

# KOONTZ LAKE REGIONAL SEWER DISTRICT

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P.O. Box 204  
Walkerton, IN 46574

## MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES OF KOONTZ LAKE REGIONAL SEWER DISTRICT

February 16<sup>th</sup>, 2016

The February 16<sup>th</sup>, 2016 regular meeting of the Board of Trustees of the Koontz Lake Regional Sewer District was held at 5:30 p.m., local central time, at the KLRSD Administrative Building, 10625 East Prairie Avenue, Walkerton, Indiana 46574. The meeting was called to order by James Jackson. Other board members present were: "Buck" Buchaniec and Dan Pisarek, with Mike McKenna attending via tele-conference. Also present was Shelley Bell.

Mr. Jackson asked the Board if there were any additions or corrections with respect to the adoption of the agenda as previously published. Mr. Buchaniec made the motion to approve the agenda as presented, Mr. Pisarek seconded and upon polled vote, all Board members approved.

Next, Mr. Jackson asked if there were any additions or corrections to the minutes for the January 19<sup>th</sup>, 2016 Board Meeting. Mr. McKenna made the motion to approve the minutes as presented, Mr. Buchaniec seconded and the Board unanimously approved, upon poll voting.

First on the Agenda was the Nomination Committee report. Mr. McKenna told the Board that Starke County Board of County Commissioners had confirmed reappointment for Mr. Jerry Weber.

Next on the Agenda was the Treasurer's Report.

Please see Treasurer's Report on next page.

<b>KOONTZ LAKE REGIONAL SEWER DISTRICT</b>			
<b>TREASURERS REPORT</b>		<b>Page 1 of 1</b>	
		<b>February 16, 2016</b>	
<b>CASH</b>			
1 <sup>st</sup> Source Bank Checking Account			
	Balance as of December 31, 2015:		\$304,116.18
	Checks, withdrawals, debits		-\$81,017.76
	Service charges		-\$30.53
	Deposits and credits		\$44,584.78
	Interest earned		\$38.83
	Statement balance as of January 31, 2016:		\$267,691.50
	Checks written but not cleared		-\$122.36
	Available balance in checking:		<b>\$267,569.14</b>
	1st Source Certificates of Deposit:		<b>\$603,454.66</b>
	<b>Total funds</b>		<b>\$871,023.80</b>
<b>RECEIVABLES</b>			
	User fees balance as of 2/11/2016		<b>\$85,761.92</b> (see Note 1)
<b>CLAIMS</b>			
The following invoices and claims are presented:			
	NIPSCO	CWP electric	\$2,851.00 *1
	NIPSCO	CWP gas	\$80.90 *1
	NIPSCO	CS grinder electric	\$1,535.86 *1
	NIPSCO	OB gas & electric	\$149.60 *1
	Astbury Water Tech	Operator services	\$6,212.75 *2
	Jones Petrie	billing services	\$3,750.00
	Jones Petrie	locate services	\$550.00
	Jones Petrie	engineering	\$0.00
	Jones Petrie	inspection services	\$112.50
	Jones Petrie	reimbursables	\$0.00
	IUPPS	locate services	\$25.65
	SBOA	audit charges	\$11,188.00
	Personnel Partners	staffing services	\$661.13
	Shelley Bell	bookkeeping expenses	\$15.40
		<b>Total claims</b>	<b>\$27,132.79</b>
<b>* Footnotes to Claims:</b>			
	*1	Preapproved for automatic payment.	
	*2	These charges include three call-outs, CWP supplies and one month contract services.	
<b>Note 1:</b> Receivable aging:			
		Current	35,552.51
		30 days	8,335.35
		60 days	5,888.99
		90+	19,140.08
		Lien	16,844.99
		Total	85,761.92
			2.6% (percent of annual revenue)

Treasurer's Report Continued Next Page

<b>Note 2:</b>	The Treasurer recommends approval to pay all claims listed above.
<b>Note 3:</b>	The bill from SBOA is for the 2011/2012 audit. We can expect another bill about the same size for the 2013-2014 audit.
<b>Note 4:</b>	The Annual Financial Report to the SBOA has been completed by the Treasurer, reviewed and verified by Mr. Jackson and submitted on January 29th as required.
<b>Note 5:</b>	The Annual Financial Statements required by the USDA (forms 442-2 and 442-3) have been completed by the Treasurer, reviewed and verified by Mr. Jackson and are ready for submission.

Mr. McKenna noted that the Certificates of Deposit includes \$50,000 added in January 2016.

Mr. Jackson asked if the District gets individual bills showing what the charges are for from Astbury. He noted that in January the charges totalled \$14,000 while this month they were \$6,000.

Mr. McKenna explained that, yes, everything comes on individual invoices which include descriptions such as what supplies were bought, where call outs were performed and what dates services were performed. The previous month also had charges for supplies, which included Geo Bags, and in addition to 3 to 4 call outs, there were 2 contract services invoices because none had been paid in December.

Mr. Jackson then asked if, at year end, our financials should have shown the anticipated expense. Mr McKenna said that the contract total would show one less monthly payment. He explained that the District is on a cash basis, which means we don't record the expense until we have received the actual bill.

Mr. McKenna also told the Board that the \$11,188 in audit charges from SBOA (State Board of Accounts) is for the first part (one of two year evaluation) of audit, and that another bill about the same size is to be expected later.

Mr. McKenna told the Board that Mr. Jackson is reviewing finances with him. Also, Mr. McKenna is in the process of writing P & P for finances.

Mr. McKenna made the motion to accept the treasurer's report and claims to pay as presented, Mr. Buchanec seconded and upon polled voting, the Board unanimously approved.

The next agenda item was discussion of JPR's report:

### **Connections**

1. Account #3319-00 - This property was disconnected on 2-3-16. At this time she does owe \$220.08 which is approximately 1 month behind. In the email Mike McKenna sent to her on 12-17-15 as a condition of the disconnection her account had to also be current.
2. Gomez – At this time Chad has not received the permit fees or paperwork. He contacted her earlier this week and she told him it was sent in late January. He re-emailed her the

permit paperwork and she is going to resend it and the permit fees. Chad will let the board know via email once he receives it so they can approve the building permit.

- Account #3251-00 – This account was connected on 11-24-15. I verified this information with Chad Robbins. She sent in a payment of \$159.56 a few days ago with what she thought was the correct amount taking off the \$11 fee for the December, January and February invoices and indicating she was paid through March. However, the December invoice was for November services and the \$11 fee would still apply because it was not connected at the 1<sup>st</sup> of the month as we have done with all other connections. She also did not take into account the late fees applied for November, December and January due to no payments being made for those months. Her current balance was \$214.01 and I did give her a credit of \$22 for the non-connect fees for January and February which brought her total due to 192.01 – after applying her payment of \$159.56 she still has a balance of \$32.45. I did call her at the number on the letter she sent and left her a message but to date she has not returned my call.

**Billing – January 2016**

JPR sent out 912 invoices for January billing which totaled \$51,353.33. The total amount of money received in January was \$58,140.08. A check in the amount of \$58,140.08 was also deposited on February 9, 2016. The current amount received for February is \$11,962.24.

The Current Accounts Receivable amounts as of February 11, 2016 are as follows:

Current: \$35,552.51  
 30 Days: \$8,335.35  
 60 Days: \$5,888.99  
 90&Over: \$19,140.08  
 Liens: \$16,844.99  
**TOTAL: \$85,761.92**

Penalties were applied on February 5, 2016 in the amount of \$797.69.

Penalties will be applied to all accounts with balances on March 5, 2016.

**COLLECTION INFORMATION**

- 1-5-16 = 120 day letters were mailed to property owners.
- 2-5-16 = Pre-Lien letters were mailed by certified delivery and regular mail.
- 2-29-16 = Liens will be filed on all property owners with balances who have not replied.

We received a payment from Starke County Auditors in the amount of \$12,487.33 for lien payments. That amount was deposited in your account on December 9, 2015. The accounts have been adjusted and the charts below have been updated to reflect only the property owners who still have liens on their properties with balances.

There were 14 liens filed on September 29, 2015 for Starke County. Below is a list of the liens filed and the amounts.

<b>ACCOUNT NUMBER</b>	<b>NAME</b>	<b>SERVICE ADDRESS</b>	<b>LIEN AMOUNT</b>	<b>AMOUNT PAID</b>
326100			\$634.14	
338701			\$974.28	
340500			\$708.74	Paid \$17.50

				Bal \$691.24
341001			\$778.38	Paid \$22.50 Bal \$ 755.88
341800			\$847.70	
344600			\$780.05	Paid \$20.00 Bal \$760.05
346500			\$567.14	Paid \$12.50 Bal \$554.64
352300			\$774.97	
358200			\$661.19	
370301			\$605.31	
376000			\$580.39	
382900			\$858.74	Paid \$12.50 Bal \$846.24
<b>TOTAL:</b>			<b>\$8,771.03</b>	<b>\$85.00</b>

There were 3 liens filed on September 29, 2015 for Marshall County. Below is a list of the liens filed and the amounts.

<b>ACCOUNT NUMBER</b>	<b>NAME</b>	<b>SERVICE ADDRESS</b>	<b>LIEN AMOUNT</b>	<b>AMOUNT PAID</b>
307500			\$919.22	
304901			\$1,100.82	
304600			\$592.14	
<b>TOTAL:</b>			<b>\$2,612.18</b>	

There were 19 liens filed on March 18, 2015 for Starke County. Below are the remaining 3 liens with balances.

<b>ACCOUNT NUMBER</b>	<b>NAME</b>	<b>SERVICE ADDRESS</b>	<b>LIEN AMOUNT</b>	<b>AMOUNT PAID</b>
3536-00			\$976.74	
3698-00			\$663.18	
3768-00			\$976.74	Paid \$352.10 Bal \$624.64
<b>TOTAL:</b>			<b>\$2,616.66</b>	<b>\$352.10</b>

The 2 liens below were filed with Marshall County on March 26, 2014.

<b>ACCOUNT NUMBER</b>	<b>NAME</b>	<b>SERVICE ADDRESS</b>	<b>LIEN AMOUNT</b>	<b>AMOUNT PAID</b>
3152-00			\$874.74	
3075-00			\$1,562.74	
<b>TOTAL:</b>			<b>\$2,437.48</b>	

There was 1 lien filed on March 18, 2015 for Marshall County

<b>ACCOUNT NUMBER</b>	<b>NAME</b>	<b>SERVICE ADDRESS</b>	<b>LIEN AMOUNT</b>	<b>AMOUNT PAID</b>
3152-00			\$844.74	
<b>TOTAL:</b>			<b>\$844.74</b>	

The Starke County Treasurer's office only makes payments on the liens twice a year. On May 10 and November 10.

Mr. McKenna told the Board Ms. Ransbottom of JPR had contacted him about a customer who was being difficult about what he was billed. He sold his house, but still owes \$55. Mr. Weber had told Mr. McKenna we should probably let it go because of the small amount. Mr. Jackson and Mr. Buchaniec voiced their agreement. Mr. McKenna pointed out that the District has no leverage as the customer no longer hold the property that the District could put a lien on.

Mr. McKenna made the motion to regard Account #3391-00 as uncollectable and to write-off the \$55. Mr. Buchaniec seconded this motion and upon polled vote, the Board unanimously approved. Mr. McKenna will contact Ms. Ransbottom to write it off.

Astbury had not sent a report for the month, therefore there was nothing to discuss.

The System Manager's report was not submitted as Mr. Weber was not in attendance.

Mr. Buchaniec submitted his Building Manager Report which verified the building was checked and okay. He added that S & S Services did not plow the parking lot as we had not had more than 4 inches of snow.

There was nothing to report by the Contract Administrator.

The Key Control Administrator, Mr. Pisarek, told the Board that Astbury is very negligent on communication, not only with submitting their monthly report, but that he had been working on getting three names of who needs keys for the past seven days without response. Mr. Pisarek added that JPR also have a few keys yet to be returned. Mr. Pisarek told the Board he is almost up to date on the Key Control Information Book.

Mr. McKenna said he felt that any time we find someone has lost a key, Mr. Pisarek and Mr. Weber should determine if the risk makes it necessary to change locks.

Mr. Pisarek also said he plans to get about 10 keys made for the CWP this week.

For the P & P Committee, Mr. McKenna reported he has two policies written. The first is for Financial Practices, and the second is for Internal Controls. He said the Internal Controls policy is required to be created and activated due to a new Indiana Code. He will present the new and updated P & P next month.

Mr. Jackson asked if anyone else will be looking at P & P before they are presented to the Board. Mr. McKenna said that Mr. Pisarek or someone should review them. Mr. McKenna will send copies to Mr. Pisarek for his review.

There was nothing to report under Records Management.

The next item on the Agenda was Old Business. Being there was nothing to report, the meeting moved to the next item.

Under New Business, Mr. Jackson said Mr. Weber felt the H & G Service Agreement payments were too high from 7 – 3 and with midnight at double time. Mr. Jackson felt there isn't anything out of order.

Mr. McKenna reminded the Board that H & G is basically for the one purpose of an annual checkup on the generator at the CWP. He added that if we needed emergency services because of a tornado or some other disaster, at that point the District would pretty much be willing to pay whatever it needed to pay, but this way there would be a pre-written contract, so we would know what charges to expect.

Mr. Buchaniec made the motion to approve another one year period with H & G for the Service Agreement, Mr. Pisark approved, and upon polled vote, the motion was unanimously approved.

Mr. Pisarek and Mr. Jackson said they would like to have JPR and Astbury come to a meeting and explain what they do. Mr. Pisarek feels the newer members of the Board would find this informative and give them a better understanding of the services provided.

Mr. Pisarek also said he would be interested in learning more of the background of how the District started with JPR and Astbury and what they do for the District.

Mr. Jackson also said he has trouble with the communications with Astbury, and does not understand what they actually DO for the \$6,000 a month charge.

Mr. McKenna told the Board that Astbury got the plant running and it runs well. He added that any problems with grinders and valves on the Collection System are addressed by Dan Fox of Astbury in a timely manner, and that they've complied with items we have told them we want to do. In all, Mr. McKenna feels very satisfied with Astbury's operations..

Mr. McKenna suggested that the Board have Astbury and JPR attend the April or May meeting to give the Board presentations of what it is they do for the District.

There being no further business to come before the Board, Mr. Buchaniec motioned for the meeting to be adjourned, Mr. Pisarek seconded, and the February 16<sup>th</sup>, 2016 meeting of the Koontz Lake Regional Sewer District Board was adjourned at approximately 6:20 p.m. local Central Time.

The next KLRSD Board Meeting is the Regular Board Meeting scheduled for March 15th, 2016 to begin at 5:30 pm CST.

Respectfully submitted by Shelley K. Bell, KLRSD Bookkeeper


February 16th, 2016 Regular Minutes approved by:

  
Michael McKenna

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Gerald Weber

  
Ronald Armstead

\_\_\_\_\_  
Dan Pisarek

  
James Jackson

\_\_\_\_\_  
Derek Ganshorn

\_\_\_\_\_  
"Buck" Buchaniec