

**MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
OF KOONTZ LAKE REGIONAL SEWER DISTRICT
May 15, 2007**

The initial regular meeting of the Board of Directors of the Koontz Lake Regional Sewer District was held at 6:30 p.m., local central time, at the KLA Clubhouse, 10879 Cherokee Road, Walkerton, Indiana 46574. The meeting was called to order by Mike McKenna, who served as interim chairman of the meeting until the election of officers. All six initial Board member appointments were present, specifically, Louise Buza, Thomas Camire, Michael McKenna, Paul Warnke, James Buza, and Robert Aloï. Also present was Rochelle K. Owen, State Director of Indiana Rural Community Assistance Program, who had assisted the initial Board with preparation for this meeting as well as assisting in the petition process to create the sewer district. Also present were approximately thirteen members of the public at large, including, but not necessarily limited to, Jerry Zehner, Bill Morgan, Don O'Barskie, Bob Thomas, Alice Thomas, Dennis L. Cripe, Gene Muraida, Stan Madison, Kenneth Drapinski, as well as others who did not sign in or speak to any issues concerning the meeting. Also present and taking minutes of the meeting was Attorney Ronald Gifford.

Mr. McKenna opened the meeting and asked that Mr. Gifford administer an oath of office to all six members present, and at that time Mr. Gifford did so administer the oath and each individual member of the Board signed an oath of office for Mr. Gifford to file with the appropriate County Clerk's Office.

Mr. Aloï informed the Board that he had posted notice of this meeting in compliance with the Indiana Open Door Law prior to noon on May 11, 2007, being more than 48 hours prior to the holding of this meeting, not including weekends.

Upon motion by Mr. Warnke, seconded by Mr. Camire, the Board unanimously approved the form of Agenda as prepared and handed out at the meeting.

Mr. McKenna then asked for a review and discussion concerning proposed by-laws of the District which had previously been submitted to the members giving them an opportunity to review the same in advance. Both Mr. McKenna and Mr. Aloï read the by-laws in their entirety and discussions and questions as to each individual article were

entertained. Following upon a motion by Mr. Warnke, seconded by Mr. Aloï, language was added to Article II, section 5a to provide that the President of the Board would also counter-sign all checks. On a subsequent motion by Mr. Warnke, seconded by Mr. Buza, the provisions of Article III, section 1 were amended to provide that the meetings would be held at 6:30 p.m. local central time.

Upon completion of all of the by-laws, upon motion by Mr. Warnke, seconded by Mr. McKenna and unanimously approved, the by-laws, as amended, were formally adopted by the Board. A copy of those by-laws as adopted and amended is attached hereto as Exhibit "A".

Mr. Aloï also read aloud the proposed mission statement for the Sewer District, which is attached to the by-laws, and thereafter upon his motion, seconded by Mr. Warnke and unanimously approved, the mission statement was adopted by the full Board.

The next item of business was the election of officers, and thereafter, upon motion by Mr. Aloï, seconded by Mr. Camire, Paul Warnke was nominated to the office of President, and there being no other nominations, the Board voted unanimously to elect Mr. Warnke as its President. Thereafter, upon motion by Mr. McKenna, seconded by Mr. Camire, Robert Aloï was nominated as Vice-President, and in the absence of any further nominations the Board unanimously confirmed his election as Vice-President. Upon motion by Mr. McKenna, seconded by Mr. Aloï, Louise Buza was nominated for the office of Secretary, and in the absence of any additional nominations was unanimously elected to that position by the Board. Finally, on motion by Mr. Camire, seconded by Mr. Buza, Mike McKenna was nominated for the office of Treasurer, and in the absence of any additional nominations the Board unanimously confirmed his election to that position. After some discussion, the Board also asked Mr. Gifford to continue taking minutes at this meeting, and assuming his confirmation as legal counsel for the District later in this meeting, the Board was in favor of allowing him to keep and take the minutes on behalf of the Board for submission and approval by the Board at the following meeting.

At the conclusion of the election of officers, Mr. Warnke assumed the Presidency and ran the balance of the meeting.

The next item on the agenda was the retention of a lawyer, and Mr. Aloï was asked to give background information concerning Mr. Gifford's involvement with the Koontz Lake Regional Sewer District, and then Mr. Gifford was asked to state some of the background he has had on other sewer projects in and around the area, which he did. Thereafter, upon motion by Mr. Aloï, seconded by Mr. Buza and unanimously approved by the Board, Mr. Gifford was hired as the attorney for the District.

The next item on the agenda was discussion of a project management plan, which would be a working outline of what the Board is attempting to do. It was suggested that it would make sense to have a committee of the Board work on the project management plan as opposed to the full Board being involved with the detail with the thought being that the Committee could work and bring a project management plan back for consideration by the full Board at a subsequent meeting. Thereafter, upon motion by Mr. Aloï, seconded by Mr. Camire, Mr. McKenna, Mr. Aloï, and Mr. Warnke were appointed to be the members of the project management plan committee.

Mr. Warnke then indicated that it would be appropriate to establish an Executive Committee, but Mr. Gifford informed the Board that in light of the fact that the by-laws no longer provided for an Executive Committee and the fact that Indiana law for a municipal body would not recognize an Executive Committee, upon motion by Mr. Aloï, seconded by Mr. Camire and unanimously approved by the Board, the concept of an Executive Committee was stricken from the agenda.

Mr. Warnke then spoke about the need to establish a Qualifications Based Selection Committee (QBS Committee) which would establish the guidelines for how the Board would go about selecting professional engineering and accounting firms. The entire Board would be involved in the actual selection of such professionals, but the Committee would be able to establish the guidelines under which that process would take place. Thereafter, upon motion by Mr. McKenna, seconded by Mrs. Buza, Mr. Buza, Mr. Camire, and Mr. Aloï were appointed as members of the QBS Committee.

On the question of the website, Mr. Buza indicated that the website is up and running at www.klrsd.org and that he had been taking care of the website and would continue to do so unless someone objected to the same. There was discussion as to what

authority Mr. Buza had with respect to responding to e-mails that might be received, and he was asked to prepare something in writing as to what he felt the consensus of the Board was with respect to his authority as opposed to directing such inquiries to the full Board, and thereafter, upon motion by Mr. Aloï, seconded by Mr. Camire and unanimously approved by the Board, Mr. Buza was appointed as the webmaster for the website for the District.

Mr. Aloï noted that there continued to be a problem in keeping mailing addresses up to date, and after some discussion a large number of envelopes was given to the secretary for further review and updating of the mailing list for freeholders in the District.

Upon motion by Mr. McKenna, seconded by Mr. Aloï, the matter of taking out a membership in the State Regional Sewer District Association was tabled until the next meeting.

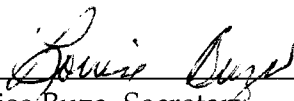
At this point in the meeting, members of the public who wished to speak were allowed to do so, and those speaking and their general points were as follows:

1. Ken Drapinski indicated there were lots of concerns with the fees that would be assessed for a sewer system and was concerned over a loss of business and the affect that would have on the area if sewer rates were too large.
2. Stan Madison thanked each member of the Board for all that they had done to date and thought that the submission of the press release to the local paper was a good way of getting information out and hoped that the Board would continue doing those types of activities in the future. His final question was whether or not anybody on the Board had any idea of what the cost might be for doing the sewer system, and all present indicated that at the present time they had no idea.
3. Don O'Barskie stated that he thought the website was a good idea, but not everyone has access to the internet, and suggested putting things of general interest at some public place, like the library.
4. Bob Thomas complimented the Board on a great website and said that it had been very easy to find and he was appreciative of those efforts.
5. Dennis Cripe asked whether or not the previous committees had failed and why they might have failed in the past, and he was given a little bit of the history involved in previous organization efforts for sewer systems around the lake.

6. Jerry Zehner asked whether or not there was any time line for when this project might take place, and Mr. Gifford attempted to respond to his questions by indicating the initial process of preparing a District plan and submitting it to IDEM for their approval before things could get underway. He estimated a two to four year period of time before any sewer was constructed around the lake.
7. Bill Morgan questioned whether or not some of the initial studies that had been done were available, and was told that those, in fact, were still available and were at the public library.
8. Gene Muraida spoke as well.

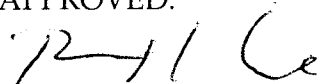
At the conclusion of the meeting, Rochelle Owen was recognized by Mr. Aloï as having been instrumental in getting the District to this position and she was thanked for her previous and ongoing work on behalf of the formation of the District.

Thereafter, upon motion by Mr. Camire, seconded by Mr. Buza and unanimously approved, the meeting adjourned at approximately 8:03 p.m. local central time.

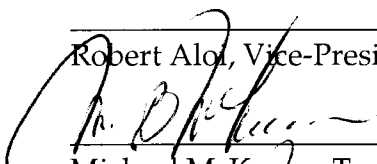


 Louise Buza, Secretary

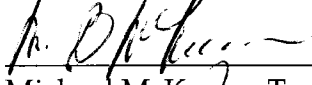
APPROVED:



 Paul Warnke, President



 Robert Aloï, Vice-President



 Michael McKenna, Treasurer



 Thomas Camire, Member



 James Buza, Member