

Agenda: Board of Trustees Meeting

Meeting Date: December 18, 2018 5:30PM

In Attendance: Lana Beregszazi, Consulting Board; Don Amber, Board Member; Frank Kessler, Board Member; Randy Cokl, Board Member; Chad Nix, Board Member; Todd Nichols, Board Member; Matt Shipman, Legal Counsel; Dawn Dragnev, Administrative Support

1. Administrative

- a. Approval of Minutes from November meeting
Motion made by Amber, second by Cokl to approve November meeting minutes-all approve. Motion passed
- b. Approval of 2019 meeting schedule
*Kessler made a motion to pass. Amber seconded all approve-motion passed
Bergszazi stated the 2019 schedule will be posted once with the Post and Mail and Churubusco Tribune newspapers and any changes will be posted and all minutes and agenda will be on Whitley RSD website. Nix asked if it is also posted the Whitley County Government website. Beregszazi replied that the minutes and agendas can be posted on the Whitley Count Government website but that current it is only on the Whitley RSD website. Amber stated he thinks it should stay on the Whitley RSD website. Nix agreed.*
- c. Status updates on partner agreements
 - i. Columbia City
Shipman stated that Columbia City is currently working with Jeff Rowe at Umbaugh to come up with wholesale rate which is currently not in their specs. Columbia City does have an Industrial rate and metering. Shipman has asked Columbia City to consider doing two rates; a standard and one for a financially depressed area can Whitley RSD charge a reduced rate for that specific area.
 - ii. Churubusco
Shipman defers to Beregszazi because she attended the Churubusco meeting. Beregszazi explained Churubusco agreement, stated it -started the same as the Columbia City agreement. There a few hold ups before Churubusco will likely sign the agreement. The first being, how is the territory outside of the Churubusco city limits defined. Beregszazi stated that by definition the Whitley RSD would ideally pursue any project areas outside of city limits that makes feasible sense to

connect to existing infrastructure. Beyond that each project requires Churubusco's approval to connect. If Churubusco is interested in pursuing a septic elimination or new development project outside of city limits they need to state they intend to do so and not approve connection. Beregszazi stated that these parameters need to be in the agreement. The Blue Lake Conservancy District currently connects to Churubusco and is assessed a wholesale rate for treatment. Proposal is to amend the current Churubusco Rate Ordinance to amend the "Blue Lake Conservancy wholesale rate" to the "Blue Lake Conservancy District rate and Whitley RSD wholesale rate". Maintenance requirements are another concern of Churubusco as they currently have a similar arrangement with the Blue Lake Conservancy District yet find the Churubusco maintenance staff is frequently called to service and repair infrastructure in Blue Lake Conservancy. The Whitley RSD needs to have a solid maintenance plan to provide reassurance that the Whitley RSD will be in charge of its own maintenance and not Churubusco. The Whitley RSD Maintenance Plan is in the works. Final point of negotiation with Churubusco is notice period for rate changes is currently at 180 days Churubusco stated they want to change it to 90 days. Ninety days could be doable if that's what Churubusco is hung up on. Beregszazi requests suggestions or changes from the Board. Amber asked if the rate notification is 90 days. Kessler stated it takes about that long to make any changes. Shipman stated procedurally they need to give 90 days' notice to the Whitley RSD to know if there are rate changes to their sewer ordinance. Nix stated he didn't see any other issues that would hold them back. Beregszazi stated that wholesale rate is very fair.

iii. Aqua Indiana Cooperation Agreement

Shipman stated he believes the foundation with the Aqua Indiana Agreement is there. There a few things he wanted to flush out before presenting to the Board before the end of the year to get the Board's agreement sent back to Aqua Indiana. Shipman hoped to have that completed at the January 2019 Board meeting.

Beregszazi stated the biggest sticking point with Aqua Indiana is the \$1,300 connection fee which would be assessed at \$1,040 for Whitley RSD customers. Whitley RSD has requested the fee to be waived and will continue to push for it to be waived. Which is the hold up with the completed agreement. Shipman thanked Beregszazi for her input and believes it is appropriate to push for the waived connection fee as it is the intent of the Whitley RSD to receive the best deal for their customers.

d. Bond anticipation note

Beregszazi reviewed a bond engagement letter that was drafted by Kimberley Blanchet from Barnes & Thornburg to utilize her services as a bond council. Requested to have the

Board sign the letter to start working with Blanchet to begin working on a bond ordinance, which would be signed at the January 2019 meeting. Nix asked how the dollar amount is determined in the bond council. Shipman replied that it is usually a function of the amount of the actual bond itself. Amber made a motion to contract with Blanchett as the Board's bond counselor. Cokl seconds. All in favor. Motion passed.

e. Rate development

Beregszazi stated she has been working with Eric Walsh of Umbaugh to update rates. The largest factor to rates would be the received grant funding that may come from OCRA, SRF or USDA.

2. Banking and Treasurer assignments

EIN numbers and tax forms need to be finalized before a bank account can be opened which the bond payments will run through the account rather than the CEDIT funds that are currently being used.

Beregszazi presented first drafts of 2019 and 2020 operating budgets. She explains that the general approach is distribution of revenue and expenses by general operations and by project area. Half rate billing will go into effect at the end of 2019 for payment toward bonds. 2020 Budget is a baseline with a few assumptions; no projects have been added to the 2020 budget from the 2019 budget draft. Projected revenue assumed all service areas going from debt service only to full rate billing in April of 2019. Churubusco wholesale rate and draft Columbia City wholesale and Aqua reduced EDU rates were used in the calculation. South Whitley has been left blank, as it is still to be determined. More customers, budget goes down, less customers, budget goes up. Surplus or shortfall should be at zero for a not for profit organization. Difference in 2020 is the project funding for new development has been lowered with the assumption that there will be a slowdown with the assumption of 5 investigations and 3 projects. Will eventually need a sign off but as of right now it's a work in progress and numbers are finalized.

3. Public Comments:

Jeff Hochstetler, Noble County

Mr. President, I appreciate your time. I don't think my comments will be redundant to anybody, because I'm going first so, I don't think anybody else is going to be redundant after mine. Simply I would like to ask the board here, if you would, to consider reviewing-and I typed-this is my comments-I typed this up, but I will state my name. Jeff Hochstetler and I actually am a resident of Noble County, with interest in this stake as my father is a resident in Stable Acres. So, I would ask committee to please review your voting records and or public statements at meetings earlier this spring regarding the decision the no projects would move forward without at least 50% yes vote from the afflicted residents. And to determine whether any subsequent votes by this committee, ah this board, would override that vote or proclamation. Upon completion of this review I would ask that the community or this Board to determine whether the vote taken last week was in violation of this. I would also ask that the determination be made public and I would encourage the residents of Stable Acres to seek their own review and determination with regards to this. So with that, I do understand too, that this Board is planning

on moving forward, no matter what, I understand that. And I do understand some of the state mandates. But I would encourage you to exercise restraint and hesitation, wherever possible for the benefit of the resident that you are going to be impacting. And I would be very careful when it comes to what you are hearing and I would commend, basically from my understanding, a wonderful sales job that has taken place here. And I have been and am continuing to research this further. And I do understand where the benefits are being presented, but at the same time, I feel like there's also other avenues that can take place and be done prior to, implementing a sewer district in an area, for example, like Stable Acres. And so I would encourage you to explore other possibilities prior to doing this. And also to keep in mind the economic impact and how you measure that with regards to these residents.

Follow up statement: I apologize but because you backed up I just wanted to ask a question or make a statement. There was a gentleman that was here earlier, that mentioned the report that Scott Wagner provided. And I do appreciate that I uh, was a member of the hazmat team for our fire department for Noble County for many years. As I understand, those systems are not failing, and uh, based upon that report. And so I would like for that to make sure that the Board considers that as you are moving forward as well. So, pretty much it. That was it, so thank you.

Johan Bernard Vice President of Stable Acres Neighborhood Association
6270 South Derby Drive

This is going to be a little bit off hand, a little bit different. My name is Johan Bernard, and I am Vice President of the Stable Acres Association. So uh, all of this, when you're seeing people sitting here. I think this all got precipitated by your actions which we find to be kind of underhanded. Uh, I assumed that there's a board of seven of you, there's maybe somebody's missing, that you all vote 7 to 2 to go ahead with this project. Is that correct? OK what is correct. Five to two. OK. I'm, five to two, seven to two makes no sense doesn't it? OK so five to two and you did that, two days before Thanksgiving. Nobody in the neighborhood got a notice on that. To me that sounds, to me kinda underhanded and there's something going on that we don't know completely about. You're a board-lemme ask you this-you're a board that was appointed by the commissioners of the county, correct? OK. And I'm making the comments. OK? So, but the only way I can make a comment is to ask a question, because from that I'm going to make a comment. Yes or no? We're not here world domination, this is Whitley County. Huh? Well my comment is, that, I don't know who you people are. I don't-I do not know-and nobody really knows who you are. How do you get to this position? Did one day did you stand up and you say to yourself, "Geez, I'd like to be in the Board of Trustees for the sewer district". What is your background? Why are you people so knowledgeable, and so uh, proficient at making the decisions that, that the majority of people do not want to have. That's a rhetorical question mmkay. Uh, and uh, uh and that's the problem that we're having here. You have done something that was done two days prior to Thanksgiving that raises the ire on everybody here and that's your fault. Uh, I think we should have had a notice that we could have come here

and made a debate before you made a decision, but without any due regard to the people. Like this gentleman over here said, uh and their impact on their lives, you made a decision. There are people that are in that neighborhood that are not going to be able to afford whatever you want to charge as far as a, as a sewage disposal system is concerned. And the vast majority of the, of uh, our septic, and sew-and uh septic systems in that county, are running well. Even by state standards, there are's none, there's none that are, are failing. And that is based on the uh economic-or the uh-environmental impact study that, Scott Wagner gave us. So, it's my un-I want to know-and I don't know if you can, if you can answer that, but, my concern is that we came up with a five rating. Based on absolutely no tests. Not according to the environmental study that we got from Scott Wagner. So, in a way, there's a lot of questions here, a lot of things, because you know, remember you did it two days before Thanksgiving so we didn't have a chance to answer, or ask. But I think that what has occurred here has been very nefarious and very underhanded and I think that's what the majority of the people here are angry about. Mmkay?

Follow up statement: So let me ask just real quick then. You've pretty much, as we know, it's a signed and done deal. I don't care what we want, I don't care how much information or research we've do to show that you are wrong and there isn't a health problem out at Aqua-in-Stable Acres. And there's no need to put in new septics. What you're saying is we don't care what you think, we don't care what the science evidence is, we are going to put in a waste management or sewage system into that district. And it makes me wonder how much skin you guys all have in it. You know? It's just-this is-why you would-you shake your head over there sir, but you know what? You sit there your smartass face and you said, you know we'd be coming here, wait a minute just let me finish. You said we'd be coming here for a year and we'd been doing this every Tuesday but you know the reason why nobody shows up? Because back when we took a vote the majority of the people in our association said NO! What's the reason for coming here if we said no and you're coming behind our back and go ahead and do it anyway? Can you explain it to me?! Why? Oh, you must have a lot of money then, you're not fixed income I assume? Well good for you.

Douglas Alan Dyson 3630 East State Road 14

Hey, thank you gentlemen, thank you, thank you, thank you. I've got paperwork if you'd like some? Alright, gotta hurry here. As elected and appointed officials, as you are aware, you've all taken an oath to support the Constitution. Oh hey, yeah, I'm Douglas Alan Dyson. Yes, and who are you? Thank you very much. Yeah, yeah. Oh, OK Don. Oh really? Well my pleasure to meet ya. But anyway, you've all taken an oath to support the Constitution and uh of course it's mandated in article four section-er uh-article fifteen section four, which is on the last page, which of, uh, I guess its page three I guess and I'm sorry if you're insulted Mr. Amber, but, you know you're mandated to do that. Anyone that is appointed or elected and I'm highlighting some of the things in here, and one of the things is, article one, section one, "that all power is inherent in the People; and that all free governments are and of right out to be, founded on

their authority, and instituted for their peace, safety and well-being.” It’s my opinion, like Jo said, its not too peaceful or much well-being-and I can see you’re very disturbed Mr. uh, Amber with these comments-but uh as we go on down through here we have to look again further into the Constitution and when we do that we find, that “the General Assembly shall not” pass to any grant or to uh “not grant”, this is article uh one, section 23, “The General Assembly shall not grant to any citizen, or class of citizens, privileges or immunities, which upon the same terms, shall not” be “equally belong” to the other citizens. I’m not, uh, I’m not-I do not want to be part of this district and there’s other people in the county that’s not being forced to put it on. Now if the whole county was forced to put it on I could get there, but I can’t get there if you drive down the road and some people you know have to do it we don’t have to do it. I don’t get that. I don’t get why I’m mandated to hook up to this system. While we’ve got other people that have the privileges and immunities of not having to hook up. So, uh my suggestion and my thoughts are is this here; if you’ve got a group here that you people have got a letter from uh, Lana. And she says that they’ve considered the people. And the ones I know out here I don’t believe she’s really considered them. And uh if you go down here to uh, to uh, Star Insurance Agency, the county insurance, uh Is with, Travelers. And I’ve got a claim here, and I got their phone number and I’d suggest, each one of ya file a claim against the county. If their insurance bill, gets high enough, surely, they’ll understand that we’ve had enough! So, I dunno what else I can tell ya. I intend to file a claim against the county. I mean it’s that simple, they’ve taken an oath, they’re responsible to the Constitution. I accept each one of your oaths I bind you to it. You know? And uh, if you don’t like this Mr. Amber I don’t like it any better than you. OK. Thank you very much.

Beregszazi stated a lot of what concern regarding the Whitley RSD is doing is because of a lack of understanding. She stated she has been told that there are a few people in Stable Acres that would like to have had more health information out in the public forum to understand the environmental impact and health concerns. Amber asked how the Board could distribute the information. Beregszazi stated that it can be mailed and will be part of the general packet sent to property owners and on the Whitley RSD website.

4. Projects in Preliminary Investigative Report Phase

a. Gateway East (Columbia City)

Beregszazi stated the PIR is in progress and Nitza did a site assessment and it will be incorporated into PIR to be presented at the January meeting.

b. Collamer (South Whitley)

i. Review PIR from Engineer

Beregszazi reviewed the PIR and explained It is the first connection with South Whitley. Two options, one being all low pressure with individual grinder pump stations and the other, preferred is with gravity pump and lift station with some grind pump stations. Between Collamer and the residents along the proposed sewer connection line there are 41 connections. Gravity with lift station, is higher

cost. Will likely go with grinder pump stations as it is more cost effective. South Whitley currently does not have a wholesale rate, currently just a flat rate that relatively very high. This area has been put into the possibility for OCRA grants but that has not been factored into the PIR pricing. Monthly rate ranges are above what the Whitley RSD is currently looking for. Low end is \$152/month, high end; \$268, not going to move forward with that project if that rate is that high. Beregszazi reviewed the key points, that are the homewoners responsibility being; decommissioning of grinder pumps, lateral connections from house to line, and connection fee accessed by the treatment provider.

Without OCRA grant financing the project is not feasible. Nix asked if this was the project that the Board looked into rolling into a project with Coesse and Laud to receive grant funding. Recommendation to the board by the engineer is to proceed with community presentation. Beregszazi stated she would like to review the possibilities and would like more information about the grants.

Amber made a motion to table the project until January meeting. Seconded by Nichols. All in favor. Motion passed.

c. Joseph Decuis Regional Septic Elimination (Aqua Indiana)

Beregszazi explained the project. Beregszazi requested an abbreviates PIR approval for the Joseph Decuis Farm and the properties not connected to Aqua Indiana along the proposed route. Nichols made a motion Amber seconded. All in favor. Motion passed.

5. Projects in Engineering Design Phase

a. RFQ 2018-1 issued 12/10/2018

- i. West Churubusco (Churubusco)
- ii. Southern Churubusco (Churubusco)
- iii. Community of Dunfee (Aqua Indiana)
- iv. Stable Acres (Aqua Indiana)
- v. E. County Line Road South (Aqua Indiana)

Beregszazi reviewed the RFP stating that the projects put in that packet were within the cost feasibility range that the Whitley RSD has agreed on. Most of the engineers have reached out and there is much interest.

Beregszazi asked the board if it was appropriate to explain the cost for property owners related to a project considering there were so many Stable Acre residents in the room. Nix agreed that it was appropriate. Beregszazi stated that the connection fee is waived for all Whitley RSD septic elimination customers but there are some upfront costs that the Whitley RSD cannot roll those into bond payments. The first cost is the decommissioning of the septic system. The second cost is the lateral and electrical connection (for grinder pump connections) from the house to the main line. The cost varies by how far the house is to the connection point. The third fee is the connection fee to the service provider which

Beregszazi stated that she is working to remove and does not believe that Whitley RSD customers need to pay to connection the Aqua Indiana. Beregszazi stated that she wanted to reiterate that the Whitley RSD is a non for-profit organization, meaning that it cannot make or lose money. Beregszazi stated she is wanting to keep residents informed and the cost is \$100-\$120 per month. Nix stated that the board is looking to keep the monthly rate lower than that.

b. RFQ 2018-2 to be issued 12/19/2018

- i. Laud (Aqua Indiana)
- ii. Coesse (Columbia City)

Beregszazi states the RFP is to be run after the fact because it will be on a different timeline.

A community member asked if someone ever looked at the drainage in the area. Beregszazi stated that was a good question and the reason that much of E.coli was found was due to the poor drainage of the area. The point was also made that the Whitley RSD Board has no jurisdiction over the county drainage but by working in collaboration with other county agencies they have brought it up to the appropriate agencies.

Meeting adjourned at 6:49PM.