We can not] depend on past practices instead of best practices.”

2004-2008 STRATEGIC PLAN

GOAL 1

Maintain the District's excellent service record and reputation



- Objective 1a* Continue to efficiently and effectively convey and treat wastewater
- Objective 1b* Continue to be pro-active with regard to environmental issues
- Objective 1c* Continue to plan, design and construct cost-effective capital projects for environmental improvement

GOAL 2

Improve our dynamic business culture



- Objective 2a* Develop a continuous improvement work environment
- Objective 2b* Improve the District's decision-making process
- Objective 2c* Effectively use technologies
- Objective 2d* Continue to develop and improve means to manage and communicate organizational knowledge
- Objective 2e* Promote an inclusive management style that fully considers diverse viewpoints of all employees
- Objective 2f* Improve Public Relations, Outreach and Communications

GOAL 3

Improve use of our people resources



- Objective 3a* Strive for a District workforce that is reflective of the community we serve
- Objective 3b* Ensure that the District has adequate and capable people resources to accomplish its mission and vision
- Objective 3c* Provide employees with the tools, resources, and environment to be satisfied, productive and safe

GOAL 4

Determine our future business



- Objective 4a* Determine the District's role and level of service with regard to regional sanitary/combined collection systems
- Objective 4b* Determine the District's role and level of service with regard to a regional urban drainage system
- Objective 4c* Determine the District's role and level of service with regard to services/products to communities in addition to wastewater treatment services
- Objective 4d* Identify opportunities to improve the environment and operate in a more efficient manner

GOAL 5

Determine the most effective and equitable means of funding the future



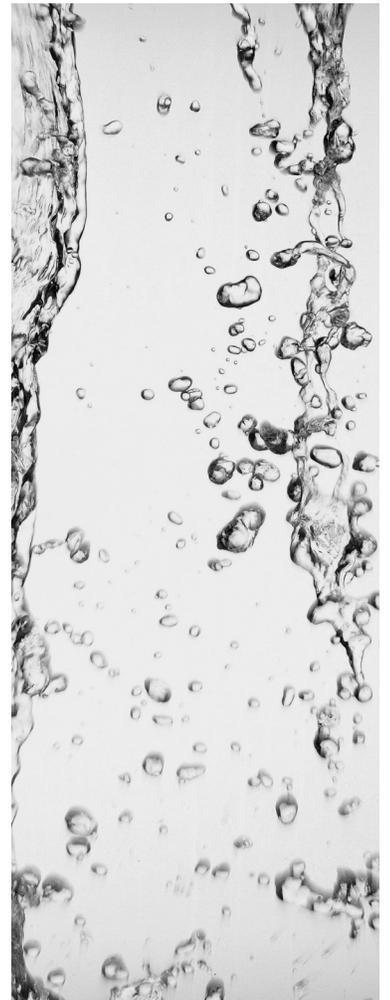
- Objective 5a* Identify additional opportunities for improved financial resource management
- Objective 5b* Continue to identify alternative financial resources



**Northeast Ohio Regional
Sewer District**

Protecting Your Health and Environment

financial policies and budget process



NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY

PREFACE

The Northeast Ohio Regional Sewer District, giving due regard to the safety and risk of various types of investments, shall invest the maximum available funds in conformance with the legal and administrative guidelines set forth in this policy statement. To the maximum prudent extent, the highest rates obtainable at the time of investment shall be sought.

Effective cash management is recognized as essential to good fiscal management. An aggressive cash management and investment policy will be pursued to take advantage of investment interest as a significant supplement to the District's basic sources of revenue to meet operating and capital demands. This will serve to moderate the District's user charge rates and amounts of borrowed funds. The District's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state law.

Investments shall be made with the following primary objectives, in order of importance:

- Preservation of capital and protection of principal.
- Security of 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.

This policy statement is an update and revision of the Investment Policy adopted in June 1989 by the Board of Trustees. While some of the details have been changed for clarification and more efficient application, the policy still adheres to the "prudent person" concept and statutory requirements.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

1. INVESTMENT RESPONSIBILITIES

A. Legal and District Requirements

1. Investment Authority

a. State Law

The Northeast Ohio Regional Sewer District was organized pursuant to Chapter 6119 of the Ohio Revised Code (O.R.C.) and has powers of self-government, including the power to invest its funds. That chapter also allows the District to set investment standards that differ from the investment requirements spelled out in Chapter 135 of the O.R.C.

b. District By-Laws

The authority to invest and deposit District funds is delegated to the Director of Finance under the District By-Laws. The Director of Finance shall have care and custody of all District funds and shall deposit or invest them as required by law.

2. Investment Reporting

a. State Law

There are no requirements for investment reporting in Chapter 6119 of the O.R.C.

b. District By-Laws

There is no specific requirement concerning investment reporting in the District By-Laws. It is implied by the requirement that the Director of Finance provide the Board of Trustees an account of transactions and also of the financial condition of the District.

3. Authorized Investments

Ohio statutes authorize depositories and define allowable investment programs for governmental entities. This Investment Policy, which outlines investment practices and authorities, is compiled to provide guidance in addition to State legislation.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

a. State Law

Sections 6119.151 and 6119.16 and, by reference, certain sections of Chapter 135 of the O.R.C. contain the primary investment regulations under State law. The statutes provide for investment of governmental funds and permit the following authorized investments, identified by security type:

- (1) Obligations of the United States or its agencies and instrumentalities for which the full faith and credit of the United States is pledged.
- (2) Other obligations, the principal of and interest on which are guaranteed or insured by the United States.
- (3) Direct obligations of the State of Ohio or its agencies.
- (4) Certificates of deposit issued by state and national banks or savings and loan associations located in the State of Ohio, collateralized and secured as described in part 4 below.

Investments in (1) through (3) are limited to five-year maturities. For certificates of deposit the maximum length is one year.

Chapter 135 does not permit investments in corporate stocks and bonds.

b. District Resolutions

Sections 6119.151 and 6119.16 of the O.R.C. permit the kinds of investments the District can make to be restricted or expanded from those in Chapter 135 by the most current Board of Trustees resolution authorizing the sale of water resource revenue bonds. The District has availed itself of this provision and its eligible investments are defined in the most current bond resolution.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

4. Collateral Requirements

a. State Law

To qualify as a Depository a bank or savings and loan must collateralize District deposits under Section 135.18 of the O.R.C. with any of the following types of securities:

(1) Obligations of the United States or its agencies and instrumentalities for which the full faith and credit of the United States is pledged.

(2) Other obligations, the principal of and interest on which are fully or partially guaranteed by the United States.

(3) Direct obligations of the State of Ohio or its agencies.

(4) Obligations of any taxing subdivision of the State of Ohio for which the full faith and credit of the issuing subdivision is pledged and which is not in default.

(5) Bonds of other states which have not defaulted at any time within the preceding ten years.

(6) Obligations guaranteed by the Ohio student loan commission.

b. District By-Laws and Resolutions

It is the District's policy to accept as collateral on bank deposits and certificates of deposits all securities outlined in Section 135.18 of the O.R.C., except as modified by the most current resolution authorizing the sale of water resource revenue bonds. At the discretion of the Director of Finance, any security may be refused as collateral if concerns exist regarding its collectibility or marketability.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

5. Rate of Return

a. State Law

Except with regard to interim funds placed with a Depository, State law imposes no specific requirement that the District invest to obtain the highest yield. Interim funds placed with a Depository must be awarded to the institution providing the highest return.

b. District By-Laws

District By-Laws do not contain a reference to required rates of return. It is the District's policy to earn a rate of return at least equal to that of low-risk securities, such as the return on three-month U. S. Treasury bills.

6. Delegation and Restriction of Investment Authority

Responsibility and authority for investment transactions resides with the Director of Finance, who is fully authorized to buy, sell, and trade investments in accordance with the goals and objectives of this policy. Finance personnel designated by the Director of Finance shall obtain quotes, consummate transactions, and monitor safekeeping arrangements and transactions; there shall be frequent reporting to and monitoring of these personnel by the Director of Finance. An investment advisor(s) shall be engaged at the District's discretion.

7. Arbitrage

The Tax Reform Act of 1986 requires, generally, that any yield from investing post-1986 tax exempt bond proceeds and debt service funds that exceeds the bond yield be rebated to the U. S. Treasury. These arbitrage rebate provisions require that the District compute earnings on investments from each issue of bonds on an annual basis to determine if a rebate is required. To determine its arbitrage position, the District is required to calculate the actual yield earned on the investment of the funds and compare it to the yield that would have been earned if the funds had been invested at a rate equal to the yield on the bonds sold by the District.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

The rebate provisions state that periodically (not less than once every five years, and not later than sixty days after maturity of the bonds), the District is required to pay the U.S. Treasury a rebate of any excess earnings.

The District's investment position relative to the arbitrage restrictions is to pursue the maximum yield on applicable investments while ensuring the safety of capital and liquidity. Because the District shall have the use of any excess earnings until payment to the U.S. Treasury, it is a fiscally sound position to maximize yield and to rebate excess earnings, if necessary.

The District will take all actions permitted by law to avoid the requirement of rebate compliance if the cost of such actions does not exceed that of rebate compliance. The District will also examine and pursue all measures legally available to minimize the adverse financial impact of the rebate requirements.

B. District Investment Portfolio Structure

1. Pooled and Segregated Funds

The District maintains a pool of investments comprised of commingled funds from legally unrestricted sources such as the Operating Account, Capital Projects Account, the Insurance Reserve, Equipment Replacement Reserve and similar accounts or reserves. Certain funds that must remain segregated are escrow accounts, such as those for contractors' retainage and Middleburg Heights, any Bond Project Account and the Trust and Agency Reserve. Proceeds from future issues of additional water resource revenue bonds or other borrowings shall be segregated for purposes of tracking arbitrage earnings, if any, required to be rebated.

2. Portfolio Stratification

Depending upon the availability of investable funds and the foreseeable need for these funds, they shall be placed in one or more of the following investment vehicles:

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

a. U. S. Government & Agency Securities

Obligations of the U.S. Government and its agencies will be purchased through broker/dealers on the open market. These purchases will be made after receiving competitive quotes from at least three broker/dealers, if possible, which are listed as primary dealers by the Federal Reserve Bank. These purchases will be required to be made due to the variability of cash receipts and the needs for disbursements. All securities shall be placed for safekeeping with a custodian, preferably a bank trust subsidiary to assure independence from other financial institutions.

b. Certificates of Deposit

Certificates of deposit will be purchased only from banks or savings and loan associations with which the District has depository agreements. All certificates of deposit shall be collateralized at a minimum of 101% of their maturity amount. Since these instruments can have designated maturity dates, they can be used to match specific payment dates. U.S. Government obligations have fixed maturity dates and are not as flexible.

c. StarOhio

StarOhio is a money market fund managed by the State Treasurer. Most of its investments are in securities of the U.S. Government or its agencies. StarOhio provides the District with a very liquid investment because fund shares may be purchased and redeemed daily.

d. Treasury Direct Account

A "Treasury Direct Account" may be established at the Federal Reserve Bank for the safekeeping of U.S. Treasury obligations in "book entry" form; i.e., no certificate is issued. Purchases can be made at the periodic auctions held by the U.S. Treasury in Washington, D.C. on a competitive or non-competitive basis. Competitive bids are at fixed prices and are made by very large institutions. Non-competitive bids, which cannot exceed \$5,000,000, are submitted with the understanding that the bidders will accept the final price determined by the competitive process. The price is set by the U.S. Treasury after evaluating the bids received and is

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

the same for all non-competitive bidders.

The District may submit either competitive or non-competitive bids. Because of restrictions regarding the sale of these securities and receipt of sale proceeds, the funds so invested shall be considered not for immediate use and will be held to maturity; amounts to be invested shall be determined periodically by the Director of Finance.

e. Repurchase Agreements

Repurchase agreements can only be entered into with banks under master repurchase agreements. They must be collateralized at a minimum of 101% in market value of U.S. Government securities, which are to be held by the District's custodian.

f. Other Methods

Additional methods of investment may be added as permitted under the most current Board approved bond resolution and after consideration by the Director of Finance.

g. Checking Accounts and Cash on Hand

These balances shall be kept to an absolute minimum, consistent with the District's policy of maximizing its return on available funds. Further means to increase the level of investable funds shall be developed within the constraints of fiscal prudence, statutory requirements and District policy.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

II. INVESTMENT OBJECTIVES

A. Safety of Capital

The Northeast Ohio Regional Sewer District has as its foremost objective to ensure the safety of principal, considering the portfolio as a whole. Specific policies describing the manner in which the District ensures safety of principal are presented in Section III.A, "Policies to Ensure Safety of Principal".

B. Maintenance of Adequate Liquidity

The District's investment portfolio must be structured in a manner which will provide the liquidity necessary to pay obligations as they become due. Specific policies by which the District ensures maintenance of adequate liquidity are described in Section III.B, "Policies to Ensure Adequate Liquidity".

C. Optimal Return on Investments

Consistent with State law and with the District's covenants and obligations under its bond indentures, the District shall seek to optimize return on investments within the constraints of safety and liquidity. The objective of the District shall be to exceed the average rate of return on the three-month U.S. Treasury bill or another appropriate performance measure, as determined by the Director of Finance. Progress on this objective will be reported to the Board of Trustees on a quarterly basis. Specific policies regarding investment rate of return are presented in Section III.C, "Policies to Achieve Investment Return Objectives".

D. Prudence and Ethical Standards

The standard of prudence used by the District shall be the "prudent person" rule and shall be applied in the context of managing the overall portfolio. The prudent person rule is restated below for District policy purposes:

In acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for any trust heretofore or hereafter created, the Northeast Ohio Regional Sewer District and its employees will exercise the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

exercise in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety for their capital.

Specific policies describing the District's prudence and ethical standards are found in Section III.D, "Policies to Ensure Ethical and Prudent Action."

III. INVESTMENT POLICIES

A. Policies to Ensure Safety of Principal

Ensuring safety of principal is accomplished by limiting two types of risk: (1) credit risk and (2) interest rate risk. Credit risk is the risk of loss associated with the failure of a security issuer or backer. Interest rate risk is the risk that the value of the portfolio will decline due to an increase in the general level of interest rates.

1. Reducing Credit Risk

- a. The District may purchase only those investments approved as eligible investments by resolution or law. The Director of Finance, however, may prohibit purchase of specific instruments because of current market conditions. In no event will the District invest in a derivative instrument.
- b. **Approved Brokers/Dealers/Financial Institutions**
It is the policy of the District to purchase securities only from those institutions included on a District approved list of broker/dealers and banks. The Director of Finance shall make all decisions regarding where and how to invest District funds. The Director of Finance and Executive Director shall sign all investment-related agreements on behalf of the District.

The District will limit certificates of deposit to those Ohio financial institutions which qualify as depositories under Chapter 135 of the O.R.C.

c. Safekeeping of Investments

- 1) **Security Safekeeping Agreement:** The District shall contract with a bank or banks for the safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure repurchase agreements. The custodian must be a third party in any

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

transaction and a trust or similar department which will not commingle District investments with the custodian's other investments.

- 2) Handling of District-Owned Securities and Certificates of Deposit Collateral: All securities owned by the District shall be held by its safekeeping agent, except the collateral for certificates of deposit of financial institutions. The collateral for certificates of deposit of financial institutions will be registered in the District's name at the Federal Reserve Bank or a third-party bank.
- 3) Handling of Repurchase Agreement Securities: All securities which serve as collateral for repurchase agreements with broker/dealers must be delivered to a custodian with whom the District has established a safekeeping agreement.
- 4) Security Transfers: Any authorization to release District securities must be in written form by the Director of Finance.
- 5) Verification of Security: Verification of collateral will be part of the District's annual independent audit.

d. Delivery versus Payment

It is the policy of the District that all securities rendered for payment will be sent "delivery versus payment" (DVP) through the Federal Reserve System. By so doing, District funds are not released until the District's custodian has received the securities purchased through the Federal Reserve wire.

e. Collateralization

Consistent with the requirements of State law, it is the policy of the District to require full collateralization of all District investments other than obligations of the U.S. Government, its agencies and instrumentalities. The District considers repurchase agreements as simultaneous sales and purchases of securities rather than as collateralized loans. However, securities underlying repurchase agreements, if any, are referred to as "collateral" for the purposes of this policy statement. Certificates of deposit, plus accrued interest, up to

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

\$100,000 per institution does not need to be collateralized pursuant to this policy as long as FDIC insurance is provided.

- 1) Allowable Collateral: This policy specifies allowable securities for collateralization of certificates of deposit. The District will accept as collateral for certificates of deposit securities outlined in Section I.A.4.b. Collateral underlying repurchase agreements is limited to U.S. Treasury and agency obligations, which are eligible for wire transfer (i.e., book entry) to the District's depository through the Federal Reserve System.
- 2) Collateral Levels: Collateral shall be valued at current market on the date of valuation. Repurchase agreement collateral, which may include accrued interest, must be maintained at no less than 101% of the repurchase agreement investment if the collateral is U.S. Treasury and agency securities maturing within one year and 102% of the repurchase agreement investment if the collateral is U.S. Treasury and agency securities maturing from one to five years.
- 3) Monitoring Collateral Adequacy:
 - a) Certificates of Deposit: The District requires at least month-end reports with market values of pledged securities from all financial institutions with which the District has deposits. Periodic confirmations of the collateral will be requested of its custodians.
 - b) Repurchase Agreements: It is the District's policy to require daily monitoring by investment personnel of all collateral underlying repurchase agreements.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

- 4) Collateral Calls: If the collateral pledged for a certificate of deposit falls below the amount of the deposit, plus accrued interest, less FDIC insurance, the institution will be notified and will be required to pledge additional securities within two business days.

If the value of the securities underlying a repurchase agreement falls below the margin maintenance levels specified above, the District will request additional collateral unless the repurchase agreement is scheduled to mature within five business days or the amount is deemed to be immaterial.

- 5) Collateral Substitution: Collateralized investments occasionally require substitution of collateral. Any broker or financial institution requesting substitution must contact the Director of Finance for approval and settlement, unless such substitution has been provided for in their agreement with the District. The substituted collateral's value will be calculated and the substitution approved if its value is equal to or greater than the original collateral.

Substitution is allowable for all transactions but should be limited to minimize potential administrative problems and transfer expense. The Director of Finance may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

f. Bid Monitoring

It is the policy of the District to document all bids offered on all types of securities. If possible, a minimum of three bids will be taken on all investments, except Treasury Direct investments.

g. Portfolio Diversification

To protect the District's investment portfolio and fulfill the objectives of this policy, market risk shall be minimized by diversification of investment types.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

h. Master Repurchase Agreement

It is the policy of the District to require each issuer of repurchase agreements to sign a Master Repurchase Agreement. An executed copy of this agreement must be on file before the District will enter into any repurchase agreements with an issuer.

2. Limiting Interest Rate Risk

The longer the maturity of a financing instrument, the greater its price volatility. Since the District's policy is to hold an instrument to maturity, such volatility should not be a major factor. Of greater concern is the probability favorable credit trends will be missed. Therefore, it is the District's policy to limit any investment to a maximum of five years. The targeted weighted average days to maturity for the overall District portfolio is not more than two years. No investment of debt service deposits, excluding sinking funds, shall have a maturity exceeding the next principal and interest payment date, unless the payments are fully funded. If fully funded, investments can be made to the next unfunded payment date.

B. Policies to Ensure Adequate Liquidity

The policies set forth in this section will maintain the liquidity necessary to meet the District's demands for cash.

1. StarOhio Investments

Except for monies in District checking accounts, deposits at StarOhio will serve as the primary source of funds from short-term, liquid District investments. Funds will be wire-transferred to a District bank account from StarOhio on a timely basis.

2. Certificates of Deposit and Repurchase Agreements

Because no secondary market exists for certificates of deposit, the maximum maturity for certificates of deposit shall be 183 days, except for contractor escrow investments which can be for a maximum of one year if requested by the contractor. Terms for repurchase agreements are subject to the most current Board approved resolution authorizing the sale of water resource revenue bonds.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

3. Security Marketability

U.S. Government and agency obligations with active secondary markets will be purchased, where possible and desirable. Marketability requirements and the extent thereof shall be determined by the Director of Finance.

C. Policies to Achieve Investment Return Objectives

The policies set forth in this section will enable the District to achieve the yield objectives established for the portfolio.

1. Portfolio Management

The District will not make investments for the purpose of trading or speculation. Investments will be made with the thought of endeavoring to hold until maturity. However, when the District's financial condition warrants the sale of an instrument a trade shall be executed.

2. Portfolio Maturity Management

When structuring the maturity composition of the portfolio, current and expected interest rate yields shall be evaluated. The longer the time remaining to maturity for a security, the more its price will fluctuate over its life.

3. Competitive Bidding

The District will require competitive bidding for all investment purchases other than StarOhio and Treasury Direct purchases. At least three bidders, if possible, must be contacted for all types of investments. All bids received will be documented and filed for auditing purposes. In the case of tie bids, the Director of Finance will make the investment-award decision, giving the highest consideration to local institutions.

D. Policies to Ensure Ethical and Prudent Action

1. Internal Controls

An aggressive system of internal controls will be maintained over the investment activities of the District and all transactions will be documented in writing. The

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

Director of Finance may designate staff members in Finance to be responsible for executing individual transactions.

2. Prudent Investment Management

It is the District's policy that investment personnel perform their duties in accordance with the policies and procedures set forth in this manual. Investment personnel acting in good faith and in accordance with State statutes and these policies and procedures shall be relieved of personal liability.

3. Standards of Ethics

Due to the position of trust associated with the investment function, all personnel involved in investment transactions shall be expected to follow significantly higher than normal ethical standards in the performance of their duties. Only persons whose integrity is not questionable will be permitted to make investment decisions. All employees are prohibited from directly or indirectly benefiting from any District investment transaction or relationship.

4. Training and Education

It is the District's policy to provide periodic training in investments for all investment personnel through courses and seminars offered by the Governmental Finance Officers Association, other appropriate professional organizations and, when available, the Ohio Auditor of State and/or Treasurer of State. If necessary, due to concentration of efforts in this field, the District shall provide to investment personnel the necessary training to receive appropriate professional certifications.

E. Depositories

The District will, through a request for proposals process, designate one or more banks as its primary depository(ies) for active deposits. This centralization is designed to maximize investment capabilities and minimize banking cost. The depository designation does not limit investment activity to one financial institution and as many shall be utilized as will most benefit the District.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INVESTMENT POLICY – (continued)

Considerations the District will use to select the bank will include:

1. Full service capabilities
2. Regulatory net worth equal to more than twice the District's average funds for the last fiscal year
3. Submission of financial statements and availability schedules
4. Collateralization of the total District funds on deposit in the bank
5. Qualification on financial status according to standards set by the District
6. Staff experience

Obtaining competitive proposals on the District's depository specifications will be the responsibility of the Director of Finance. Selection of the depository(ies) shall be based on the institutions offering the most favorable terms and conditions for the handling of District active and interim funds and services available to the District. Depository contracts are required by State law to be renewed every five years beginning in 2001.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY

Introductory Statement of Intent:

The following are the general policies that the Northeast Ohio Regional Sewer District (NEORS) expects to follow in the financing of its capital program. NEORS intends for this Debt Management Policy to be applied in conjunction with and, to the fullest extent possible, consistently with its Investment Policy. The Debt Management Policy is designed to provide a framework for evaluating its capital funding program. From time to time, NEORS expects that it will deviate from the Policy as it implements its capital program. It will deviate from the Policy only when it believes it is in its best financial interest to do so, and such deviations will be fully disclosed to, and must be approved by, the Board.

Section 1. Background

NEORS was created in 1972 as an independent political subdivision organized under the laws of the State of Ohio for the purpose of assuming the responsibility for operation and maintenance of certain wastewater collection and treatment systems serving the Cleveland metropolitan area. NEORS is operated as a single Enterprise Fund with a goal of generating sufficient revenues through user rates and charges to meet all operating and capital expenses. NEORS is governed by its Board of Trustees (“Board”), which consists of seven members serving staggered five-year terms.

NEORS is the largest wastewater treatment provider in the State of Ohio, with a service area of approximately 380 square miles within and around the City of Cleveland. Specifically, it serves 97% of the City of Cleveland and all or portions of 60 communities in Cuyahoga and Summit Counties. NEORS’s service area contains a residential service population in excess of 1,000,000. It provides wastewater collection and treatment services to a diverse customer base including residential, commercial, and industrial customers.

Each year NEORS prepares a five-year Capital Improvement Plan (CIP), which lists anticipated capital projects by category and the year in which the project will be constructed. Historically, NEORS had been successful in obtaining federal construction grants to fund these projects. As grant funds decreased, it obtained funding for most projects through the State-administered Clean Water State Revolving Fund Program known as the Water Pollution Control Loan Fund (WPCLF) in Ohio. This program provides below market interest rate loans secured by user fees paid by customers. In addition to grant funds and low interest loan funds, NEORS has also accessed the Ohio Water Development Authority (OWDA) market rate loan program. These loans are also secured by user fees. Other sources of funding for capital

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

projects include internally generated funds and proceeds from NEORSD's own revenue bond financing. As NEORSD reviews its CIP, priority of funding will generally be:

- a) Grant funds
- b) Low interest loan funds from WPCLF
- c) Internally generated funds
- d) Revenue Bonds and Notes
- e) Market-rate loans from OWDA
- f) Other loan funds as available, such as Public Works Commission funds
- g) Lease financing

Consistently with the foregoing priorities, the District may from time to time establish interim financing mechanisms for its CIP, and it will generally seek to secure obligations that it issues or incurs for interim financing purposes on a subordinated basis relative to its Revenue Bonds.

Section 2. Guiding Principles

The following policies will govern the issuance of all NEORSD debt:

- A. ***Duration of Debt:*** NEORSD will not issue debt for a period longer than the period during which it expects to use the public improvement being financed. The Ohio Revised Code provides guidelines on the maximum period of time for which Capital Improvements may be financed. However, the duration specified in those guidelines may often differ from NEORSD's expectations of the practical economic life of an asset. NEORSD intends to have debt fully retired during the expected useful life of the asset being financed. In any event, NEORSD does not expect to issue debt with a final maturity more than 30 years from the date of issuance.
- B. ***Trust Agreement:*** NEORSD will abide by all of the covenants that are contained in the Trust Agreement that secures its Revenue Bonds. NEORSD considers these covenants to be minimum requirements, and NEORSD expects to exceed the requirements of each covenant by a comfortable margin.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

- C. ***Net Revenue Pledge***: the presumption will be that NEORSD will secure debt obligations that it issues for the permanent financing of capital improvements by a pledge of NEORSD's Net Revenues on parity with the pledge that secures NEORSD's outstanding Revenue Bonds. As noted above, NEORSD may, from time to time, use interim financing methods before issuing long-term Revenue Bonds for the permanent financing of projects, and it will generally secure such interim financing on a subordinated basis relative to its Revenue Bonds. In addition, if NEORSD enters into a contractual arrangement with another political subdivision or entity to construct a Water Resource Project to be owned by the other subdivision or entity, then NEORSD may utilize the flexibility it has under its Trust Agreement to finance the Project on a stand-alone basis rather than by a pledge of NEORSD's Net Revenues.
- D. ***Lowest Cost Financing***: NEORSD has historically used the Water Pollution Control Loan Fund and other low-cost sources of capital. It intends to continue to vigorously pursue the use of loan funds and grant financing and to maximize such use to reduce the overall financing cost of its capital program. Bond financing is considered the secondary source of funding after NEORSD has exhausted other less expensive alternatives.
- E. ***Cash Financing from Available Sources***: NEORSD has historically paid for a portion of its capital budget on a cash basis. NEORSD will continue this practice and use cash to pay for capital expenditures that it expects to recur on an annual basis. It also expects to use cash for ongoing equipment replacement and for larger capital projects when the available cash balance exceeds its working capital needs.
- F. ***Lease Financing***: NEORSD will use leasing for facilities or equipment if it can be demonstrated that this is (i) the most cost effective way to secure financing, or (ii) on small projects that do not warrant entry into the bond market.
- G. ***Waiver of Policy by Board of Trustees***: NEORSD may deviate from the requirements of the Debt Policy when, by resolution, the Board finds that it is in its best interest to do so.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

Section 3. Operational Policies

Within the framework of the principles described above, NEORSD will be guided by the following operational policies.

- A. ***Type of Sale:*** NEORSD expects to sell its Bonds and Notes through the Negotiated Sale process. It expects to continue this practice indefinitely, but NEORSD does not rule out the possibility of selling securities through a Competitive Sale from time to time. It will consider the Competitive Sale format when (i) it becomes a more frequent and regular issuer in the market, (ii) stable market conditions exist and (iii) a traditional structure is being used. During periods of low volatility, market timing is less critical than when conditions are rapidly changing. The advantages of a Negotiated Sale are reduced during periods of stable market conditions. A traditional structure with level annual principal payments or level annual debt service is easily accommodated through a Competitive Sale.

- B. ***Authorization:*** Prior to the issuance of any debt, the Board will pass a resolution authorizing the financing arrangements. The Board will set limits and parameters on the sale in the resolution and will delegate the determination of the specific terms of the debt to the Executive Director or Director of Finance. The final terms will be set in a Certificate of Award which must comply with the limits and parameters established in the authorizing resolution.

- C. ***Hiring of Professionals:*** NEORSD will, from time to time, issue requests for qualifications or requests for proposals for Underwriters. It is NEORSD's position that it benefits from having a team of professionals pre-approved. Those professionals become familiar with the needs and programs of NEORSD, which enables them to provide a higher quality of service. Such firms are also motivated to present innovative ideas to NEORSD because they have a reasonable expectation of being compensated for their efforts. NEORSD intends to initiate the RFQ or RFP process every 3 to 5 years. Fees for Underwriters and other professional services will be negotiated on a project-by-project basis with the assistance of NEORSD's financial advisor. Bond Counsel, financial advisors and other professionals will be selected in a manner consistent with NEORSD's procurement policy for professional services.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

- D. **Coverage:** The Trust Agreement governing NEORSD’s revenue bonds calls for annual coverage of 115% on senior lien debt and 100% on all indebtedness. NEORSD intends to set rates to produce a minimum annual coverage of 125% on senior lien bonds and 105% on all indebtedness in order to insulate itself from fluctuations in usage or a higher than expected level of delinquent accounts.
- E. **Debt Service Reserve Fund:** The Trust Agreement permits NEORSD to set the amount of the Debt Service Reserve Fund securing each series of Bonds at the time that the Bonds are sold. NEORSD maintains a preference for not funding a Debt Service Reserve Requirement for a series of Bonds when it can be reasonably projected that coverage on such Bonds will exceed 150% for the ten years following the issuance of the Bonds. NEORSD will generally fund a reserve at the time of sale if coverage is less than the 150% level or if it feels that a funded reserve is necessary in order to maintain or improve the ratings of NEORSD. If the obtaining of a surety bond or other credit facility is determined to be a more economical means of funding a reserve than cash, then NEORSD will use that means.
- F. **Use of Credit Enhancement:** NEORSD will use Bond Insurance and/or Letters of Credit for Credit Enhancement when it is economically advantageous to do so. Enhancement will be used when present value savings result or when such use permits NEORSD to incorporate less restrictive covenants into a transaction which results in greater flexibility or reductions in financing costs. NEORSD will select Bond Insurance through a competitive process. On Competitive Sales, NEORSD will “pre-qualify” the securities being offered for Bond Insurance. Each bidder will then make the decision as to whether or not to purchase the insurance.
- G. **Bond Anticipation Notes:** Bond Anticipation Notes are typically an interim means of financing and, by their very nature, expose NEORSD to interest rate risk upon renewal. Notes may be used to (i) to finance small projects until such time as the project or projects can be rolled into a larger bond sale, (ii) during times of high interest rates and when the expectation is that interest rates are stable or trending downward and (iii) on an interim basis during the construction period until such time as the project is placed into service.
- H. **Interest Rate Exposure:** Variable rate demand bonds, auction rate securities, and Bond Anticipation Notes carry inherent interest rate risk. Such securities have traditionally carried interest rates significantly lower than fixed rate

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

securities issued at the same time and offer the potential for lower debt service costs over the life of the issue. NEORSD will consider using such debt (i) when the interest rate environment is generally considered high and the expectation is that interest rates have a stable or declining bias, (ii) to match assets and liabilities, (iii) when the interest rate yield curve is relatively steep and (iv) when it is advantageous for NEORSD to redeem bonds on short notice or restructure its debt once a project has become operational. NEORSD anticipates that not more than 25% of its total debt portfolio (including loans, e.g., from the WPCLF and the OWDA) will be in the form of notes or variable rate bonds with an interest reset period of one year or less. Notwithstanding the parameters outlined in this section, NEORSD does not consider the issuance of up to \$50,000,000 of variable rate debt or notes a departure from this policy even if such issuance would increase the percentage of variable rate debt above the 25% target level.

- I. ***Deferred Amortization:*** Generally, NEORSD will not defer the Principal amortization on a project for more than one year after the project being financed is placed into service. NEORSD may structure a debt issue with delayed Principal amortization when the delay will allow it to avoid a rate increase by wrapping the debt service requirements around existing debt.
- J. ***Capitalized Interest:*** Generally, both state law and federal tax law allow NEORSD include in its tax-exempt bond issues a sufficient amount to capitalize interest for a period that ends on the later of (i) three years after the date of the bonds' issuance, or (ii) one year after the financed project is placed in service. By definition, capitalization of interest increases the amount of debt that is being issued. Generally, NEORSD will capitalize interest only during the period of a project's construction.
- K. ***Costs of Issuance:*** Unless an alternative source of revenues is identified, NEORSD will pay Costs of Issuance from the proceeds of the debt issue and amortize the costs over the life of the project.
- L. ***Project Costs Prior to Debt Issue:*** If project costs are incurred prior to the issuance of debt, the Board will pass a resolution documenting its intent to be reimbursed from bond proceeds.
- M. ***Refinancing:*** Since Federal regulations limit a tax-exempt issue to one Advance Refunding, NEORSD will not Advance Refund a debt obligation unless it can be demonstrated that such refunding will result in present value

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

savings of at least 4% of the Debt Service on the debt being refinanced. Since regulations do not restrict the number of times that debt can be refinanced on a current basis, NEORSD only needs to show a net savings for Current Refunding issues. Notwithstanding the foregoing, NEORSD may refund an issue at a level below the minimum savings thresholds if the purpose of the refunding is to incorporate less restrictive covenants into a transaction, to achieve greater flexibility or lower financing costs.

- N. ***Credit Ratings***: NEORSD seeks to maintain the highest possible credit ratings for its debt without compromising the delivery of its basic core services. The staff and Board will attempt to take prudent steps to maintain the highest ratings possible, but it recognizes that external factors impact the rating decision-making process. Staff will maintain an ongoing dialogue with rating analysts in an effort to ensure that the analysts fully understand NEORSD's capital program, operations and decision-making processes. NEORSD's debt policy will be communicated to the rating agencies, and deviations from the stated policy will be fully disclosed.
- O. ***Investor Relations***: NEORSD understands that it has been a relatively infrequent participant in the debt markets, and the investor base is still developing. With the assistance of its financial advisor and underwriting team, it will make every effort to reach out to the investor base and attempt to expand the universe of potential investors.
- P. ***Continuing Disclosure***: NEORSD will meet its continuing disclosure requirements in a timely and thorough manner.
- Q. ***Investment of Bond Proceeds***: NEORSD will invest bond proceeds in investments that are consistent with its Trust Agreement and Investment Policy. Investments of bond proceeds must mature or be marketable at par prior to the date that the proceeds are anticipated to be spent. NEORSD will seek to minimize market risk on the investment of bond proceeds.
- R. ***Technology***: The bond market has evolved in recent years in ways that have made it more efficient. Competitive sales are conducted electronically, and disclosure documents are distributed to investors and bidders using the internet. NEORSD intends to use these tools to increase the efficiency of its program to the extent that such tools have become accepted by the market.
- S. ***Generally Accepted Accounting Principles***: NEORSD will conform to Generally Accepted Accounting Principles in reporting and disclosing all debt transactions.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

- T. ***Arbitrage Compliance:*** NEORSD will fully comply with all arbitrage rebate requirements of the federal tax code and IRS regulations, and will perform arbitrage rebate calculations for each issue subject to rebate. All necessary rebate payments will be filed and paid when due.

Section 4. Project Financing

As noted above, NEORSD's Trust Agreement gives it the flexibility to finance a Water Resource Project on a stand-alone basis rather than by a pledge of NEORSD's Net Revenues if NEORSD enters into a contractual arrangement with another political subdivision or entity to construct a Water Resource Project to be owned by the other subdivision or entity. Generally, NEORSD will avail itself of that flexibility in those circumstances in order not to expose itself to any credit risk on such project financings and in order to maximize the creditworthiness of its Revenue Bonds as a means of financing improvements to NEORSD's core system.

Section 5. Derivative Products

NEORSD will not purchase or utilize derivative products including swaps, interest rate caps or interest rate collars until such time as the Board approves a policy governing the use of such instruments.

Section 6. Definitions

All capitalized terms used in this Debt Policy shall have the meanings established herein:

- A. "Advance Refunding" means a refinancing of a Bond or Note that occurs more than 90 days prior to the maturity date or call date of the Bond or Note being refinanced.
- B. "Bond" means a long-term, interest-bearing debt instrument secured by a pledge of certain identified revenues.
- C. "Bond Anticipation Note" or "BAN" means a note issued in anticipation of a later issuance of Bonds and usually paid from the proceeds of the sale of the Bonds or renewal Notes.
- D. "Bond Counsel" means legal counsel retained to (1) assist in the legal structuring of debt issues, and (2) render an opinion as to the enforceability of the debt obligations and as to the tax-exempt status of interest on the debt obligations.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

- E. “Bond Insurance” means a financial guarantee purchased by NEORSD or the Underwriter to make timely payment of principal and interest by the Bond Insurer in the event that NEORSD is unable to do so.
- F. “Capital Improvement” generally means the acquisition or construction of an asset with a useful life greater than five years.
- G. “Capitalized Interest” means an amount borrowed as part of a Note or Bond issue which is used to pay interest on the Bond or Note.
- H. “Competitive Sale” means a Bond or Note issuance where NEORSD (along with its financial advisors and Bond Counsel) structures a Bond or Note sale and offers the securities for sale through a competitive bidding process.
- I. “Continuing Disclosure” means the requirement that NEORSD disseminate financial and operating data on an ongoing basis subsequent to the issuance of Notes or Bonds in order to comply with Rule 15c2-12 under the Securities and Exchange Act of 1934 promulgated by the Securities and Exchange Commission.
- J. “Costs of Issuance” means costs required to sell Bonds or Notes including, without limitation, legal fees, underwriting fees, financial advisory fees, credit enhancement costs, rating fees, printing fees, and other necessary expenses.
- K. “Credit Enhancement” means bond insurance or a letter of credit which is purchased by NEORSD the primary purpose of which is to increase the credit rating of an issue of Bonds or Notes.
- L. “Credit Rating” means a designation of credit strength assigned to Bonds or Notes of NEORSD by one of the primary rating agencies (Moody’s Investors Service, Standard & Poor’s, or Fitch Ratings).
- M. “Debt Service” means the payment of Principal and Interest on a debt issue.
- N. “Derivative” means a contract entered into between NEORSD and a Counterparty whereby NEORSD purchases an interest rate management product. Such products include swaps, caps and collars.
- O. “Duration” or “Term” means the length of time a debt issue is outstanding prior to being paid in full.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

DEBT MANAGEMENT POLICY – (continued)

- P. “Fixed Rate” means an interest rate that is set at the time of issuance and which remains fixed or unchanged for the life of the debt.
- Q. “Interest Rate Risk” means the risk that a market increase in interest rates will expose NEORSD to an increase in Debt Service costs.
- R. “Letter of Credit” means a form of Credit Enhancement whereby a Bank agrees to guarantee payment of Debt Service.
- S. “Negotiated Sale” means a Note or Bond sale where NEORSD selects an Underwriter or team of Underwriters to represent it in the market. The Underwriting team selected sets the rates on the bonds in consultation with NEORSD and its advisors.
- T. “Note” means a debt instruments with a term of one year or less.
- U. “Principal” means the par amount of an issue of Bonds or Notes.
- V. “Refunding” or “Refinancing” means a debt issuance, the proceeds from the sale of which are used to pay or defease previously issued debt.
- W. “Revenue Bond” means, in the case of NEORSD, its Wastewater Improvement Revenue Bonds, secured by a pledge of NEORSD’s Net Revenues.
- X. “Underwriter” means an investment banking firm or commercial bank that purchases Bonds or Notes from NEORSD through either a Negotiated Sale or Competitive Sale.
- Y. “Variable Rate” means an interest rate that is periodically reset during the life of a debt issue.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INTEREST RATE SWAP POLICY

BACKGROUND

The following are the general policies that the Northeast Ohio Regional Sewer District will follow in the utilization of interest rate swaps and related interest rate hedging techniques. The District intends for this Interest Rate Swap Policy to be applied in conjunction with and, to the fullest extent possible, consistently with its Debt Management Policy and not to supersede it.

DEFINITIONS

“Counterparty” shall mean the party to an Interest Rate Agreement other than the District.

“Interest Rate Agreement” shall mean an interest rate swap or exchange agreement, an agreement establishing an interest rate floor or ceiling or both, and any other interest rate hedging agreement, including options to enter into or cancel such agreements, as well as the reversal or extension thereof.

GUIDELINES

A. Conditions to Entering into Interest Rate Agreements.

The District will consider entering into an Interest Rate Agreement only for one or more of the following purposes:

1. Reduce the District’s exposure to changes in interest rates with respect to a particular borrowing; or
2. Manage interest rate risk, taking into account the District’s current asset/liability balance and reasonably expected changes in that balance; or
3. Achieve a reasonably anticipated lower net cost of borrowing with respect to related obligations.

In connection with each proposed Interest Rate Agreement, the District shall obtain the advice of its financial advisor and shall analyze and determine how the Interest Rate Agreement is intended to accomplish one or more of the foregoing purposes. No Interest Rate Agreement shall be entered into unless such agreement relates to indebtedness of the District that is either outstanding or authorized at the time of the execution or effective date of the Interest Rate Agreement; nor shall any Interest Rate Agreement have a scheduled term that exceeds the term of the indebtedness to which the Interest Rate Agreement relates.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INTEREST RATE SWAP POLICY – (continued)

B. Procurement of Interest Rate Agreements.

The District may enter into an Interest Rate Agreement through negotiation with a Counterparty or through a competitive bidding process and shall obtain the advice of its financial advisor regarding the preferable course in the particular circumstances. Prior to entering into an Interest Rate Agreement, the District shall determine whether a proposed Counterparty would be acting as principal in the proposed transaction and, if not, shall specifically obtain the advice of its financial advisor as to whether the other capacity in which the proposed Counterparty is proposing to act will adversely affect the economic terms of the proposed transaction for the District. To provide safeguards on negotiated transactions, the District shall secure outside professional advice to assist in the process of structuring, documenting and pricing the transaction and determining the most appropriate term for the transaction, and to verify that a fair price was obtained.

C. Form of Documentation.

To document any Interest Rate Agreement, the District shall utilize the standard documentation prepared by the International Swaps and Derivatives Association, Inc. (“ISDA”), such as the Master Agreement, Schedule, Confirmation and, when applicable, Credit Support Annex, with such modifications and supplements as the District deems necessary to accomplish the purposes of the Interest Rate Agreement, and the District shall obtain the advice of bond counsel regarding such modifications and supplements and regarding the conformity of the Interest Rate Agreement with the applicable law and with any applicable trust agreements or other agreements to which the District is at the time already a party. An Interest Rate Agreement may specify that the laws of the State of New York shall apply to its interpretation other than with respect to the legal authority and power of the District to enter into the Interest Rate Agreement. Notwithstanding the foregoing, the District may approve other forms of documentation if, after obtaining the advice of bond counsel, the District determines that such other forms of documentation serve the best interests of the District. Regardless of the form of documentation, the District shall, in connection with its consideration of any proposed Interest Rate Agreement, obtain the advice of its bond counsel and financial advisor regarding the proposed source or sources of payment for any obligations of the District under the Interest Rate Agreement and the security for such payment and, based on that advice, shall cause the Interest Rate Agreement to specify the source or sources of and the security for periodic and

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INTEREST RATE SWAP POLICY – (continued)

non-periodic payment obligations of the District (which may or may not be the same), which the District shall have determined to be consistent with applicable law and trust agreements and with the best interests of the District.

D. Risks Associated with Interest Rate Agreements.

Prior to entering into an Interest Rate Agreement, the District shall obtain the advice of its financial advisor regarding the risks associated with entering into the Interest Rate Agreement, including, if applicable and without limitation:

- counterparty risk,
- basis risk, and
- tax risk,

and the full range of circumstances that might result in a termination of the Interest Rate Agreement either with or without the approval or consent of the District and any consequent obligation of the District to make a termination payment and the required or permitted sources of payment of such a termination payment. The District shall consider the identified risks in determining whether the potential benefits offered by the Interest Rate Agreement justify the District's assuming its inherent risks. The District shall also consider the likely or potential repercussions from a proposed Interest Rate Agreement for the ratings on any of the District's outstanding or proposed debt obligations. With specific regard to any provision of any Interest Rate Agreement that may cause a reduction in the rating assigned to any outstanding debt obligations of the District by a rating agency to be a termination event with a potential accompanying termination payment by the District, the Interest Rate Agreement shall afford the District the right to discharge its obligation to make such a termination payment by specified means that may include the provision of additional credit enhancement or collateral. Unless the District is advised by its financial advisor in a particular transaction that doing so would not be economically beneficial to the District, the District shall cause any Interest Rate Agreement that it enters into to allow the District to terminate the Interest Rate Agreement at its discretion at any time upon payment or receipt, as the case may be, of a termination payment based upon the then current market value of the District's rights and obligations under the Interest Rate Agreement.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INTEREST RATE SWAP POLICY – (continued)

E. Standards for Counterparty Selection and Security for Financial Interest.

Except as provided in the next sentence, the Counterparty to an Interest Rate Agreement with the District or the Counterparty's guarantor shall be required to have either a counterparty rating or a long-term debt rating at the time the Interest Rate Agreement is entered into of not less than a "AA" category from a nationally recognized ratings service. In the event a proposed Counterparty or its guarantor does not have or fails to maintain either a counterparty rating or a long-term debt rating equal to or higher than a "AA" category, the Counterparty or its guarantor shall be required to collateralize the termination value of the Interest Rate Agreement with eligible collateral or shall provide a guaranty, surety, or other credit enhancement for its obligations under the Interest Rate Agreement from a guarantor, surety or other credit enhancement provider with a long-term debt rating equal to or higher than a "AA" category. Eligible collateral shall mean cash or direct obligations of the United States or any agency thereof. At all times the eligible collateral shall have a market value (as evidenced by weekly valuations) at least equal to the termination value of the Interest Rate Agreement, and each category of eligible collateral shall have a value equal at least to the following percentage of the amount of the termination value for which it serves as collateral

- Cash: 100% (if valued daily; if weekly, then 102%)
- Direct obligations of the United States: 102%
- Obligations of agencies of the United States: 105%

If collateral is required, the District shall designate a custodian bank independent of the Counterparty to hold such collateral on behalf of the District, and the District shall execute a written custodial agreement with the custodian bank to provide for the custody of collateral required from a Counterparty. If the rating of the Counterparty or its guarantor is lowered below a "AA" category or is suspended after an Interest Rate Agreement is entered into, the Counterparty shall be required to (i) collateralize in the manner described above the termination value of the Interest Rate Agreement, (ii) provide a guarantor or a substitute entity with a counterparty rating or a long-term debt rating equal to or higher than a "AA" category within 5 business days of such downgrade or suspension, or (iii) take such other actions for the preservation of the security for the Counterparty's payment obligations as the District shall have approved for the particular Interest Rate Agreement, based on the advice of its financial advisor. In addition to meeting the foregoing rating requirements, each Counterparty shall have demonstrated to the reasonable satisfaction of the District and its financial advisor that it has a record of successfully executing Interest Rate Agreements of the sort that the District is proposing to enter into with that Counterparty.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

INTEREST RATE SWAP POLICY – (continued)

F. Credit Enhancement, Liquidity and Reserves.

The Guidelines do not require (except in those cases where the Counterparty is required to provide collateral, guaranty, surety, or other credit enhancement to secure the termination value of an Interest Rate Agreement) either the District or the Counterparty to obtain credit enhancement or a liquidity facility in connection with entering into an Interest Rate Agreement or to maintain any reserves in connection with such agreement, but the Guidelines do not preclude such arrangements or requirements if the District approves them for a particular Interest Rate Agreement based upon the advice of its financial advisor.

G. Financial Statement Reporting.

The District shall account for any Interest Rate Agreement on its financial statements through generally accepted governmental accounting principles.

H. Financial Monitoring.

Unless the Counterparty has provided collateral to secure its obligations under an Interest Rate Agreement, the Counterparty shall agree to provide the District with at least monthly mark-to-market calculations showing the current termination value of the Interest Rate Agreement. If the Counterparty or its guarantor has provided collateral to secure its obligations under an Interest Rate Agreement, the Counterparty shall agree to provide at least weekly valuations of the collateral and the termination value of the Interest Rate Agreement. The District shall establish and maintain a process for monitoring and reviewing the valuations required by these Guidelines.

I. Application and Source of Payments.

If the District receives a non-periodic payment in connection with entering into or performing under an Interest Rate Agreement, including any termination payment, the District shall consult with its bond counsel as to whether there are any restrictions on the application or investment of such payment under state law, federal tax law (with regard to tax-exempt debt) or any applicable trust agreement or other agreement to which the District is a party. If the District is required to make any payment, including a non-periodic payment, under an Interest Rate Agreement, it shall make such payment only from sources as are identified in the Interest Rate Agreement and otherwise are legally available for such payment.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY

PURPOSE

The purpose of this document is to provide policies to ensure that the District's capital assets are accounted for properly. Fixed assets includes land, ground improvements, buildings, building improvements, structures, machinery & equipment, vehicles, furniture & office equipment, computer hardware & software, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Because the District is subject to annual independent audits, failure to maintain a fixed asset policy and management accounting system may result in a qualification in the independent auditor's report. Such auditor's qualification can result in a loss of funding resources and other consequences.

This policy may be modified and updated as needed by the management of the District.

OVERVIEW

An established fixed asset policy and "management" or "accounting" system provides a basis for financial reporting in conformity with generally accepted accounting principles (GAAP). In addition, the system can be used to supply management with information to determine insurance values, replacement costs, surplus assets, user charge rates, as well as provide control and accountability.

The fixed asset policy and accounting system must provide accurate descriptions and locations of each capital asset owned by the District as well as the historical cost of each asset.

Although Generally Accepted Accounting Principles do not permit valuation of assets at replacement cost, the fixed asset management accounting system will be designed to accommodate replacement cost data as well as historical costs. Replacement cost estimates are obtained from third-party experts and are not addressed in this policy.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

Replacement cost estimates for assets assist management in the preparation of long-term capital improvement budgets. Estimates of asset service lives can help determine overall replacement policies and utilization of funds allocated to the District's Equipment Replacement Reserve. For example, replacing an asset before the planned year may reflect improper maintenance or an unrealistic estimated useful economic life.

Complete and accurate fixed asset records can help identify idle fixed assets that can be sold or reassigned to productive uses and assign responsibility for asset custody, location, and use. Periodic physical inventories are necessary to provide accountability and control.

To satisfy requirements of GAAP, fixed assets should be recorded and reported at historical cost. If reporting historical cost is not feasible, assets should be reported at their estimated cost. Notes to the Financial Statements should disclose the basis for carrying values, depreciation methods, and lives or ranges of lives for the depreciable fixed asset classifications.

Under GAAP, governments should record and report depreciation as an operating expense for all proprietary/enterprise funds depreciable fixed assets. Depreciation is computed on each asset's historical cost and allocated over the asset's estimated useful economic life. The District utilizes the straight-line method of calculating and reporting depreciation.

Fixed asset disposals, whether due to sale, scrap, destruction or removal shall be recorded in the accounting records system. All net gains and losses from disposed assets shall be reported in the financial statements in the period in which the assets are disposed. This applies to all disposals, whether sold, scrapped, destroyed or replaced.

Idle assets shall be identified on an annual basis and written down to their net realizable value in accordance with Government Accounting Standards Board Statements and applicable Financial Accounting Standards Board Statements in effect at that date.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

SCOPE

This policy defines capital expenditures and fixed asset classifications and details the procedures and documentation required for the acquisition, depreciation, transfer and disposal of capital assets. The procedures are for use by all budget centers of the District.

RESPONSIBILITIES

1. Designated Finance personnel at the Accountant I level or higher are responsible for the fixed asset accounting for the Northeast Ohio Regional Sewer District.
2. Each budget center head and project administrator is responsible for supplying Finance with the data necessary to properly account for the District's fixed assets. This includes, but is not limited to, schedule of values, drawings, contracts, invoices, capital forecasts, and transfer and disposal reports.

POLICIES

I. Capital Expenditures - Defined

The determination that an expenditure is of a capital nature is based on the principles outlined below. If a question arises as to whether an expenditure is capital or expense, designated Finance personnel will make the decision, after consulting with the appropriate Operations and/or Engineering personnel, if necessary. In the event of a dispute, the Director of Finance shall have the final authority to determine whether an expenditure shall be capitalized or expensed.

A. Criteria

Property, Plant and Equipment represents the investments in tangible assets, generally termed "fixed assets," intended for use in business operations over more than one reporting period. The characteristic asset has a limited life (except land) and its value is apportioned to the cost of operations by means of depreciation expense over this life. In general, assets that the District considers capital assets are those items with a

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

discernable useful life (see Exhibit 1 – NEORSD Standard Useful Lives of Capital Assets) and, with the exception of personal computers, a minimum unit cost of \$5,000. All personal computers, regardless of cost, will be capitalized.

The cost of a single complete and usable asset determines if it is to be capitalized rather than the cost of separately purchased components of the asset or the aggregate cost of similar assets purchased at the same time (for exceptions see “Pooling of Assets” Section I.B).

B. Pooling of Assets

Certain assets, such as landscape improvements or certain computer hardware items, are often purchased in large quantities and represent a substantial monetary investment. Such assets generally will serve to increase or enhance the utility of another fixed asset (i.e.: new hardware to improve computer network performance or landscaping that adds beauty to a building). Although the cost of a single complete and usable asset can be less than \$5,000, these items purchased as a group can represent a large investment of District capital. Such items shall be “pooled” together with the total cost of the group, which must be at least \$5,000, to be depreciated over the useful life of that asset class. To be eligible for pooling treatment, a group of assets must have been purchased within the same reporting year. For policy regarding disposal of pooled assets see section IV.B.

C. Categories of Cost

1. Purchased Assets

Purchased assets will be valued at the delivered cost plus freight and less cash and/or trade discounts.

2. Constructed Assets

Constructed assets shall be valued at the direct cost of construction and will include such items as surveying cost, building permits, architectural and engineering fees, excavating costs, certain legal fees, performance bonds and

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

insurance on uncompleted structures. Direct engineering salaries, fringe benefits and indirect costs associated with construction projects will be capitalized.

3. Installation Costs

Installation costs will include materials, maintenance, and outside labor costs. Any serviceman's agreement associated with the installation of machinery and equipment will be capitalized until the date the piece of equipment or groups of equipment, if all are integrated into one system, are put into service, which will represent the capitalization date of the machinery or equipment

4. Spare Parts

The initial complement of spare parts for an asset is defined as the manufacturers suggested minimum requirements. The cost of the initial complement of spare parts for an asset will not be capitalized. Instead the cost of the spare parts will be treated as stock items and posted to the inventory account.

5. Major Parts Replacement, Repairs, & Rebuilds

The cost of major replacement parts or repairs, including the rebuilding of machinery and equipment, will be capitalized if the repair significantly increases the asset's useful life or increases the asset's capacity or efficiency and the cost is greater than \$5,000. Routine maintenance and standard overhauls that preserve an asset's original useful life will be expensed as incurred. A standard overhaul will not increase the life of the asset. A rebuilt machine is considered a new machine.

Finance personnel, after consulting with the appropriate Operations and/or Engineering personnel, will determine the capitalization status of all questionable occurrences regarding major part replacements, repairs and rebuilt assets.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

6. Transfers

For assets transferred from one location to another, the costs incurred for moving, crating and shipping, and the installation cost at the receiving location, will be charged to the receiving location's current operating expenses. If the transfer involves a major parts replacement or rebuild, these costs may be eligible for capitalization. The original installation cost included in the asset value transferred will remain as part of the capitalized cost.

7. Trade-ins

The value of a new asset is the supplier price, less any trade-in credit received on an existing asset, plus the difference between the net book value and trade in value of the existing asset. The existing is to be retired and a gain or loss will be recorded on the disposal.

8. Other

Assets sold or destroyed by fire or other accident will require a write-off of the value of the asset. Items not found after taking a physical inventory of assets also will require the write-off of the value of the missing assets. Appropriate investigations of missing assets will be conducted.

The costs incurred to remove an asset being disposed of and to place the asset's prior location in a safe condition will be expensed.

II. Asset Classifications, Descriptions, Placed into Service Dates, and Salvage Values

The following classifications of property, plant, and equipment are maintained in the Northeast Ohio Regional Sewer District general ledger. These classifications group assets of a similar nature for uniformity in accounting control. The effective date assets will be capitalized for financial reporting purposes from the Construction in Progress account will be January 1 of the year after they are placed into service and accepted for use by the receiving budget center, signifying readiness for their intended use. For financial reporting purposes, qualifying direct purchase assets will be capitalized January 1 of the year after they are received and accepted by the receiving budget center.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

Finance personnel, after consulting with the appropriate Operations and/or Engineering personnel, will determine the salvage value of assets. Unless determined otherwise, the salvage value of all assets except passenger vehicles will be zero. The salvage value for a passenger vehicle (automobile, pickup truck, or sport utility vehicle) will be estimated as a predefined percentage of its original cost. This percentage will be updated on a regular basis to ensure its accuracy.

A. Land

1. Capital or Expense

a. Capital

Land includes the value of the land itself, certain legal fees, surveying fees, broker's commission, cost of each search and guarantee of title, recording fees, and costs (not representing rental) of acquiring the right to make use of a road, water and other features on land owned by others. Costs incurred in order to secure effective title also are properly assignable to land. When land is purchased or acquired without an explicit division of costs between land and improvements thereon, it will be necessary to separate land from improvements in the fixed asset accounts so that a proper allowance for depreciation of the improvements can be made. Designated Finance personnel will determine the value of land and improvements on the basis of an appraisal or by other equitable means when this occurs.

The cost of buildings and improvements, which are to be destroyed or demolished shortly after acquisition, the cost of demolition, plus any other costs to get the land into condition for its intended use will be included as land cost.

b. Expense

Expenditures for such items as legal fees and title searches involved in evaluating a parcel of land for a project, which is subsequently cancelled, will be expensed when the project is cancelled.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

2. Placed Into Service

Because land is not depreciated, an acquisition date is relevant primarily for reference purposes.

B. Grounds Improvements

1. Capital or Expense

a. Capital

This classification includes the cost of putting the land in condition to serve the purpose for which it is owned. Cost of sidewalks, culverts, bridges, tunnels, fences, gates, light poles, paving, filling, fine grading, and landscaping are included in the account.

b. Expense

Costs of maintenance or replacement of original improvements will be expensed as incurred. Examples of such costs include replacement of lawn, trees or shrubs, resurfacing of road or parking lots.

C. Buildings

1. Capital or Expense

a. Capital

1) New Construction

This consists of, but is not limited to items listed in Section I.C (2), constituting the total cost of the structure. All District engineering direct salaries associated with the construction of buildings will be capitalized. In addition, fringe benefits and indirect costs relating to construction will be capitalized.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

When buildings are built without explicit division of costs between buildings and/or equipment, the apportionment of cost will be made by Finance on the basis of an appraisal or by other appropriate means.

2) Purchased Buildings

The cost of a major renovation of a purchased building making it suitable for habitation will be included in the “Building” classification, together with the purchase price of the building.

b. Expense

Cost, such as salaries and related fringes for all Northeast Ohio Regional Sewer District personnel other than Engineering, will be expensed.

D. Building Improvements

1. Capital or Expense

a. Capital

This classification includes the cost of: additions and extensions to existing buildings; new plumbing, electrical or other fixtures; and structures which are permanently attached to or form a part of a building, such as roofing, work islands, build-in shelving and cabinets, flooring, partitions, rewiring/re-piping of general building utilities.

b. Expense

Minor repairs and maintenance will be expensed. In addition, costs associated with building improvements, such as salaries, related fringes and indirect costs for all Northeast Ohio Regional Sewer District personnel other than Engineering, will be expensed.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

E. Structures

1. Capital or Expense

a. Capital

This classification includes the cost of process tanks and related excavation, paving, fillings, retaining walls, railing and platforms, piping and electrical wiring. Also includes cost of certain non-tank structures such as trestles, stacks, sub-stations, dams, vaults and towers.

b. Expense

Cost of maintenance or replacement of original item will be expensed as incurred. Examples include resurfacing and backfilling. Major replacement of the structures may qualify for capitalization.

F. Machinery and Equipment

1. Capital or Expense

a. Capital

1. Process & Maintenance Equipment

This account classification includes the cost of machinery and equipment (such as conveyors, incinerators, blowers, pumps, centrifuges, bar screens, generators, etc.). The cost of such items as foundations, special partitions, wiring, piping and parts required to place the machinery or equipment in condition for its intended use are to be capitalized. This classification will be used for all fixed assets not specifically included in any other fixed asset classification.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

2. Lab Equipment

This category is for equipment used in the laboratories for analyzing the water quality from the treatment plants and for regulatory compliance requirements. Examples of items in this category include spectrophotometers, digester blocks, various analyzers, support equipment (dishwashers, refrigerators), etc.

3. Building Equipment

Those items necessary for operation, use, occupancy, and/or insurability of the building that are not parts of the structure shall be classified as building equipment and depreciated over an appropriate life shorter than the building's life. Examples of items included as building equipment are heating and air conditioning units, boilers, furnaces, sprinkler systems, fire alarm systems, security systems, telephone and paging systems, overhead cranes, elevators and related equipment.

Items unrelated to general building operations (such as piping, wiring, and switch boxes required in the installation of machinery and equipment for processing, a laboratory or a cafeteria) shall be included as part of the cost of the machinery to which they apply, allocated on either an actual or estimated basis.

b. Expense

Expenditures incidental to selection and installation of equipment but not directly related hereto will be expensed. Salaries and related expenses of all Northeast Ohio Regional Sewer District personnel will be expensed. Minor replacement parts for machinery overhauls will be expensed. Major repair parts may qualify for capitalization.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

G. Vehicles

1. Capital or Expense

a. Capital

This classification includes transportation equipment and related accessory equipment that has an expected useful life of six years or more. The delivered price plus the initial cost of accessory equipment and installation are included in this asset category. Examples of transportation equipment are automobiles, trucks, trailers, tractors, boats, riding lawn mowers, forklifts, utility carts, and backhoes.

b. Expense

Transportation equipment purchased with an expected life of less than six years, and any repairs to a vehicle regardless of the effect on the life of the vehicle are expensed. Purchases of accessories as replacements are expensed.

H. Furniture & Office Equipment

1. Capital or Expense

a. Capital

Costs for furniture, fixtures, and office equipment (such as copiers, fax machines, mail machines, etc.) for office use regardless of location, budget center, or function are capitalized (Computer equipment is discussed in the next section).

b. Expense

Cost of incidental items of no lasting value, generally with an expected life of less than five years, will be expensed.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

I. Computer Hardware and Computer Software

1. Capital or Expense

a. Capital

The purchase price, plus freight and installation costs of all data processing equipment and related accessory equipment will be charged to the Computer Hardware account. Outside consulting fees, contract programming, and other activities that are related to testing this equipment would be included in its original cost. All personal computers (desktop and laptop) will be capitalized and do not need to meet the \$5,000 capitalization threshold.

Software programs purchased from an outside vendor meeting the capitalization requirements will be charged to the Computer Software account.

Upgrades for client server major application database (server side) software may be capitalized if the determination is that the software's life expectancy will be five years or more. These types of upgrades are expected to have a longer life expectancy than those for central Accounting, Employee Resources, and Maintenance Management system software, which may be upgraded several times a year.

b. Expense

Programs developed by or modifications made to any purchased program by District personnel will be expensed. All supplies and personnel costs associated with in-house modifications will be expensed. Existing program modifications or enhancements performed as part of a vendor's standard maintenance agreement, including the cost of any required user licenses, will be expensed. In most instances, upgrades other than client server upgrades purchased from a licensed vendor for existing software will be expensed.

Because maintenance and software costs are not itemized, initial purchases of software by means of a maintenance agreement will be expensed. Any upgrades subsequent to the initial purchase will also be expensed.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

Intangibles

1. Capital or Expense

a. Capital

Costs incurred for research and studies (such as process or topographical studies) and other intangibles will be capitalized, provided the intangible provides a discernable benefit to the District (such as a resulting process change or construction project). The costs of such studies will be included in the final cost of the resulting project's final fixed assets and depreciated over that asset's useful life. Intangibles that provide indirect benefits not directly related to specific future or current assets will be depreciated over a ten-year period.

b. Expense

Research, studies, or other intangibles still in the Construction in Progress account two years after completion for which no future benefit is foreseeable will be expensed.

Interceptors & Sewers

1. Capital or Expense

a. Capital

This classification includes the cost of excavations, tunneling, paving, retaining walls, piping and electrical wiring as they relate to interceptors and intercommunity relief sewers.

b. Expense

Costs of maintenance or replacement of original asset not considered major will be expensed as incurred. Examples include routine sewer section repairs to piping and tunneling.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

Collection System-Other

1. Capital or Expense

a. Capital

This classification includes the cost of excavations, tunneling, paving, retaining walls, piping and electrical wiring as they relate to sewers other than interceptors and intercommunity relief sewers. This category includes items such as force mains and automated regulators.

b. Expense

Costs of maintenance or replacement of original asset not considered major will be expensed as incurred.

J. Construction in Progress

1. Capital or Expense

a. Capital

All costs of engineering and construction projects will be recorded in this account. When an asset is placed into service, the costs to be capitalized will be closed out of this account and allocated to the proper asset cost account. No depreciation will be calculated on costs in the Construction in Progress account.

Personnel from Engineering and Finance will meet on a quarterly basis to review and determine projects that will be transferred out of Construction In Progress to Completed Fixed Assets. A project is deemed complete when the asset is put into use. Examples include an interceptor receiving flow, a building being occupied, and a piece of equipment being used.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

After it is determined that a project is to be “closed”, all remaining costs in the Construction in Progress account will be transferred into the appropriate asset accounts. Once a project is determined to be “closed,” any additional costs will be allocated directly to the appropriate asset accounts.

b. Expense

Expense items are not to be charged to this account. The balance in the Construction in Progress account represents capital assets only.

Capital Leases

Presently the District does not have any capital leases. If at any time the District engages in such leases, relevant statements and interpretations by the Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB) will be adhered to when accounting for capital leases.

III. Depreciation Expense

A. Definition/Effective Date

With the exception of land, the value of fixed assets is reduced through use, passage of time, or obsolescence. The costs of fixed assets are charged to operations over the estimated periods that benefit from the use of the assets.

District policy is to depreciate asset additions beginning January 1 of the year after they are placed into service and accepted for use by the receiving budget center. Additionally, when an asset is retired it is depreciated for a full year in the year in which it is retired. This policy applies to both assets moved from the CIP account and direct purchases.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

B. Method of Depreciation

1. Financial Statement Purposes

The “straight-line,” single asset method of depreciation is used for financial statement purposes.

Under this method, annual installments of equal amounts are expensed over the estimated service lives of the respective assets. Asset lives are determined by comparison with the District experience with similar assets, Engineering or Operations estimates, or by reference to outside guidelines.

The District may elect to utilize an accelerated method of depreciation for selected classes of assets if designated Finance personnel, after consulting with the appropriate Operations and/or Engineering personnel, determine that the alternative method would increase representational faithfulness of the District’s financial reporting. The alternative depreciation method should have a material effect on the accuracy of the District’s Statement of Net Assets. Any such election must be disclosed in the notes to the Financial Statements.

IV. Disposal/Retirement/Idle

A. Method

Change in status may arise from:

1. Sale

A sale is defined as the disposal for cash considerations of any unit(s) of property to an outside individual or company. Assets will not be sold to District employees.

2. Abandonment

Abandonment occurs when an asset has no further use to the District and is scrapped because there is no market for its sale.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

3. Gifts

A gift occurs when the ownership of an asset is granted to another entity with no tangible benefit occurring to the District in return. If fixed assets are to be given as gifts, the Legal Department must be consulted.

4. Destruction

Assets can be destroyed by fire, flood, accident or other “acts of God” and willful acts of individuals.

Idle (temporary) or retirement (permanent) assets may be taken out of service for various reasons. Idle or retired assets, until disposed of, will remain on the books but depreciation on the assets will cease.

NOTE: When disposing of assets, it is necessary to remove the book value of the asset from the accounts. All losses and gains will be booked accordingly after the disposal of an asset. See Section I.C for Transfers, Trade-in’s and other types of disposals.

B. Disposal of Pooled Assets

When an item from a pool is sold, scrapped, destroyed, or removed from service before the end of its estimated useful life, an amount equal to the actual remaining book value of that item shall be written off that year. If the actual book value cannot be determined, an amount equal to the average per unit book value of the items in that pool shall be written off that year.

Notification

Finance shall be notified, via a prescribed form (Exhibit 3), of all changes (sale, abandonment, gifts, destruction, idle, retirement, etc.) in the status of a fixed asset.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

V. General Maintenance of Fixed Asset Records

A. Physical Inventories

Periodic physical inventories are necessary for providing accountability and control. Appropriate Finance and Operations personnel will set up a counting cycle that will periodically ensure the existence, location, and useful status of fixed assets.

B. Asset Numbers

Fixed assets shall be marked with tags that identify the asset with an asset number assigned by appropriate Operations personnel (excluding Land, Buildings, Structures, Ground Improvements, Sewers or any other items for which tagging is not feasible). When an asset is replaced, a new number will be assigned and a new tag placed on the replacement. Under no circumstances shall an old number be reassigned to a new asset. This is necessary for proper control and tracking of assets. Appropriate Finance, Operations and Engineering personnel must maintain open communications in order to maintain accurate and current capital records.

EFFECTIVE DATE: January 1, 2005

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

EXHIBIT 1

NEORS D STANDARD USEFUL LIVES OF CAPITAL ASSETS

<u>Years</u>	<u>Asset Description</u>
5	Computer Hardware; Computer Software ^a
6	Vehicles
10	Furniture & Office Equipment (non-computers)
10	Lab Equipment
10	Studies & Research
20	Operations Machinery & Equipment; Mechanical Building Equipment
40	Buildings, Building Improvements ^b
40	Grounds Improvements ^b
40	Structures
75	Interceptors, Force Mains & Other Sewers

^a If software is for plant process or major clerical item (i.e.: Oracle Financials), use 10 yrs.

^b If "Improvement" is a *type* of equipment (i.e.: gates, lights, or PA system) use 20 yrs.; for roofing repairs, use 20 yrs. For upgrades to wiring, pipng, or ductwork, depreciates as though it is equipment over 20 yrs.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

FIXED ASSET POLICY – (continued)

EXHIBIT 2

NEORS D FIXED ASSETS CHART OF ACCOUNTS

<u>Account Number</u>	<u>Description</u>
15100	Land
15201	Buildings
15202	Building Improvements
15203	Machinery & Equipment
15204	Vehicles
15205	Structures
15206	Grounds
15207	Computer Hardware
15208	Computer Software
15209	Furniture & Office Equipment
15210	Intangibles
15300	Interceptors
15310	Collection System-Other
15401	Accumulated Depreciation
15500	Construction in Progress
59220	Depreciation Expense
62000	Gain on Net Book Value Retired
72000	Loss on Net Book Value Retired

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS

The 2008 Operating Budget is prepared using the accrual basis of accounting. Revenues and expenses are recorded when an activity takes place. For example, revenues are not projected cash collections but projected net billings for 2008 plus the change in unbilled revenues between the beginning and end of 2008. Unbilled revenue is for estimated services provided District customers but not yet billed because their billing cycles have not ended.

For expenses, the costs of services and non-inventoriable operating goods and supplies are recorded when performed or received. This may precede the date of invoicing by the vendor and will precede by weeks or months the actual cash payment. Inventoriable items are not charged to expense when received but recorded as an asset; the budget centers are charged for inventory items when they actually use them. The single biggest dollar item in the budget is estimated depreciation expense. This is an allocation to expense over time of the cost of fixed assets on a basis that roughly approximates the rate of wear and tear. Depreciation is presented separately and not allocated to the budget centers.

I. Operating/Minor Capital Budget Procedures

- A. According to the Ohio Revised Code (O.R.C.), the District must adopt an operating budget by the fifteenth of July each year for the next fiscal year. The process begins in May of the year prior to the budget year with the compilation of a proposed budget that is presented to the Board of Trustees for adoption in time to comply with the Ohio Revised Code. This budget is prepared by the Finance staff and is typically a product of applying reasonable percentage increases to the prior years adopted budget figures. This budget is a “preliminary budget that is prepared specifically to meet the regulatory requirements of the O. R. C.
- B. The budget process continues, beginning in August of the current year with the development of the instruction package that is sent to all District Budget Center Heads. These instructions are prepared by the designated Accountant in the Finance Department and reviewed by a Finance Manager and the Director or Deputy Director of Finance.
- C. Contents of the Instruction Package:
 - 1. Budget year memo from the Director of Finance
 - 2. Table of Contents
 - 3. Timetable for important dates relating to deadlines for the steps in the budget process

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued)

4. Budget Preparation Instructions
5. Summary of the Budget Request Data that is to be returned to the Finance Department
6. Prior year's Organizational Chart
7. Chart of Operating Expense Accounts
8. Definition of Operating Expense Accounts
9. Utility Rate Worksheet
10. Estimate of Personnel Requirements - Exhibit A
11. Proposed Increase in Personnel - Exhibit B
12. Minor Capital Appropriations Request Instructions
13. Definitions of Minor Capital Account Categories
14. Personnel Budget Detail Report
15. General Ledger Transaction File Report
16. Expense Budget Detail Report Worksheet
17. Minor Capital Budget Detail Worksheet

D. Budget Center Head Responsibilities:

1. The Budget Center Head is required to review and make corrections to the Organizational Chart that is included in the Budget Instruction Package. A corrected copy must be returned to Finance by the requested date so the documents can be updated by the accountant in Finance. An updated chart is sent back to the Budget Center Head so it can be included in the Preliminary Budget Request Package.
2. The Personnel Budget Detail Report must be reviewed in order to identify any errors in the budget center staffing. The Budget Center Head is also asked to identify when a vacancy in a position will be filled. This is necessary to calculate what portion of the annual salary should be applied to the vacancy. When the corrected Personnel Budget Detail Report is received by the Accountant working on the budget, the information is used to update the Personnel Salary & Benefits Excel spreadsheet. An updated Personnel Budget Detail Report is returned to the budget center to be included in the preliminary Budget Request Package.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued)

3. The Estimate of Personnel Requirements (Exhibit A) depicts various personnel information relating to each budget center's Table of Organization. The Budget Center Head is required to complete the "Employed", "Budget", and "Number of Months Employed" columns of the Exhibit A. The completed Exhibit A is sent to Finance for review and to update related tables and spreadsheets. An updated Exhibit A is sent back to the Budget Center Head so it can be included in the Preliminary Budget Request Package.
4. If a budget center is requesting any new personnel to be hired within the budget year, he/she must submit an Exhibit B. This document is used to justify the new position(s) and identify how many months the new position is going to be filled in the budget year. The Exhibit B information is sent to Finance with the completed Preliminary Budget Request Package
5. All operating expense requests from a budget center must be documented on the Expense Budget Detail Report Worksheet and justified in the Expense Budget Detail Justification Report. The amount for each expense line item is posted to the Expense Budget Detail Report Worksheet. This worksheet is sent to the Finance Department with the Preliminary Budget Request Package. The Expense Detail Justification Report is also included in the Preliminary Budget Request Package. This report should be in its final presentation format condition.
6. Each Budget Center Head must also complete a Minor Capital Budget Detail Worksheet for expenditures that qualify as capital items per the "Fixed Asset Policy" that are not included in the Capital Improvements Plan. All requested minor capital expenditures are required to be justified in a Minor Capital Budget Justification Report. The worksheet and justification report is completed and returned with the Preliminary Budget Request Package.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued)

- E. Preliminary Budget Request Package
1. Contents of the package include:
 - a. Organizational Chart
 - b. Estimate of Personnel Requirements - Exhibit A
 - c. Proposed Increase in Personnel - Exhibit B
 - d. Proposed Budget Center Work Plan - Exhibit C
 - e. Personnel Budget Detail Report
 - f. Expense Budget Detail Report Worksheet
 - g. Expense Budget Detail Justification Report
 - h. Minor Capital Budget Worksheet
 - i. Minor Capital Budget Justification Report
 2. The package is sent to the accountant in the Finance Department. All documents are reviewed for any errors or requested adjustments. The Expense Budget Detail Report Worksheet and Minor Capital Budget Worksheet are used to load the Preliminary Budget Request into the Oracle budget database. The accountant enters the budget center's total salaries per position, longevity pay, sick buy-out, overtime and prior year budget center total actual salary expense information on the Exhibit A's. The accountant also reviews the Proposed Increase in Personnel - Exhibit B. These documents are used to create the District's Preliminary Budget Request.
 3. Distribution of the Preliminary Budget Request
 - a. The Preliminary Budget Request is compiled and an appropriate number of copies are produced. The completed copies are put into the binders that are used for the budget presentation. The binders are specifically organized so each budget center request can be easily reviewed.
 - b. The Preliminary Budget Request binders are distributed by the accountant to the appropriate persons. The budget binder is used as the reference document in the Preliminary Budget Request Review.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued)

4. Finance Review of the Preliminary Budget Request
 - a. Each budget center is scheduled for a Preliminary Budget Request review by the Director of Finance. The Budget Center Head is required to discuss the budget with the Director of Finance and Budget Analyst on a line-item basis.
 - b. Changes made during the Finance review of the Preliminary Budget Request are recorded and used to prepare a Finance Review version of the budget. All changes made during the Finance Review will be incorporated in the revised budget by members of the Finance staff. The revision of the Preliminary Budget Request document is compiled to produce the second iteration of the annual budget – The Finance Review Budget.
5. Staff Review of the Finance Review Budget
 - a. Once the Finance Review version is compiled, each budget center head is scheduled for a budget request review by the Executive Director, Director of Finance and necessary Finance staff personnel. The Budget Center Head discusses the budget on a line-item basis during the Staff review session.
 - b. Any changes made during the Staff Review session are recorded and used to prepare a Staff Review version of the budget. The revision of the Finance Review Budget document leads to the third iteration of the annual budget – The Staff Review Budget.

F. Staff Review Budget Request

1. Contents of the Staff Review Budget Request are:
 - a. Staff Review Summary Section
 - 1) Memo to the Executive Director from the Director of Finance
 - 2) Appropriation Resolution prepared by the Director of Finance

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued)

- 3) Various schedules and reports as dictated by the Director of Finance and prepared by the Finance department staff
 - 4) Insurance Reserve Budget
 - 5) Equipment Reserve Budget
 - 6) Construction Accounts Budget
 - 7) Summary Budget for each Budget Center
 - 8) Charts & Graphs of pertinent financial information
- b. Staff Review Detail Section
- 1) Operating Expense Budget Report
 - 2) Minor Capital Budget Report
 - 3) Description of Services Provided
 - 4) Organizational Chart
 - 5) Estimate of Personnel Requirements - Exhibit A
 - 6) Proposed Increase in Personnel – Exhibit B
 - 7) Expense Detail Justification Report
 - 8) Minor Capital Budget Justification Report
2. Distribution of the Staff Review Budget Request
- a. The Finance staff compiles the Staff Review Budget Request Summary section and the Staff Review Budget Request Detail section. Copies are made and placed into binders similar to the Preliminary Budget Request document.
 - b. Copies of the Staff Review Budget Request are given to the Board of Trustees and appropriate members of Senior Staff. The Staff Review Budget Request document will be the version of the budget that is reviewed by the Board.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued))

3. Board Review of the Staff Review Budget Request
 - a. Typically, the Board of Trustees designates a Budget Committee to carry out a review of the Staff Review Budget Request. A meeting is arranged between the Budget Committee and the Executive Director, Director of Finance, Deputy Director of Finance and certain Budget Center Heads. The Budget Committee Chairman directs the review which normally includes overviews of certain budget center budgets by the respective Budget Center Head. Also, a display of supplemental charts and graphs is presented by the Director of Finance.
 - b. Any changes made during the Budget Committee Hearing are recorded by the Finance accountant.
 - c. If there are no changes to the Staff Review Budget Request, the Executive Director will ask the Budget Committee for procedures required to adopt the Budget. These procedures include the filing of a Board Resolution to adopt the Budget Request at a Board of Trustees meeting on or before March 31.
 - d. Minutes of the Budget Committee Review are prepared by an accountant and distributed to all Board members and appropriate Senior Staff.

- G. Adopted Budget Package
 1. When the Board of Trustees officially adopts the Budget Request, an Adopted Budget Package is prepared.
 - a. All budget documents, Charts & Graphs, schedules and Oracle system reports are updated to reflect all adopted budget data.
 - b. The Finance staff prepares a binder that incorporates the Adopted Budget Summary and Detail documents into one Adopted Budget Binder. This binder is indexed similar to the Staff Review version of the budget.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued)

2. Distribution of the Adopted Budget
 - a. The account will distribute the completed Adopted Budget binders to Senior Staff and other staff as required.
 - b. The adopted budget center detail is compiled and sent to each budget center manager.

- H. Budget Transfers
 1. After the independent auditors have signed off on the Financial Statements, budget transfers are prepared for any line-item accounts where the actual expenditures have exceeded the budgeted appropriation.
 - a. All budget transfers under \$100,000 are reviewed and approved by the Director of Finance. This includes transfers within the budget center (intra-departmental) and transfers between budget centers (inter-departmental).
 - b. For any transfers over \$100,000, intra-departmental or inter-departmental, the Finance staff prepares transfer report detailing all budget centers and line-items affected by the transfer. The transfer report is submitted to the Board of Trustees for their approval. The Board has the authority to approve or reject any transfer.

- I. Budget Center Performance Reports
 1. After the annual budget is adopted by the Board of Trustees in March, the accountants in the Finance Department prepare Operating Expense and Minor Capital Budget Performance Reports for each budget center. The performance reports show the adopted budget for each account line-item and the actual expenditure charged to that line-item in the current accounting period as well as a year-to-date amount.
 2. The budget center managers use their performance reports to analyze the accounting transactions that have been posted to their budget center's accounts. They also use the information to lend support to future spending decisions, keeping mind the constraints of the Adopted Budget

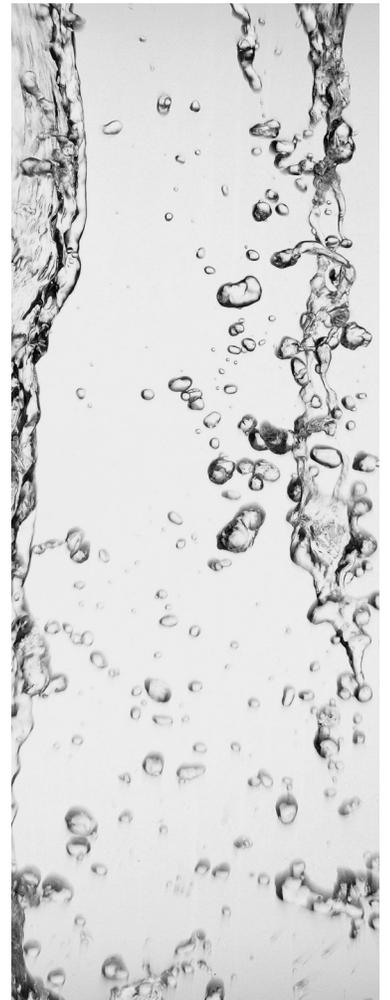
NORTHEAST OHIO REGIONAL SEWER DISTRICT

BUDGET PROCESS – (continued)

TIMETABLE FOR PREPARATION OF THE 2008 ANNUAL BUDGET

Friday	10/12/07	2008 Budget Instruction Packages Distributed to Budget Centers.
Tuesday	10/16/07	2008 Budget Preparation Kick-off meeting.
Friday	11/09/07	Revisions to Organizational Charts, Exhibit A's, Employee Budget Detail Report and Description of Services Provided due to Finance.
Friday	11/09/07	Anticipated Temporary Staffing requirements to Human Resources.
Friday	11/09/07	Central Administrative Offices equipment maintenance needs to Administrative Services.
Monday	11/19/07	Updated Organizational Charts and Exhibit A's returned to each budget center.
Monday	11/26/07	Preliminary 2008 Budget Request due to Finance including all Operating and Minor Capital appropriation requests, and Budget Center Work Plans and Workforce Plans.
Friday	12/14/07	Return updated budget requests to each budget center.
T.B.D.	T.B.D.	Begin Finance Director's preliminary budget reviews.
T.B.D.	T.B.D.	Begin Executive Director's finance budget reviews.
Thursday	2/07/08	Staff Review Budget to the Board of Trustees for the 2/07/08 meeting.

glossary



NORTHEAST OHIO REGIONAL SEWER DISTRICT

GLOSSARY OF TERMS

ACCRUAL BASIS OF ACCOUNTING – The accounting method in which revenues are recognized on the income statement when they are earned as opposed to when cash is received and expenses are recorded when they are incurred as opposed to when cash is paid.

ACTUAL – On many of the financial statements included in this document, the word “actual” appears at the top of a column of figures. When this occurs, the word “actual” means actual revenue, actual expenditure, or actual balances. It means actual happenings or the true results of the year’s operations.

APPROPRIATION – An authorization by a Board of Trustee Resolution to incur encumbrances and make payments from District funds for specified purposes.

ASSETS – All the entries recorded on a balance sheet showing the entire resources of the District, tangible and intangible, including accounts and notes receivable, cash, inventory, equipment, real estate, etc.

AUTHORIZED POSITION SCHEDULE – An approval by the District’s Board of Trustees that authorizes staff positions.

AVAILABLE FUND BALANCE – The fund balance that is not encumbered and is available for future expenditures.

BALANCE SHEET – A financial statement summarizing the assets, liabilities, and fund balance (net worth) of the District at a given date; so called because the assets equal the sum of the liabilities and the fund balance.

BOARD OF TRUSTEES – A group of seven (7) people (trustees), each of whom serves a five-year term and who are appointed as follows: (i) two by the Mayor of Cleveland; (ii) two by a council of governments comprised of representatives of all the suburban communities served by the System; (iii) one by the Board of County Commissioners of Cuyahoga County; (iv) one by the appointing authority of the sub-district with the greatest sewage flow; and (v) one by the appointing authority of the sub-district with the greatest population. .

BOND – A formal written promise to pay interest every six months and the principal at maturity.

BOND ISSUE – A bond issue, when approved by the voters, authorizes the Board of Trustees to issue bonds for site purchases, building construction, and equipment purchases within a maximum dollar amount.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

GLOSSARY OF TERMS - continued

BUDGET – A financial program for future operations.

BUDGET ADMINISTRATOR – A person designated with the responsibility to develop, justify, and administer all or part of a budget.

BUDGETING ON ACCRUAL BASIS – Revenue and expenses are recorded when the goods or services are received, not when they are earned or related invoice is paid.

BUDGET CENTER – An administratively designed entity representing a functional portion of an organization.

Example: Southerly Waste Water Treatment Plant

BUDGET TRANSFER – A transfer of funds increasing and decreasing two or more appropriation accounts, within the same fund, without changing the overall appropriation amount. This is sometimes referred to as an Appropriation Amendment.

BUDGET YEAR – The year for which a budget is being prepared. The regular general operating and capital budgets for the District are prepared for a calendar year – January 1 through December 31. Federal and State programs typically operate on a fiscal year basis, i.e. July 1 through June 30 or October 1 through September 30.

CAPITAL – A term used to describe an asset purchased by an entity with a useful life of more than one year and cost above the predetermined dollar amount. These assets are then depreciated over the useful life and recorded as an expense to the entity.

CAPITAL PROJECTS FUND – A governmental fund type that funds and accounts for the purchase or construction of major capital land, building, or equipment.

CATEGORY – This word is often used to mean the same thing as Character (Character is described below.)

CHARACTER – Identifies the general nature of the revenue or expenditure. A major category of revenue or expenditures. Example: Earnings on Investments, Salaries and Benefits, Supplies, and Capital Outlay.

CONTINGENCY – For the District this means a Board of Trustees established an appropriation for monies set aside for emergency purposes.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

GLOSSARY OF TERMS - continued

DEPRECIATION – The systematic allocation of the cost of an asset from the balance sheet to Depreciation Expense on the income statement over the useful life of the asset. The purpose is to allocate the cost to expense in order to comply with the matching principle.

ENCUMBRANCE – A valid commitment by the District to pay out money in the future. The issue of a purchase order creates an encumbrance. Synonym – obligation.

ENTERPRISE FUND – Funds that provide goods and services to the public for a fee that makes the entity self-supporting.

EXPENDITURE – The payment of money by check or cash for goods and/or services rendered.

EXPENDITURE CATEGORY – This means the same as Category or Character as previously described.

FINAL BUDGET – According to Ohio Law, the Final Budget (sometimes referred to as the Permanent Budget or Permanent Appropriation) must be adopted by June 1st each year.

FINANCIAL REPORTS – A report of the status of an organization’s financial position. Usually a report of expenditures and encumbrances compared to a budget amount and the remaining budget balance.

FISCAL YEAR – Any year designated for accounting purposes, not necessarily a calendar year.

FUND – A fiscal and accounting entity consisting of a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses).

FUND BALANCE – See “Unreserved Fund Balance”.

GAAP – “General Accepted Accounting Principles” – rules and procedures that define the fair and accurate presentation of financial statements.

GENERAL FUND – A governmental fund type that serves as the primary operating fund of a government.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

GLOSSARY OF TERMS - continued

GOVERNMENTAL FUNDS – Funds for the bulk of accounting for revenues and expenditures of the organization; primarily, general operations, capital and any other funds not required to be accounted for separately.

OBJECT – The classification of a cost by the nature of the cost (i.e. books, electricity, salaries, insurance, etc.).

OPERATIONAL EXPENDITURE – Expenditures of the General Fund, except for Capital Expenditures and Fund Transfers.

OTHER REVENUE – This term means revenues received or estimated which are in addition to tax revenue.

OUTSTANDING OBLIGATIONS – This term means outstanding encumbrances, contracts, and reserves from Fund Balance.

PROJECT – A project is accounted for on an inception-to-date basis (which may be different from the District's fiscal year). Revenues and expenditures are budgeted for the life of the project rather than on an annual basis.

PURCHASE ORDER – An official document sent to vendors requesting that they provide goods and/or services to the District. A legal instrument, under Ohio law, which officially encumbers money against an appropriation and certifies that the money is available to pay the invoice once the goods and/or services are received or performed.

PURCHASE SERVICE – Any service purchased or contracted with a third party to perform for or on the behalf of the District, including 1) training & travel; 2) printing; 3) communications; 4) maintenance & repair; 5) insurance, legal fees & other professional services; 6) rents & leases; and 7) utilities.

REVENUE – Since the District operates on an accrual basis, revenues are accrued.

SPECIAL REVENUE FUND – A governmental fund type that accounts for the proceeds of specific revenues that are legally restricted for specific expenditures.

SUPPLIES – Any article or material which 1) is consumed in use; 2) loses its original shape or appearance with use; 3) is expendable; and/or 4) is an inexpensive item whose small unit cost makes it inadvisable to capitalize.

NORTHEAST OHIO REGIONAL SEWER DISTRICT

GLOSSARY OF TERMS - continued

TAX BUDGET REQUEST – The financial plan for the operation of the District, adopted by the Board of Trustees in May for the ensuing year beginning January 1. The Budget Request must be submitted to the Taxing Authority and to the County Budget Commission (the County Auditor specifically) by July 20th. The tax budget establishes the need for funds and justifies the appointment of levying of taxes within approved limits.

UNRESERVED FUND BALANCE – This term in a cash basis document means the following: The cash balance remaining in a fund after subtracting all outstanding encumbrances and legal reserves. The remaining money is available for budgeting future expenditures. The short definition for a non-cash basis budget would be assets less liabilities.



Protecting Your Health and Environment

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