

**STEUBEN LAKES REGIONAL WASTE DISTRICT
BOARD OF TRUSTEES MEETING
MAY 10, 2012
PUBLIC HEARING FOR RATE ORDINANCE 2012-02**

Bill Heckley: Steuben Lakes Regional Waste District Trustees Meeting May 10, 2012, public hearing for Rate Ordinance 2012-02. Tim, roll call.

Tim Frederick: Bill Heckley – here; Jim Kidd – here; Bob Coder – here; Jim Van Vlerah – here; George Pifer - here; Lyndon Tucker - here; Harry Krebs - here.

Bill Heckley: For this we will start with the public hearing. Public Hearing for Rate Ordinance 2012-12. Each person will be given 2-3 minutes to speak for and against the rate ordinance. The rate ordinance is in effect because of the rate is increasing in Fremont, and we do have 250+ customers that do send the waste to Fremont so when they raise their rates and they raise it over 4 years in increments in those 4 years, um, is what we're doing it, it is just for class 3 customers, and is what we're doing is passing through to those 250 plus customers. Right Tim? Anything else, we will start, anyone who wants to speak ...

Tim Frederick: Do we need to read it by title?

Bruce Boxberger: Um, I would, I would, for the record, Mr. Pre.... Well, I thought maybe you did. You didn't?

Bill Heckley: I read the Public Hearing Rate Ordinance 2012-02.

Bruce Boxberger: Yeah, you stated in... yeah, we are ok. I mean the record will clear that all up.

Bill Heckley: So, is there anyone here that would like to speak for the ordinance? If so, they can

Tim Frederick: Here is your list that wants to speak, but I think these two may be later. You will have to ask them.

Bill Heckley: Is there anyone who wants to speak for the ordinance? Um, anyone want to speak...

Bruce Boxberger: I, I want to ask our financial consultant, um, John Julien, from Umbaugh & Associates, just, just for the record, as to why we are doing this.

John Julien: Um, my name is John Julien, from Umbaugh & Associates, and we serve as financial advisors to the District for a number of matters, including um, the uh, the proposed adjustment of rates that are reflected in the ordinances for consideration this evening. I thought I could give a brief summary of the basis for the adjustment, um, as mentioned earlier. The Town of Fremont that provides sewage treatment services for the um, uh, class 3 service area, as earlier this year adopted new rates and charges that um, impact your cost of sewage treatment, and, uh, the nature of those adjustments are phased in, of, in four steps in the next four years, and the, the

primary purpose of the adjustment of rates is to capture that increase cost so that the district's financial position isn't adversely impacted. Since we are going through the process of adjusting rates and charges for class 3 customers and looked at a modification for the other costs of operating the service area and uh, and have identified some additional costs, at a, that the district is incurring, so the uh, uh, the rate ordinance and the rates reflected in that ordinance capture that cost as well, um, so what we have in the ordinance under consideration, is a, a adjustment, again that will be synchronized with the increases that will be impacted, uh, impacted by the Town of Fremont, um, and pass those costs through to the users as well as a onetime adjustment to reflect the overall increase of costs as serving that particular service. So, um, it is our recommendation that the rates that are under consideration by the Board, um, are um, are essential to protect the District's financial position in passing those costs to customers in class 3 services.

Bill Heckley: Any questions from the Board here for John, before we go on. Ok, thank you. Anyone else want to speak for the rate ordinance? Ok, we will move on. Anyone, so all of these want to speak against the rate ordinance?

Tim Frederick: I don't believe the first two, they want to speak at the regular board meeting, um, Mr. Wise, and Mr. Larimore.

Bill Heckley: How about, I can't read the third name.

Lisa: It's Aaron Steury.

Bill Heckley: Aaron, No, Dan, do you want to speak against the rate ordinance?

Dan: I have mostly a question...I was

Bill Heckley: You have to come up here, um Dan. Come up here and give us, uh, your name and address.

Dan Thiele: Ok, thank you for the opportunity. My name is Dan Thiele. My address is 200 LN 150 Little Otter Lake in Fremont, Indiana. Um, I would suspect I am against the rate ordinance but I mainly just have a question at this point, and that is, uh, the capacity fee that has been, uh referenced as part of the ordinance. Um, I would like to know if that is to replace, uh, the former connection fee that was a part of your (indiscernible).

Tim Frederick: Should we, are we allowed to answer?

Bruce Boxberger: Yeah, Yeah, you want to answer that? Yeah.

Tim Frederick: Tim Frederick, that's the uh, the replaces the capital connection fee. The current capital connection fee for uh, the Class II users is at \$3,319.35. Three thousand, what is it? \$3,391.35. So that will be reduced from that amount down to \$3,000.00. The cluster systems section was at twenty five hundred and fifty two dollars that will be increased to the three thousand dollars. Um, the Orland area would go from nine hundred fifteen dollars to three thousand dollars. Uh, we did not establish a, a actual capital connection fee for the Orland

project, because it was grant funded and so therefore there wasn't any need for that, and then the uh, North Snow Bay area for new connections will go from I believe it is twenty five hundred and fifty dollars up to the three thousand. So it puts everybody, no matter where they are at, it puts them all in the uh, same amount. And it does not increase uh, the connection fee for the class two users was an increasing fee that, uh, went up a certain percentage each year with no cap.

Bill Heckley: Ok, alright.

Dan Thiele: Just a quick follow up. Mr. Frederick, I just was trying to write and I didn't catch the first one you mentioned that was thirty two or thirty three hundred. What portion of the current customers was that?

Tim Frederick: That's the majority of the customers and it only affects any new customers. It does not affect any current customers.

Bruce Boxberger: It is only going forward.

Tim Frederick: It is only if somebody connects to the system now.

Dan Thiele: Right. But I mean if the thirty two or thirty three hundred that, so that will be all of the customers under within those other groups that you mentioned.

Tim Frederick: It is class, class two customers.

Dan Thiele: Class two customers. Thank you.

Tim Frederick: Yes.

Bill Heckley: What it does it brings what, parity, it brings uh, consistency to the, because the, the scale that we were using some of them was increasing right? as we move forward and rather than let that, rather than let that keep increasing to where it got out of hand, we set a flat rate for all

Tim Frederick: Yes.

Bill Heckley: new customers. No one else then? Where we at now?

Bruce Boxberger: ah, um for the Board to consider uh, uh, the ordinance and to uh, consider passage or rejection. We introduced it at the last meeting so this is the passage meeting, or whatever the Board.

Bill Heckley: What are we looking, for a motion? Right, we are looking for any questions from the Board or a motion.

Bruce Boxberger: I assume, first the questions.

Bill Heckley: Any other questions for the Board? So we need a motion.

Lyndon Tucker: Lyndon Tucker, I make a motion that we adopt Ordinance number 2012-02 sewer rate ordinance.

Bill Heckley: Need a second.

Bob Coder: Bob Coder, I'll second that motion.

Bill Heckley: All in favor, signify by saying aye.

Board: all say aye.

Bill Heckley: any opposed? abstained? seven zero. So we need to close, we need a motion to close this portion or, indiscernible noises.

Tim Frederick: Do we need to do a third reading? I think we did in the past.

Bruce Boxberger: I know that we have in the past. That has changed. Uh, just to be safe, why don't we go ahead and do a third reading. And I would just say that this a third reading of the uh, uh, ordinance number 2012-02 restated amended sewer rate ordinance and then I would go through the same thing again as we just did.

Bill Heckley: Ok.

Bruce Boxberger: I don't think it is absolutely necessary. Just do it.

Bill Heckley: Alright.

Bruce Boxberger: I would recommend that we do it.

Bill Heckley: Ok, then we are looking for a motion then for Ordinance number 2012-02. It's restated an amended sewer rate ordinance.

Bruce Boxberger: I think the title is fine.

Bill Heckley: It's fine?

Bruce Boxberger: Yes, it is in the record.

Bill Heckley: So, this is our third reading.

Bruce Boxberger. Yes.

Bill Heckley: And final.

Bruce Boxberger: Third and final reading.

Bill Heckley: So, we are looking for a motion to accept that.

Bruce Boxberger: Yes.

Jim Kidd: Don't you want to ask first?

Bruce Boxberger: No, we had the public hearing on that.

Jim Kidd: Ok.

Jim Van Vlerah: Jim Van Vlerah, I make a motion that we accept the third reading, ordinance number 2012-02 the restated sewer rate ordinance as printed.

Bill Heckley: Second?

Jim Kidd: Jim Kidd, I'll second it.

Bill Heckley: All in favor, signify by saying aye.

Board Members: aye.

Bill Heckley: opposed? abstained? Seven zero.

Bill Heckley: We need a motion to close this part of the meeting.

Bruce Boxberger: Um, you can move to the uh, regular meeting if you want to right now.

Tim Frederick: We need to close it though so I can.

Bruce Boxberger: Oh. He needs to do something. Ok,

Tim Frederick: For recording purposes.

Bruce Boxberger: Ok, so, then, why don't, why, why don't we...

Tim Frederick: We need to close it.

Jim Kidd: Jim Kidd, I'll make a motion that we close the public meeting ...

Bruce Boxberger: I didn't realize that Tim. I'm sorry.

Lyndon Tucker: Lyndon Tucker, I'll second that.

Bill Heckley: All in favor, signify by saying aye.

Board Members: Aye.

Bill Heckley: Any opposed? Sustained? Seven Zero.