

**STEUBEN LAKES REGIONAL WASTE DISTRICT
BOARD OF TRUSTEES MEETING
APRIL 26, 2023
23-04R
6:00 P.M.**

MEMBERS PRESENT:

Craig Rice
Larry Keeler
Renee Clauss
Jon Flaugh
Rob Moreland

MEMBERS ABSENT:

Abby VanVlerah (via phone)
Kelly Johnson

Also Present

Andrew Boxberger – Carson LLP
Steve Henschen – Jones Petrie Rafinski

Rob Moreland called the meeting to order at 6:00 p.m.

Rob Moreland read the following statement: At the end of the meeting, the public will be given an opportunity to speak. In the interest of time, each person shall be limited to three minutes. Your comments will be part of the public record of the meeting, so we ask that you present them in a professional manner and speak only to the matters at hand.

APPROVAL OF THE MARCH 2023 MEETING MINUTES CHANGES OR ADDITIONS.

The Board presented minutes of the MARCH 29, 2023, board meeting minutes for review and approval. Upon motion duly made by Renee Clauss and seconded by Larry Keeler, the Board unanimously approved the board meeting minutes MARCH 29, 2023.

FINANCIAL REPORTS

The financial reports, check register, project check register, bank account report, and claims for MARCH 2023 were presented for review.

The Revenue Report, Appropriation Report, Capital Expenditures, Accounts Payable Register, Fund Report with Investments, and Monthly Budget Report with Capital for MARCH 2023 were presented for review. Bryan Klein clarifies the monthly budget report with Capital sits almost dead on the percentages for each department at this point in the year. Bryan Klein also addressed calculations he is currently doing to look at next year's budget numbers. Bruce Deters (current Collections System Supervisor) will be retiring in 2024. His position will not be replaced; however, his duties will be taken over by Cole Shock (current Lead Maintenance Technician). Cole will manage his current job duties in addition to Bruce's duties. There will be an estimated savings of \$100,000-\$140,000 for next year in wages and benefits.

The treatment system's budget will only be increasing in wages in the amount of \$3,000.00. This is less than a 1% increase. The numbers going into next year's budget look much better than the numbers did going into this year. Craig Rice moved, and Jon Flaugh seconded the motion, to accept and approve the MARCH 2023 financial reports as submitted, which motion was unanimously approved.

ATTORNEY REPORT

- A. Rate Petition Hearing Recap: Andy Boxberger addresses the rate petition hearing on April 11th. There were over 100 community members that attended the hearing. The statute is fairly narrow on what the hearing is about. The district authority has the right to hear whether or not we followed the rule of process to raise our rates, which no one contested that we did and whether our rates are just and equitable. Those terms are specifically defined in the law and the district authority determined we met those four standards. They affirmed the adoption of our rate ordinance.
 - a. Take aways from the hearing the entire situation addressed by Rob Moreland: Starting with the good things we take away would be that even those speaking out against the rate increase seem to agree that we do have good service in the District. They do believe they are overpaying for services. Most people agree with the purpose behind the sewer district which is to protect the lakes and rivers in our community. No one likes the rate increases which the District board understands and agrees, however, left without a choice when it comes to replacing equipment and retiring the last two absorption fields, it left no choice but a rate increase. The board will do everything we can moving forward to be rate neutral in future projects and continue to get the maximum amount of funds from the State. Certain things such as our chemical costs doubling over the last year have increased operating costs at no control of the District. Across the board, utility rates and taxes are unfortunately not going down. It is not simply our rate that has increased. The District wants to do a better job of communicating with our rate payers. A lot of the anger comes from a lack of information or misinformation. We must do a better job of telling people what we do and why we do it. We want to improve our website and email communications to make contacting the District easier. Last September (2022) the board decided not to move forward with upgrades to our website to save money. This item has been added to our agenda tonight for further discussion. Another thing we are hearing is that customers do not like our coupon book billing system. We agree this is an out-of-date system, and the board decided last year (2022) not to move forward with updating our billing system to save money. Coupon book billing is the cheapest billing option; however, it is not the most convenient or user friendly for our customers. We have added monthly billing to tonight's agenda as well. Our hope is to reduce or eliminate the prelien letters and increase communication.
 - b. There is no question about the legality of our rate increase, or the notice of the rate hearing published in the local papers as we are legally required to do. Not everyone reads the local newspapers. In efforts of doing a better job getting the notice out and getting it out earlier, email notices may be a good option. The notices do get posted to our website currently. The last meeting was shorter notice

than we prefer due to the SRF (State Revolving Fund who gives the loans and grants) but it was still within the legal requirements. There were many questions asked at the hearing that we would like to post the answers to on the website for all customers to find.

- c. Craig Rice agrees with the points addressed by Rob Moreland. He was ill and could not attend the hearing, however, he has spoken with many in the community that he knows and the feedback he has heard matches what Rob addressed. Craig would like to see an email address on file for all customers if possible so routine communication emails can be sent. With some customers calling for all the old and longtime board members to be removed, he addressed that he is the second longest standing board member at 5 years.
 - d. Renee Clauss would like to see more online communication to keep the general public informed about the good being done by the District.
 - e. Larry Keeler was present at the rate petition hearing and feels as though communication could have solved the problems. In self defense for our people running this plant, he felt so bad that some people think we do not have our customers first in mind and cost in mind. We do and we must communicate that better. We have the best people available and are very fortunate to have them.
 - f. Abby VanVlerah via phone agrees we need to support more communication and specifically website communications. She does not believe that social media is the correct format for communication. Rob agrees he is unsure if social media is the correct format for communication but that an upgraded website and emailing/messaging option is best.
- B. Bond Ordinance 2023-06: This is an amended bond ordinance for the new project (NED II) but more specifically the SRF agreed to refinance the existing bonds (2018 & 2019) to 0% interest to decrease costs. This is a step taken to be rate neutral in the future. We need to amend our bond ordinance to adopt two new bonds that were not previously contemplated because we are refinancing the 2018 & 2019 bonds down to 0% interest. According to Steve Brocks report, over the life of our loans we will save an estimated \$7 million+ dollars in debt service with the 0% interest on our new loans for NED II (2023 series A bond and 2023 series B bond) and the refinancing of the 2018 & 2019 bonds down to 0% interest as well. This is not a lump sum savings of \$7million, it is over the life of the loans (25-30years). Craig Rice moved, and Jon Flaugh seconded the motion, to accept and approve the 2023-06 amended and restated Bond Ordinance as submitted, which motion was unanimously approved.

ENGINEERS REPORTS

- A. Steve Henschen with JPR addresses the board for an update on NED II: Moving towards the financing pre-closing is set for May 3rd, 2023, and a formal closing on May 22nd, 2023. This is for Contract A and B. Contract A is pump stations 1, 2, and 9 replacements. Contract B is the Western and Northeastern part of the NED phase II project which includes the loop around 300, the North part of North Snow Bay, and the Antrup cluster system. Once the formal closing is complete, the District will get reimbursed for expenses to date and we would be able to sign construction contracts.

- B. Property Acquisition: There was one pump station (#31) outstanding. Looking at the submitted map, the small number 4 and yellow dot was the location of pump station #31 at the Southeast corner of State Rd 120 and 300 W. The District chose to investigate that location with some notifications to the property owner. We ran into problems moving forward with that site. There was another site we previously explored that has changed ownership since that time. The site location is known as the Big Boyz Toyz Jimmerson Lake Garage Condos. The attached map shows the new purposed location for PS 31. The red dash line indicates our route to turn our big equipment around. We have had some initial negotiations with the property owner, and they are open to this concept. They do not want a cash payment for the easement, so we are not buying the land outright. It would be an easement giving us access to this PS site and the road anytime we need it. As part of this, due to the condition of that road we would be providing asphalt pavement for that loop. It is currently a stone/asphalt drive. In the easement packet, exhibit C goes over the 8,866sq ft valued at \$0.26 per sq ft. Site market value would be \$2305.16. Exhibit D goes to a damages claim at the amount of \$22,694.84. If approved the total compensation would then be \$25,000.00. The note at the bottom of Exhibit D reads "Compensation for the acquisition of the easement and the cost to cure damages as presented above shall be by barter. The in-kind value of the barter is equal to the total compensation noted above and includes the permanent bituminous surfacing of the 939 lineal ft of the owner's access road". This is a ONE-TIME surfacing of the 939 lineal ft at the cost of the District. The District will be responsible to maintain the front section of roughly 270 ft. The property owners will be responsible for maintaining the remainder of the access road. Craig Rice moved, and Renee Clauss seconded the motion, to accept and approve the easement packet and offer to be made to the property owner to be signed by Rob Moreland as an authorized signer as long as there are no material changes as submitted, which motion was unanimously approved.
- C. Tentative Awards for Contact A and B: In the board packet is a certificate of engineer which will be part of the closing packet to certify the permits have been obtained, an estimate of cash flow over the next 2-3 years of the project. Basically, stating we plan to be expending funds for this project (contracts A and B) through May of 2026. Exhibit B is the useful life certification of roughly 36 years for this project. This is always asked for by the funding agency to ensure the useful life of the project does not exceed the loan terms. Next items are two tentative notices of awards, due to the timing of the project we have prepared the tentative notice of awards for both Contracts A and B. For Contract A we would be looking to award Selge Construction in the amount of \$3,790,495.00. For Contract B we would be looking to award in the amount of \$8,739,227.00. These are based on bids submitted November 8th, 2022. We received one bid extension to be held through June 6th, 2023. If not under contract by then, these bids would expire. Once we get through pre-closing, final closing is more a formality. We would like to have the board approve Bryan Klein to issue these tentative notices of awards after the pre-closing meeting. This is still contingent on the owner securing all needed financing through funding sources and that the owner secure necessary easements for the project. Hoping to resolve the easements in the next week. We would send out unsigned contracts to the contractors who would need to sign and return them with payment bonds and certificates of insurance. Then we would

go to the board at the May board meeting to sign those agreements. To be able to issue the notice of award prior to the May meeting would allow 1-2 weeks the contractor will need to get their signed documents back to us. Jon Flaugh moved, and Renee Clauss seconded the motion, to accept and approve authorization for Bryan Klein to sign and issue the tentative notice of award after a successful pre-closing on May 2nd, 2023, as submitted, which motion was unanimously approved.

OLD BUSINESS

- A. Monthly Billing: Bryan Klein addressed a quote for \$0.28 per mailing through BoyceMail (plus postage). One aspect we did not touch on the first time we talked about monthly billing is that we have a significant number of our customers with email addresses since they are signed up on e-billing. Those e-billing customers will continue to get an emailed invoice every month and not receive a mailed paper invoice. This leaves an estimated 2500 customers which would be receiving these monthly paper bills at the cost of an estimated \$21,540 per year including postage. This would be the total cost of switching from coupon books to this monthly paper billing. The yearly cost of doing coupon books is in the neighborhood of \$8,000.00 which means the increase to our yearly budget to do the monthly mailed invoices would be an estimated increase of \$15,300. Some of the perks of making this change is the efficiency as well as the increase in communication with our customers. There are three spots on the bill that we can add communications/notices. Customers would always be up to date on where their account balance stands, which the coupon books do not. We hope this will decrease the number of prelien notices by half. We currently send 200-300 prelien letters on average a month which is an estimated cost of \$3,000.00 a year. This is a potential savings of \$3,000.00. This would help decrease customer frustration as they do not like the letter and employee frustration for those getting calls in the office after sending prelien letters. This monthly billing would go through our current software with Boyce Systems. We have a notice put together to send to customers via email and mail (email for e-billing customers) notifying customers of this change and how it affects them. We are looking at 4-6 weeks to get the new billing set up and going. There is a one-time setup fee of \$1,045.00 for standard bill letters and a one-time setup fee for standard disconnect or delinquent notice of \$440.00 to be paid to Boyce Systems. We would like to get this set up and going ASAP. Craig Rice moved, and Larry Keeler seconded the motion, to accept the proposal from Boyce Systems and begin monthly billing as submitted, which motion was unanimously approved.
- B. Asher Public Relations: Proposal from Asher to assist SLRWD in communications based on project and not to exceed \$1,500.00 per month unless otherwise approved by management. Tom Borney that runs Asher Agency, spoke with Bryan Klein regarding revisiting this situation with the board at tonight's meeting. The \$1,500.00 per month cost is only if services are needed, not billed at that flat rate per month. There will be a larger percentage of time when we will not require their services and will not incur any billing with them. This proposal is for help with releases, notices, website etc. Jon Flaugh moved, and Larry Keeler seconded the motion, to accept the proposal from Asher Public Relations not to exceed \$,500.00 per month as submitted, which motion was unanimously approved.

C. Website Upgrade: Asher to complete our website upgrade with a non-recurring cost of \$12,250.00-\$17,500.00 worst case scenario. Recurring annual costs are estimated to be \$1,225.00/year for hosting, maintenance, domain registration, and accessibility reporting. This is not just a tune up to our current website, this is a complete upgrade. Renee Clauss moved, and Jon Flaugh seconded the motion, to accept and approve the Asher proposal for website upgrade as submitted, which motion was unanimously approved.

D. Water Quality Sampling Effort with the Lakes Council: The District has been working closely with the Steuben County Lakes Council to coordinate with them on sampling and testing of the different lakes and tributaries that flow to some of those lakes to get an idea of what the situation is in areas not currently served by the District. We have a game plan of 12 sites being sampled year-round and results posted to the Steuben County Lakes Council website. The particular testing will be 'grab' samples and the parameters will be Temperature, Dissolved Oxygen (DO), pH, Total Phosphorus, Ammonia, E. coli, and Total Suspended Solids (TSS). Depending on the E. coli numbers we will coordinate with the Lakes Council to do DNA testing to pinpoint if it is human based as in septic failures or animal based. By sharing our data with the Lakes Council, they will be able to build a database and determine the condition of each body of water. These samples will start in May 2023 and will be done at least once a week. We did have to wait for some supplies we had to order and due to shortages and shipping issues we had to wait to start collecting samples. All equipment is in and ready to be installed by our IT person (John McCoy) next week. Again, we should be good to start in May 2023. This is all at a very minimal cost to the District and are tests that we perform on a routine basis anyway. These additional tests have an estimated \$3,000.00 yearly cost to the District. There are three tributaries that come from the Edgewood Addition in Angola (outside the District) on 100 that are all on septics (estimated to be 200 homes) and all the drainage goes into two different locations on crooked lake (above and below the swimming area). This is the area that last year had tested with high numbers.

NEW BUSINESS

A. Pokagon State Park: Andy Boxberger refers to when we adopted our original bond ordinance as always you approve with that a financial assistance agreement that is standard. About two months ago we were on a call with the SRF regarding several things including Pokagon State Park. PSP is a part of the last piece of the NED II project (phase D). The contingency of doing that was always that the State would have to pay for 100% of hooking up PSP. They had asked on the call what if Angola would service PSP. The quick answer is we probably would not care although it is in our territory. As of 3 hours ago he received a new paragraph in the financial assistance agreement that says that we agree if Angola is able to serve PSP we will cooperate and allow them to do that. He emailed back that although this was briefly discussed it is now being asked that the District give up some of its territory and we need time to look into this matter and asked if this is being put in as a condition of our loan that we are closing on next week. He has not yet received an answer. The question is if the SRF is going to require this, are we okay with it? It is important to remember the SRF gives us our loans and most importantly our grants. They agreed to reduce our two current loans down to 0% interest. The caveat would be, should we be okay

with that, we have spent upwards of \$200,000 that was to be paid back to us as part of our grant dollars. If they (the SRF) are going to require this and allow the city to take PSP we would agree to it provided we are paid back the money already spent. The desired outcome is that PSP gets sewer one way or another. If PSP wants to affect this deal we have with the SRF, we are under no obligation to connect PSP. If they would like to move forward in this way, maybe they should go with the city. Craig Rice moved, and Renee Clauss seconded the motion, to accept the city of Angola to serve Pokagon State Park provided we are reimbursed for designing Pokagon State Park's system thus far as submitted, which motion was unanimously approved.

DISTRICT BUSINESS & OTHER GENERAL MATTERS

- A. Julie Carter who resides at 660 Ln 440 Lake James: Julie Carter presents building plans and a variance request form asking for an encroachment on her 5' easement agreement in order to complete a concrete driveway and replace an existing concrete patio. This concrete patio would come 1' closer to the lateral line to be even with the other existing patio. The patio would encroach upon the existing easement around the lateral line. They have an issue with a large amount of water washout from rain as they are at the bottom of two hills. The gravel and dirt driveway that is currently there is not working well and needs to be replaced often. This variance (encroachment agreement) includes verbiage that if the District ever needs access to the lateral line or equipment, the concrete would be dug up at the cost of the customer and not replaced by the District. All at the homeowner's expense. The District and customer are fine with this. Craig Rice moved, and Renee Clauss seconded the motion, to accept the easement encroachment for 660 Ln 440 Lake James for the concrete driveway and patio as submitted, which motion was unanimously approved.
- B. Robert and Crystal Nicholson who reside at 255 Ln 220 Lake Gage: Contractor Braden Barnes represents the homeowners asking for an encroachment for deck to be built over the existing lateral sewer line. Cole Shock (Lead Maintenance Technician) met with the contractor and Robert Nicholson at the property and determined there is room to get around the proposed deck to access the equipment. This variance (encroachment agreement) includes verbiage that if the District ever needs access to the lateral line or equipment, the deck would be removed at the cost of the customer and not replaced by the District. All at the homeowner's expense. The District and customer are fine with this. Renee Clauss moved, and Jon Flaugh seconded the motion, to accept the easement encroachment for 255 Ln 220 Lake Gage for the concrete driveway and patio as submitted, which motion was unanimously approved.

PUBLIC COMMENT

- A. Kim Chaney whose service address is 5885 N 1185 E: Kim Chaney, the voice of the Wall Lake Association, asks how it is shown that we are doing good for the lakes. How is it being promoted and measured that we are delivering true value to the ratepayers? The customer defines the value in their willingness to pay. The hearing was the group of people that could make it on a weekday to express their disappointment. Claims our current projects aren't rate neutral. He says the majority of the rate increase is due to the project.

States the mental outlooks and communication from the board needs to improve and stop thinking of our customers at rate payers as a business. He runs businesses in the United States as well as communist countries. Says something needs to change and claims the website is not going to improve the District. The people he represents are disappointed in how this happened and have lost trust in the leadership of this operation which is hard to gain back. Improving communications is great to take operations to the next level but does not regain trust. He asks what the customers want, and can we arrange to give them what they want. Don't make everyone pay. He gave the example of Crooked Lake's E. coli problem that comes from Edgewood in Angola proven by samples. Where is the notice of violation? He said there is an EPA organization and legislation as well as health department. Ever heard the term "you're p*ssing your sister"? Out of order.

- B. Mark Blue who resides at 520 Ln 150A Lk James: Things he thinks would help to bridge the gap in the rate payers: do a simple survey among rate payers, add functionality to website so they can log in and view their own billing history and do their own research. Don't simply change pictures on a website and refresh how it looks. Do a process to help the office out such as automatic bill payment. The board confirms we already have automatic bill pay. He said that is find but he wants functionality on our website to set up payment methods. Courtney Masters (Director of Administration) confirmed you can go to our website and under the 'pay my bill' section it will direct you to Invoice Cloud to set up autopay, reoccurring pay, pay by text, e-billing etc. He said that is great and just a suggestion. Wants us to offer a bill reduction for those that sign up for autopay. Wants us to implement a text notification system for red lights on control boxes or send a text to the customer when we are dispatched to their equipment to bridge the gap. Cannot find a sewer district in the State of Indiana that charges as high of a bill as we do.
- C. Bruce Menck who resides at 220 Ln 274 Crooked Lk: Customers have right to know what is going on like monthly billing and there is a desperate lack of communication. He did not know until tonight we have a public relations company, and he likes the public relations company. It would be helpful to know when the next increase is coming and why it is needed. Is there a max? He has learned just from coming to this meeting.
- D. Joe Willig who resides at 1060 Ln 105 James: After attending a lot of these meetings over the years he is glad to hear about our commitment to improve communications with the customers. By attending these meetings, he has a pretty good idea of what is going on and states we are doing a good job for the most part and hats off to us for working with the Lakes Council.

MOTION TO ADJOURN

There being no further business to come before the meeting, Abby VanVlerah asked for a motion to adjourn. Such motion was made, seconded, and unanimously carried; the meeting was adjourned.