

Tippecanoe & Chapman Lakes Regional Sewer District Board Meeting Minutes

North Webster Community Center – P.O. Box 572 North Webster, IN 46555-0572

The Tippecanoe Chapman Regional Sewer District Board met in regular session on Monday, March 8, 2021 6:30 pm at the North Webster Community Center and via Zoom at <https://us02web.zoom.us/j/244811872?pwd=ZkIJZkRWFCSVhSUDRXMTZlVzUrZz09> Meeting ID: 244 811 872 Passcode: 041891 One tap mobile+16465588656,,244811872#,,,,*041891# US

MEETING ATTENDANCE: Meeting was called to order at 6:34 pm by Jon Tyler with the Pledge of Allegiance.

I. ROLL CALL:

TCLRSD Board: Ed Ormsby, Jon Tyler, Brian Davison, Bob Weaver, Chuck Simpson, and Kim Hathaway attended in person. Jeff Thornburgh attended remotely.

Carson, LLP: Atty. Andrew Boxberger

Baker Tilly: Jeff Rowe

JPR: Ken Jones, Steve Henschen, P.E, Victoria Trujillo

II. APPROVAL OF MINUTES (February 08, 2021)

Jon Tyler motions for the approval of meeting minutes. Motion seconded by Jeff Thornburgh. Motion approved unanimously.

III. APPROVAL OF FINANCIAL REPORTS

a.) January Financial Report and Bank Reconciliation

Chuck Simpson motions for the approval of the January Bank reconciliation. Motion seconded by Kim Hathaway. Motion approved unanimously.

b.) Annual Report from Gateway 2020

Jeff Rowe sent in the bank reconciliation form and asked for the Board to review, sign, and send back to Yvonne (Baker Tilly).

There were not many transactions in 2020. The largest transaction was the Bond Anticipation Note that was reflected in the Annual Financial Report. There were also a few transactions that included professional fees paid and interest income coming in.

The due date for submission of the Annual Financial Report was March 1st, and it has been submitted.

If the Annual Report from Gateway is acceptable as presented, Jeff recommends for the Board to make a motion for approval.

Ed Ormsby motions to approve the Annual Report from Gateway. Motion seconded by Chuck Simpson. Motion approved unanimously.

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IV. APPROVAL OF INVOICES/CLAIMS

There were claims submitted from Baker Tilly, Carson, LLP, and JPR.

Kim Hathaway indicated the second draw has been deposited and he will be working with Yvonne of Baker Tilly to take care of all outstanding invoices, bringing them up to date. The rent is current.

Ed Ormsby made the motion to approve the monthly claims. Motion seconded by Chuck Simpson. Motion approved unanimously.

V. SUB-COMMITTEE REPORTS

a.) Finance Committee

The Finance Committee met with Yvonne (Baker Tilly) and Andy Boxberger (Carson, LLP) a couple of weeks ago to discuss issues that need to be resolved and the possible TIF.

They still do not have a final answer if the Board has passed the 1% test, however, the final numbers are not in yet.

Andy Boxberger provided the Board with an explanation of next steps.

Andy Boxberger indicated that during the meeting there was a little confusion about the establishment of the TIF District. The Redevelopment would establish the TIF District and it is not a function of the Board. If the 1% test rule is satisfied and the area is eligible for residential TIF, then the Board would need to begin having discussions with the Redevelopment Commission to determine if they can create the TIF.

b.) Engineering Committee

The engineering committee did not have a formal meeting this past month. They did have their initial meeting after the PER and do not have a report to present to the Board at this time.

VI. PRELIMINARY ENGINEERING REPORT

a.) Final Draft with Public Hearing Document Posted on Website

Steve provided the Board with an update for the Preliminary Engineering Report (PER).

b.) Review of Public Comment

All public comments from the Public Hearing were documented.

- (i.) No written or emailed comments were received.

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c.) Cost Certification

Cost certification indicates the Board and Engineers have taken all costs into consideration that include construction and operating costs, operating and maintenance cost, and placement costs. The Cost Certification confirms these factors were included in the recommendations for the proposed project and funding that is being requested. This will be signed by the Board and JPR.

Other certifications the Board will need to sign off on include the PER Acceptance Resolution.

The PER Acceptance Resolution confirms the Board has reviewed the PER and the public comments. It also states the Board is now ready to proceed with the recommendations.

The recommendation is in the \$41M project range with the pressure sewer system as the selected alternative.

The period for public comments has officially ended as of five days after the Public Hearing.

Ed motions for the approval of the Cost Effectiveness Certification. Motion seconded by Brian Davison. Motion approved unanimously.

d.) SRF Application (2021-3-1)

This information was posted on the website and was also included in the Board packet. It is a short form summary of the PER that includes basic census data that is requested on what Congressional District the Board is part of, etc. It also includes very general information about the project, overall funding amounts, and how the Board anticipates paying back towards the project. It was indicated that the Board would anticipate paying back the project through SRF funding and the possibility of using USDA Rural Development funding as well. The application will get the District Board on the project priority list (PPL list) at SRF. If the project scope changes, the Board is not required to go back and update the application.

The recommendations of tasks for the Board to act on include the Cost Certification, SRF Application form, and the PER Acceptance Resolution.

Andy Boxberger suggested establishing a numbering system for resolutions. He suggested 2021-3-1 as the first numbering resolution for the March meeting.

There was no further discussion on the approval of the Preliminary Engineering Report.

Ed Orbsby motions for the approval of the resolution for the submittal of the PER to the State Revolving Loan Funding Association. Motion seconded by Chuck Simpson. Motion approved unanimously.

Chuck Simpson motions for the approval of the SRF Application form. Motion seconded by Kim. Motion approved unanimously.

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(i.) SRF AUTHORIZED SIGNATORY (2021-3-2)

Discussion on SRF authorized signatory that authorizes Jon Tyler as the signatory for SRF.

Chuck Simpson motions for the approval of Jon Tyler as authorized signatory for SRF. Motion seconded by Bob Weaver. Motion approved unanimously.

e. Preliminary Engineering Report (PER) Submittal Timeline

JPR's goal was to submit the PER by March 31st electronically and send a hard copy by mail that will maximize their points on the annual scoring for their project priority list. There is no concern for meeting this deadline.

The scoring will be finalized in July and announcements are expected to be made in mid-July.

VII. ENGINEERING UPDATE

a.) Engineering and Land Acquisition – JPR Update Memo – See Attachment

Steve Henschen went over the monthly Board Engineering Report that included:

1. PER

The PER has been covered and Phase I of the Archeological Report is completed.

JPR is waiting on one response from Farmland Conversion from USDA and this is expected within the next few weeks.

JPR will submit the PER to the funding agency and await them to return the PER back with comments, if any.

JPR anticipates full approval in September or October.

SRF Application was covered and the timeline has been met.

JPR made a recommendation for the Board to act on the acceptance of an Authorization Letter. This would allow JPR to act as the Representative to submit the application. This is very similar to the SRF Application.

2. SURVEY AND DESIGN

Survey work and topography for Chapman is complete. Utilities are up-to-date. JPR will begin coordination with utilities in the next few weeks. JPR will send the utilities their plans and drawings. JPR will also be requesting for utility companies to indicate whether they have utilities in the project area.

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Septic and well locates are on-going and the progress was slowed down for topography in Tippecanoe due to snow; however, this work has now picked back up. Utilities and septic well locates in Tippecanoe is on-going. Survey is expected to be wrapped up in the next 4-6 weeks.

JPR has all of the mapping work complete and will continue to work on the topography work.

JPR is designing the horizontal pipeline alignments for the pressure sewers and the force mains. The preliminary layout is complete for Chapman Lakes and Tippecanoe is near 25% complete.

3. SEPTIC LOCATE INFORMATION

Septic locate information is on-going.

4. DETAILED POWER POLE INVENTORY IS ON-GOING

JPR is completing a detailed power pole inventory to help with the coordination progress. The risers will distribute power to the grinder pumps. The power pole inventory involves getting the tag number of the pole and taking photos to help with coordination with the power company. JPR will need approval from the power company to put a drop-in off of the power pole to feed the grinder pumps.

5. ROAD RIGHT-OF-WAY RESEARCH CONTINUES

JPR will continue to filter through all of the plats around the Tippecanoe and Chapman area. JPR will create a map that shows the streets and roads that have clear, dedicated right-of-way and those that do not. The streets and roads that do not have a clear, dedicated right-of-way will require JPR to work with legal counsel to determine the best possible action on legal permitting of easement or authorization to put sewer line in those segments.

6. GRINDER PUMP STATION LOCATION POLICY

This policy is in the initial draft form and was presented to the Board as part of their packet. The Board and one of the Committees will be responsible for fine-tuning this draft. Chuck Simpson indicated Andy Boxberger has made a few changes and will be prepared to submit for review and approval by the Board (if appropriate) at their next meeting.

7. EQUIPMENT PRE-SELECTION

JPR encourages a pre-selection process due to the multiple contracts (possibly three) with a project of this scale. With this process, JPR will put together a preliminary design package and a quotation package. These packages will be sent out to the manufacturers of the equipment. This will give the manufacturer time to present their solution for a pump that fits the needs of the project. This will ensure the District has access to the equipment they want and to make certain it fits their needs. The specific equipment would be named in the bidding

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document along with the cost of the equipment. This will prevent the swapping out and asking for additional alternatives during the bidding phase. After the pre-selection process, every contractor will know what the cost would be to purchase the grinder pumps and pump station equipment for the project.

The Engineering Committee would be expected to meet, review, and score the equipment options prior to the June Board Meeting at which time the Board will be able to provide their recommendations for equipment. Final quotation packages will be assembled in May and delivered to the Board in June for their recommendations on equipment.

Chuck Simpson asked if the products were American-made and if the Board could specify using American-made items.

Steve indicated that not all products are American-made. With this project there are American iron and steel requirements through the funding agency; however, anything that has a motor on it is exempt from AIS. Any of the reinforcing steel components need to be AIS compliant. Anything on the manholes will need to be compliant with AIS requirements.

Control panels, pumps, and panels are not required to meet AIS requirements.

Jon Tyler asked how many different systems the Engineering team is looking at and Steve responded they are currently considering three different options that include grinder stations with a control panel that runs it, the pump station with control panels (4 of these planned), and the stand-by generators at each main pump station (4 of these planned).

Steve recommended for an Engineering Meeting to be coordinated before the next Board Meeting on April 12th.

The Engineering Committee Meeting date was set and is scheduled to take place on March 29th @ 6pm at the TCLRSD office in the North Webster Community Center. Jon Tyler, Jeff Thornburgh, Brian Davison, and Steve Henschen will be in attendance.

This concludes the engineering survey and design update.

8. PROPERTY OWNER DATABASE

This work is on-going. This work will be considered complete when the first notification letters are sent out to the property owners.

9. EASEMENT/LAND ACQUISITION

A complete inventory has been completed that includes every parcel within the District territory. Single-family, duplex, and triplex homes were included in the inventory. JPR has confirmed inventory of empty lots and whether they can be developed or not. JPR plans to have a good inventory to assist in the development of sewer rates and ordinances and defining structures as to how they are going to be built.

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The importance of the parcel inventory and the creation of unique parcel IDs will have its benefits when it is time to work with the title company. The title company will assist with the deed research and begin pulling the last deed of record for every parcel in the district in preparation of sending out the easement notifications. This information will be attached to the easement letter notifications.

b.) EASEMENT LETTER

Andy Boxberger presented information about the easement letter and indicated this will be the first communication the customer receives. This letter will be sent out with the easement form that is used by the attorney and will explain to the customers what an easement is, why it is needed, background information on the project, what utilities are, what the property-owner rights are as a customer, location of the grinder, how the grinder location decisions are made, and if they will be required to connect to the system. In most cases, the customer who is receiving the notification is required to connect.

Property owners will need to connect if their sewer is 300' from the connection point or if their property is located on a body of water.

There are very few exceptions on whether a property owner will be required to connect under Indiana State Law that include:

- 1.) If the property owner has a new septic system.
- 2.) If the septic system is less than ten years old.
- 3.) 10-acre exemption.

If the property owner's septic system is less than 10-years-old, they may be exempt but will need to notify the District in advance of their intentions to apply for an exemption. Once approved, the property owner will be able to keep the exemption for up to 20-years or the life of the septic system. There is a timing associated with this request for exemption. Each property owner that is required to connect will receive two notices. It is recommended by the Board that customers notify them as early as possible of their request for an exemption in order for the District to begin this process.

The 10-acre exemption, which does not apply very often, states if the property owner has more than 10-acres and sufficient amount for a leach field, they can apply for an exemption. There is no timing associated with this exemption.

Andy Boxberger also indicated the Board is required by law to inform future customers of their property rights, "When a Public Agency Acquires My Property" and the District's need for easement. Essentially, the District would be adding more value to the property than the easement is worth. An underground easement would be required. This type of easement does not take up a lot of the property owner's land. The new sewer system will add more value to the homes included in the project and the lake areas.

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The notification letter will also include office hours and dates of informational meetings property owners can attend to have questions answered about their easements. The letter will also include information on where property owners can visit to execute their easements. This letter is still in draft form.

Andy Boxberger presented an example of the sketch that will be included with the letter. The letter will request for property owners to provide the Engineers with a sketch of their property to get a general idea of where their septic systems are located.

The other document that will be included with the letter is the Agreement for Temporary Construction Easement and Permanent Sewer Utility Easement. This document will grant the District's needs to install a grinder.

There is a blanket construction easement that applies to the entire property. The plan is to have this in more detail once the policy has been finalized.

When the project is complete, the temporary construction easement expires, however, a permanent easement remains in place. This will allow the District to maintain the grinder and the lateral (from the grinder and the main) in the future which is a 15-foot wide easement or 7 ½ feet on either side around all of the facilities that have been installed on the property. This will be the main easement used for all property owners.

Jon Tyler asks if the customers will be required to sign the easement before they know where their system will be installed. Andy Boxberger responds that they will coordinate communication and it could go both ways.

Chuck Simpson asks when the letters will go out and Steve recommends for the letters to be sent out in sections with the property owner's deed attached to the easement. Andy Boxberger responded if the letters go out all at once, they could be sent out some time in April.

Andy Boxberger suggests JPR report where they are with the letters and deeds at the next Board Meeting.

Metropolitan Title now has a program for remote notaries. The cost is \$150 and the fee is waived if they visit the Syracuse office.

Witnesses are no longer needed as part of the execution of the easements and only a notary signature is required.

Mainline easements are used for those who are not part of the project but still need to run a main line. These properties will not be serviced.

VIII. LEGAL COUNSEL UPDATE

a.) Per Acceptance Resolution

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b.) SRF Authorized Signatory

c.) USDA RD Authorized Representative

JPR had preliminary conversations with both funding agencies (USDA and IFA). Both agencies are in support of funding this project together. The plan is to explore the different options available for funding and authorization from Jon Tyler is needed for the firm to communicate with USDA. Andy Boxberger asks for a motion to sign the SRF Authorized Signatory Representative letter.

Ed Ormsby motioned for the authorization of Jon Tyler as authorized signatory. Motion seconded by Kim Hathaway. Motion approved unanimously.

d.) Internal Controls (2021-3-3)

Andy Boxberger presented to the Board a resolution to adopt an Internal Controls and Materiality Policy. This is a statute required by the State Board of Accounts and it is in place to protect District funds.

Andy Boxberger provided the link for a 26-minute video the Board is recommended to watch. There is also a form attached for the Board members to fill out send back to Andy Boxberger, copying Yvonne Milligan once the task has been completed. The materiality policy attached to this establishes two scenarios when the Board would need to notify the State Board of Accounts if there is a discrepancy with funds. Carson, LLP is working with Baker Tilly to determine what the exact dollar amount is. Andy Boxberger requests for a motion from the Board to adopt the Materiality Policy.

Ed Ormsby motions to approve the adoption of the Internal Controls and Materiality Policy. Motion seconded by Chuck Simpson. Motion approved unanimously.

e.) Pre-Meeting Spending Resolution (2021-03-4)

The statue would allow Kim Hathaway to pay certain items such as rent before Board meetings take place. This resolution would also allow Kim Hathaway to pay an enumerated list of other items before Board meetings.

Chuck Simpson motions for the authority of Kim Hathaway to pay claims. Motion seconded by Ed Ormsby. Motion approved unanimously.

f.) Capital Management Plan (2021-3-5)

Jeff Rowe discussed the Capital Management Plan. Once the State Board of Accounts has completed their first audit, the District vote will be required to adopt a capitalization threshold.

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The threshold determines what the District will classify as an asset versus a day-to-day expenditure. The threshold establishes a dollar amount of \$1,000 on any piece of equipment or asset. Any equipment that has a purchase value of \$1,000 or more will be recorded as an asset in the books and depreciated over time. There will be an asset ledger that is maintained over time where those assets are captured and depreciated over time. If the amount of the equipment is less than \$1,000, then the item would be considered to be an expense in the period it is incurred. If the item cost is too low, it can be modified at a later date. Jeff Thornburgh recommends a \$3,000 or \$5,000 threshold.

Jon Tyler motions for the approval of the Capital Asset Management Plan as proposed. Motion seconded by Kim Hathaway. Motion approved unanimously.

g.) Small Purchase Policy (2021-3-6)

Andy Boxberger presented to the Board a resolution adopting a Purchase Policy. The statute allows the Board to purchase items under \$50,000 in any way that is deemed appropriate. This policy would allow an officer of the District to purchase any item up to \$500 or less, i.e. office supplies, etc. If the item is between \$501- \$5,000, the expense would be presented to the Board for approval. If the item is greater than \$5,000, the officer would be required to seek three quotes before the Board's approval. If it's over \$50,000, the statute kicks in.

Chuck Simpson motions to approve the Small Purchase Policy. Motion seconded by Kim Hathaway. Motion approved unanimously.

h.) Interlocal Agreement Update

i.) Insurance and Bond Update

It was decided by the courts a month ago that all Boards belonging to a political subdivision must have a bond in place. This statute is not under the RSD and is associated with misappropriation of funds. The bond has a dollar amount that needs to be met at \$15,000 and Andy Boxberger presented a bond application for each of the Board officers to fill out from Cincinnati Insurance. Andy Boxberger has prepared a resolution to establish a bond amount because the Board's formation order does not have a bond amount at this time. The amount can be added in the resolution with approval from the Board and the resolution can then be adopted.

Ed Ormsby would like more information on what other Boards have in place.

Andy Boxberger can fill out the application and request a quotation for different bond amounts in case the Board would like to go with a higher threshold.

Andy mentions this discussion can be tabled to the next meeting since the Board is not bringing in any revenue at this time.

Andy Boxberger can also request a quote from Arizona Missions Insurance.

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This item for discussion has been tabled to the next meeting.

j.) Other Topics of Discussion

Andy Boxberger indicated the formation refers to the project name as Tippecanoe and Chapman Lakes Regional Sewer District.

Andy Boxberger indicated he will need to file a DBA for Tippecanoe and Chapman Lakes Regional Sewer District.

Andy Boxberger mentioned that he spoke with a Warsaw attorney and he was not aware of an LOI. Andy Boxberger will request a copy of the official LOI to sign at the next Board meeting.

IX. FINANCIAL CONSULTANT UPDATE

a.) TIFF Update

b.) Rate Report Update

Jeff Rowe indicated Baker Tilly is working on updating the Preliminary Rate Analysis looking at the various funding options being SRF and the potential partnership with USDA. Baker Tilly is hoping to present the Preliminary Rate Analysis for the Board to review at their next meeting.

X. PUBLIC INPUT

A comment was made that there have been several properties that have been acquired by adjacent property owners that currently don't have any structures.

Steve Henschen indicated that this will happen throughout the duration of the project. Steve Henschen asked if the property needs to be served by the District and if there is a recorded deed? Steve also indicated that once an easement is set on a property, it is attached to that property forever.

Andy Boxberger asked Steve Henschen where the engineering firm is in the process and if a structure could have already been taken out that the engineers thought to be in place.

Steve Henschen responded that it is possible as JPR completed their inventory in the middle of a snow storm a couple of weeks ago. The inventory analysis will continue to be updated.

Property owners are encouraged to notify the District or engineers when they are aware of any changes.

Is the monthly cost to the landowners going to be included in the letter being sent out?

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Steve Henschen responded the cost would be included in the Rate Report from Baker Tilly. A Preliminary Rate Report has been established, however, Baker Tilly is in the process of updating this report. Baker Tilly's goal is to have the Rate Report updated and presented to the Board at their next meeting.

Ed Ormsby motions for the adjournment of the meeting. Motion seconded by Chuck Simpson. Motion approved unanimously.

Meeting adjourned at 8pm.