

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, June 8th, 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 (absent)

ADVISORS: Ken Jones, Jones Petrie Rafinski
 Chad Miner, Miner & Lemon, LLP

The meeting was called to order by Chad Miner at 6:32pm

Pledge of Allegiance

APPROVAL OF MINUTES

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

OLD BUSINESS:

CONSIDERATION AND APPROVAL OF BY-LAWS:

- Chad Miner presented to the Board the indemnification and By-Laws. The County Commissioners and Council appointing body of Tippecanoe, Plain and other body council will need to approve.
- Jon Tyler made the motion for the Board's approval of the By-Laws. Motion seconded by Chuck Simpson. Motion carried unanimously.

PHOTOGRAPHY/DRONE FOOTAGE

- JPR has been authorized to complete photography and drone footage.

MISSION STATEMENT

- *"The Tippecanoe Chapman Lakes Regional Sewer District is committed to providing safe, high quality, cost-effective sanitary wastewater services to our community while maintaining a standard of excellence in environmental conservation".*
- Jon Tyler would like to expand on the message as TCRSD moves forward.

NEW BUSINESS:

TCRSD FUTURE MEETING ROOM ARRANGEMENTS:

- North Webster Community Center has agreed to hold future TCRSD meetings in the gymnasium upon the signed agreement. There is a \$60 per meeting fee that has been

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waived for the remainder of the year or until financial obligations have been met.

- A lease agreement was provided to the Board.
- The Board will have the option to change meeting locations at a later date if Warsaw has a better option for meeting space or if they would prefer the use of an office space in the North Webster Community Center.
- Motion made by Ed Ormsby for the signing of the lease by President, Jon Tyler. Motion seconded by Jeff Thornburgh. Motion carried unanimously.

LEGAL AGREEMENTS AND ENGAGEMENT AGREEMENT SUB-COMMITTEE:

- Chad suggested a discussion on the review of Legal Agreements. Jon indicated this topic needs to be tabled to the next meeting agenda.
- The Board will set up a sub-committee for this topic and to review the legal agreements.
- To keep things moving forward, the Board has agreed to move forward with a sub-committee to get the legal agreements in order.
- Kim Hathaway, Jon Tyler and Brian Davison are recommended for the preliminary engagement contract sub-committee. Jon Tyler suggests Brian Davison as a sub-committee member considering his background with Warsaw. Jon Tyler will reach out to Brian Davison who was absent to confirm his participation on the financial sub-committee.

FINANCING AND BANKING OPTIONS:

- The Board will need to establish financing and banking options.
- \$250,000 in additional monies is required for the completion of the PER and the archaeological and historical studies.
- Chad Miner indicated financing will need to be in place until the Board is approved for funding.
- Urgency is needed to get up to date with financing and the Board will need to consider hiring a sub-committee to bring things up to speed.
- Ken Jones indicated there is the possibility of obtaining USDA rural development funds that are comparable with SRF interest rates.
- A plan or budget would need to be submitted to SRF for approval.
- All spending would be refundable.

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- Chad Miner recommended for the Board to get set up with a bank finance institution to establish funds and draw down as needed.
- Financial advisors will need to be in place to organize finances.
- A sub-committee may be needed to get financing established.
- Ed Ormsby, Chuck Simpson, and Kim Hathaway volunteered to sit on the financial sub-committee to review funding options.
- Motion was made by Ed Ormsby for approval of sub-committees. Motion seconded by Chuck Simpson. Motion carried unanimously.
- Chad Miner plans to get the application submitted to SRF for the 2021 financing schedule.
- It is advised that the Board agree to make an arrangement with one or two banks before they decide to closing on a loan.
- Prepare and approve bond ordinance.
- Submit financing application.
- Once the PER and funding is in place, the project would go out to bid.
- Once the closing is complete, the money is transferred to the District and the loan is paid off.
- The goal would be to draw down as the Board meets certain thresholds.
- The Board will not need to draw down until they reach a threshold of about \$3.5M.
- Ken Jones suggested the Board seek one bond up to \$3.5M with the consideration of the cost of legal fees, around \$40,000-\$50,000k, per bond issuance.
- The early expenses of the project are not typical with the 2,000 customers by scale. By structure, the expenses are typical.
- The goal is to get the project fully funded and strategize how to minimize the monthly rates for the customers.

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BREAKDOWN OF EXPENSES:

- The \$250,000 includes the cost of engineering (PER), documentation of supporting information, wetland evaluations, and historical and archaeological review.
- Documentation can be written for Board approval as long as they do not exceed the specified amount.
- Environmental (\$115-\$120k)
- Cost of Bond Counsel and Financial Advisor
- Total cost expected to be around \$250,000
- Wetland, historic, and archaeological review is the only required lump sum payment.

CURRENT FINANCING TIME FRAME:

- If the deadline is met for the qualifying application (July 2020), the Board will need to wait through the scoring/approval process.
- Expected approval – July 2021
- After the District is formed, IDEM requires a Facility Plan by October.
- Ken Jones will have this discussion before the next meeting.
- There is continued dialogue with those at the state level in consideration of those who would be interested in funding this project.
- There is the possibility of having both officials meet with them at one of their next meetings.

TCRSD BRANDING:

- Adoption of website domain <https://tippy-chapman-rsd.com>
- Approval for agenda, approved minutes, education and informational outreach material will be added on the website.
- JPR was approved to pull information from the <https://www.sustainourlake.com>
- Approval from the Board is needed prior to scheduling any material or information including, schedules or establishing budgets.
- Jeff Thornburgh will be the point of contact for approval of items for the TCRSD website.

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- The Board will suggest content for social media page.
- Ken presented the Board with 16 different logos to choose from for branding of TCRSD.
- Motion made by Ed Ormsby for adoption of the TCRSD logo and further consideration of the mission statement. Motion seconded by Bob Weaver. Motion approved unanimously.

PUBLIC INPUT:

(Greg Fitzloff – Tippecanoe Lake)

- Would the Board consider setting up TCRSD as a residential TIF District? The District collects the increment of increase and tax property that can be used to pay off the bonds and can significantly reduce the cost. The Board would work with the County to establish the entity created. The TIF District has the opportunity to borrow money from other Districts. If the decision has been made to work with Warsaw, a District like this would have three choices in operation:
 - 1.) Hire themselves
 - 2.) Hire a third party i.e. Indiana American Utility
 - 3.) Set up the District and sell it i.e. Indiana American Utility
- Commented that Rural Development/USDA has a difference in interest rate and length of loan. USDA is a 40-year fixed interest rate. This would cut the monthly interest rate in half.

(Jacob Yahne – East Webster Lake)

- Would like to know if the Board would consider allowing more members to join the District.
- Ken Jones responded almost the entirety of Webster Lake has been served by the Town and when JPR analyzed East Webster Lake, it was shown they can in fact connect to the pipeline. East Webster Lake has one hundred eighty (180) homes that do not have an answer because they don't have a structure in place. There was the potential of annexing into Knapp Lake. For RSD it is possible for property owners to request a connection but in order to do so, they would need approval from the County Commissioners. That request would come to the Board from the County Commissioners and the Board would need to act on it. The Board does have the ability to serve if they choose to. East Webster Lake would also have the ability to ask other RSD's, such as Lakeland or Turkey Creek to connect. If the Board chooses to allow connection to East Webster Lake, they would need to catch up because a PER and the application for financing has already been prepared for submittal. Ken will leave the decision up to the Board.

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(Betsy Williams – Tippecanoe Lake)

- Will the Board post the agendas for future meetings?
- Jon Tyler responded that they will make it a priority to get the information posted to the public.

(Karen Bedwell – Tippecanoe Lake)

- Indicated that she was unaware that the decision had been made to move forward to work with Warsaw as a treatment provider.
- Jon Tyler responded that it was the Board's preliminary decision in order to keep things moving forward.
- What would be the cost for temporary storage tanks?
- Jon Tyler responded the homeowner/property owner would put in a separate holding tank instead of a leach field. This would be temporary until the property owner can connect to the system and design a forward-thinking system.
- Bob Weaver responded the system could fail in two years and instead of putting in an expensive septic system, they could put in a temporary holding tank which are usually 1,250-gallon tanks. There would be a water line and it depends on their water. On average, the cost of 500-1,000 gallon is \$200-\$300 every few weeks.
- The projection of a complete sewer system in place is around 48 months.

(Bill – Tippecanoe Lake)

- Is the 48 months when they start the project?
- The 48 months is to completion of the project.
- Do you have any idea of what it would cost monthly for the property owners?
- In the PER, they are targeting \$75-\$85.
- Will consideration be given to such entities as mobile home parks or campgrounds?
- Campgrounds are a different class of user and are entitled to a meter for the entire system (one park, one pay) but has to be entire campground.
- There is OCRA deadline in \$0.5M in grants due in July.

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(Gary Adams –)

- Commented that once the project is designed, bid, and we close on the loan, there is an initial monthly rate that is applied to all of the users to capitalize interest. Depending on what the Board decides, it could be half rate. It will likely be early in 2022.

Motion carried to close the meeting. Motion seconded. Motion carried unanimously.

Meeting Adjourned @ 7:41pm.

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