

# Tippecanoe & Chapman Lakes RSD Board Meeting Minutes

North Webster Community Center – 100 W. Center St. Warsaw, IN 46580

---

The Tippecanoe Chapman Regional Sewer District Board met in Regular Session on Monday, July 13th, 2020 at 6:30 pm, in the gymnasium at the North Webster Community Center.

## MEETING ATTENDANCE:

### BOARD MEMBERS:

ROLL CALL                    Jon Tyler, Bob Weaver, Jeff Thornburgh, Chuck Simpson, Kim Hathaway, Ed Ormsby, Brian Davison

### ADVISORS:

Ken Jones, Jones Petrie Rafinski  
Chad Miner, Miner & Lemon, LLP  
Jeff P. Rowe, CPA Bakertilly Municipal Advisors

The meeting was called to order by Chad Miner at 6:36pm by Jon Tyler

Pledge of Allegiance

## APPROVAL OF MINUTES

Motion was made by Jeff Thornburgh for approval of the meeting minutes. Motion seconded by Chuck Simpson. Motion carried unanimously.

## OLD BUSINESS:

### APPROVAL OF ENGAGEMENT AGREEMENTS FOR DISTRICT ADVISORS

- Jon Tyler opens discussion of funding services.
- Kim Hathaway and Jon Tyler provided Chad Miner with the updated Agreements.
- Chad changed the Agreement to reflect himself as the advisor.
- Brian reviewed the Agreements for Baker Tilly and Ice Miller. No changes were made to the existing agreements.
- Jon Tyler suggests a motion for approval of the four engagement agreements by the Board.
- Motion was made for the approval of the four (4) engagement agreements by Kim Hathaway. Jeff Thornburgh seconds the motion. The motion was carried unanimously for the acceptance of the four (4) engagement agreements which Jon Tyler signed at the closing of the meeting.

### SECRETARIAL SERVICES FOR THE BOARD

- JPR has agreed to providing secretarial services to the Board until the Board has been fully established.

### SEWER RATES

- Ken agreed to look at the rate structure and lock in the rate structure for 36 months.

### WEBSITE

- Jeff Thornburgh was assigned to approve the launch of the TCRSD website.

# Tippecanoe & Chapman Lakes RSD Board Meeting Minutes

North Webster Community Center – 100 W. Center St. Warsaw, IN 46580

---

- Regulatory Guidelines and requirements for temporary holding tanks with the steps included were recommended to be posted on the TCRSD website.

## NEW BUSINESS:

### TEMPORARY HOLDING TANK RESOLUTION:

- Chad completed a temporary resolution. Construction is set to begin on a subdivision and Mr. Snyder would like assurance that the temporary holding tanks would be acceptable.
- Chad suggests a motion for Jon Tyler to sign the letter.
- Bob indicated that the Board would need to view the building site plan to put the applicable septic system required and then they can proceed with the holding tank. This is to be on reserve in case something was to happen and they had to put in a septic system.
- Chad provided clarification that the property owners will first need to contact the Board to arrange for submittals to ISDH. Chad will ensure this is understood by Steve Snyder.
- Jon Tyler suggests for a motion to approve the letter. Ed Ormsby motions for approval of the letter. Kim Hathaway seconds the motion. The motion was approved unanimously.

### GENERAL DISCUSSION FOR TEMPORARY FUNDING:

- Ken asked for Jeff Rowe (Baker Tilly) to attend this meeting for discussion on this topic.
- Ken indicated it is very typical for every project that the Board initiates the next steps in the funding of the project.
- Jeff Rowe indicated that until the District is in the position to bid the project, the majority of the project relies upon temporary financing for project planning purposes.
- The funds will be used to help pay for the professional fees until long-term funding is in place.
- SRF and USDA are two types of recommended long-term funding sources.
- The Bond Anticipation Note (Interim Financing)
  - The process by which the District would issue interim financing is as follows:
    - 1.) Competitive Sale – Decide on a sale date and sell bonds on the sale date – one purchaser.
    - 2.) Negotiate the sale of the BAN with the financial institution – does not rely on outside underwriting firms. The Board chooses a local bank to negotiate the terms of the BAN with.
    - 3.) Go through the RFP process and send out a RFP for purchasing of the bond anticipation note. When more than one bank is included, there is competition (hybrid). This is the recommended option.
- Jeff discussed the two ways to set up the loan. The options are as follow:
  - 1.) Lump Sum – the funds earn interest in the District's bank account. If drawing at once, interest would be owed.
  - 2.) Set up on draw basis – only draw on the note on an as-needed basis and only pay interest on what is used. Can be set up for 5 years and in this case, a 2-year note may be extended to 3 years if needed but can impact

# Tippecanoe & Chapman Lakes RSD Board Meeting Minutes

North Webster Community Center – 100 W. Center St. Warsaw, IN 46580

---

the interest rates. With this option, the Board will have the ability to rollover or renew at an additional cost.

## NEXT STEPS FOR TEMPORARY FUNDING:

- Work with Ice Miller and Chad Miner to prepare a bond ordinance in which the Board would authorize the sale of the BAN within the document (authorization of bond ordinance).
- Move forward at the direction of the Board to sell it when they are ready.
- Authorize the long-term financing as well as the BAN and then the bond. This can be authorized on a Not-to-Exceed amount.
- Determine the timeline from the time the ordinance is drafted.
- The By-Laws will dictate the ordinance.
- Introduce the bond ordinance.
- Second reading.
- Final adoption.

These next steps will likely take two meetings.

## CONTINUED DISCUSSION ON TEMPORARY FUNDING:

- Baker Tilly would structure the BAN with flexibility and keep it open-ended to negotiate the sale with the State Revolving Loan or the USDA.
- The best long-term funding option will be determined within the next 12 months.
- The bond anticipation note will be authorized in the document.
- The authorization being sought would be the lowest in cost in terms of the sale of the BAN.
- Based on the parameters, proposals would be submitted to the banks for purchasing of the BAN.
- Baker Tilly would initially review the RFP and then procure approval from the Board.
- Once a Proposal is received, it would then be forwarded to the finance committee to present to the Board at their next meeting.
- There would be a 20-day objecting period of the bond ordinance.
- 90 days is the typical amount of time it would take from the introduction of the bond ordinance to the time the BAN is sold.
- Jeff recommends to close on the bond by October or November at the latest to avoid an unstable bond market as there tends to be more activity closer to the end of the year.
- Ed Ormsby recommends local institutions.
- Jeff is familiar with local banking options but would like feedback from the Board on what banks they would like to pursue.
- 99% of the time the BAN is sold to one bank. There has been only one instance in which two banks purchased a portion.
- As application for funding begins, an estimate of the terms of the loan and projected interest rates will be needed.

# Tippecanoe & Chapman Lakes RSD Board Meeting Minutes

North Webster Community Center – 100 W. Center St. Warsaw, IN 46580

---

- OCRA does offer grant money and the max is estimated to be around \$600,000. Outside of this there are not many other options for grant funding.
- SRF time window for submittal: July 1<sup>st</sup> to June 30<sup>th</sup>, 2021.
- A PER is required and rate impact information is needed in time to consider the District for funding.
- The earlier the PER is submitted (March or April), the more points obtained on the scoring model.
- USDA requires the budget to be approved from submittal October 1<sup>st</sup>.
- JPR can lead up to the formation of the District, however, a PER is needed to be qualified by the USDA which would typically take approximately 90 days to complete.
- An environmental review is needed (archaeological and historic review). This task would be outsourced to another consultant. That funding cost is in the \$125-\$150k range.
- Jeff can set up a meeting with USDA to provide them with insight on the project.
- After looking at the census tract income data, it is possible that the Board would be on track for eligibility from the USDA.
- Jeff indicated the only authorization needed is to approve the bond ordinance. Once approved, he would reach out to his colleague, Patty Zelmer to begin the process.
- Two or three readings would be needed for approval of the bond ordinance (agenda item is needed)
  - 1<sup>st</sup> reading – August 10th, 2020
  - 2<sup>nd</sup> reading and approval – September 7<sup>th</sup>, 2020
- The first step would be to sell the BAN (interim financing), then start going through the design and preparing the PER.
- The ordinance would start the temporary funding and then also apply to the long-term financing.
- Jon Tyler suggests for a motion for the drafting of the bond ordinance and presented to the Board at the next meeting.
- Ed Ormsby motions for approval of the drafting of the bond ordinance. Chuck Simpson seconds the motion. Motion is carried unanimously,
- Jeff will send the ordinance to the Board via email once the bond ordinance is drafted.

## PUBLIC INPUT:

*(Mark Battig – Camp Crossley)*

Would like to present to the Board the potential for a partnership with Camp Crossley and the Board. He would like to request conversation on the partnership as the Board begins to plan their next steps.

*(Greg Pittzloff – Tippecanoe)*

- Indicated that OCRA grants can be used for planning purposes.
- Explanation on the creation of a residential tax increment finance district as a source. With this option, the District would have the ability to create a TIF and the County can borrow from other counties once the District is set up. Consists of a renewable loan that can be rolled over but paid back.

# Tippecanoe & Chapman Lakes RSD Board Meeting Minutes

North Webster Community Center – 100 W. Center St. Warsaw, IN 46580

---

- Encourages the Board to pursue opinions on the two options.
- Ed Ormsby thinks it is appropriate to look ahead.
- In the past, Sue Ann met with Ed and Jon and Ed would like to thank Sue Ann for her valuable time and insight as he believes the Board will find her notes very helpful.
- Typical useful life of a treatment – in this case, financing a collection system would have a greater useful life of 40-years. SRF has extended their terms on their loan options for up to 35 years and has gotten closer to USDA in terms of the loan.
- Establishing a TIF in the area, a Regional Sewer District does not have the option to establish a new TIF area and would need to invoice the County.

Jon asks for a motion to adjourn the meeting.

Brian motions for the closing of the meeting. Ed Ormsby seconds this motion. Motion approved unanimously to close the meeting.

Meeting adjourned at 7:57pm.