

**MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
OF KOONTZ LAKE REGIONAL SEWER DISTRICT
January 15, 2008**

A 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 Paul Warnke and present at said meeting were Board members Paul Warnke, Jim Buza, Robert Aloï, Michael McKenna, and Louise Buza. Absent was Board member Tom Camire. Also present was Ken Jones from Wightman Petrie, resident Don O'Barski, and Attorney Ronald Gifford, who took the minutes of the meeting.

Mr. Warnke asked if there were any additions or corrections with respect to the adoption of the agenda as previously published, and there being none, upon motion by Mr. McKenna, seconded by Mr. Buza, the Board unanimously approved the agenda for the meeting.

Mr. Gifford read aloud the minutes of the November 20, 2007 meeting of the Board following which Mr. Buza made a motion to approve said minutes, which motion was seconded by Mrs. Buza and the motion was approved unanimously by the Board.

Mr. McKenna stated that there have been no income or expenses during the month and the current balance remains \$1,932.93. In response to a question from Mr. Warnke, the November minutes should be interpreted to mean that the balance shown in those minutes was the balance after the payment of the claims that were approved at the November meeting, and not before, said minutes being somewhat ambiguous on that subject.

Mr. McKenna gave a report on the possibility of applying to the Community Foundations of both Starke and Marshall County for a grant. Rochelle Owen has done a good deal of leg work in talking with the Directors of both of those organizations and an application has been prepared to submit to the Marshall County Community Foundation in front of their February 1st deadline for this round of grants. Mr. McKenna handed out a copy of the first draft of the proposal to the Community Foundation for Marshall County and noted at the present time the grant request was in the amount of \$10,229.00, which would cover the cost of the architectural review. He noted that in looking at the mission

statement of the Community Foundation, it might be that the environmental report cost of \$12,772.00 may be more in keeping with their mission statement and might enhance the grant, and that he would have discussions with Rochelle Owen concerning that possibility. It was asked that members of the Board review the draft request and get back to him no later than January 17, 2008 with any comments or suggestions so that they could finalize it and get it filed with the Marshall County Community Foundation. He pointed out that several letters of support had been received or were in the works, which should help the possibilities of funding.

Ken Jones provided a written report, both of his own and in conjunction with Steve Fralish, copies of which are attached to these minutes. He stated that he felt that they are making good progress and are staffing up this month to get the PER moving towards a conclusion. He personally is working on the collection system side while Steve Fralish will work more intensely on the plant issues. He reported that there had been a meeting held with Rural Development, which had included Charlie Weaver in his capacity as Executive Director of the Starke County Development Foundation, with respect to the possibilities of going to Hamlet instead of Walkerton for treatment. Mr. Jones cautioned that serving any properties outside the District would have to receive prior qualification by RD in order for that to be included in the proposal.

Mr. Jones reported that no change in the contract with Wightman Petrie is necessary at this time as reviewing the Hamlet option more intensely than they once thought was going to be necessary was included in the scope of contract and, therefore, at least at the present time there is no reason to adjust that contract. He noted that the Hamlet option is more viable because of the possibility of economic development if, in fact, the sewage was taken that direction, and they will be looking at that more closely than they one time thought necessary. He felt that Wightman Petrie is on time to present the draft PER, although there will still need to be some discussions with both Walkerton and Hamlet for a possible interlocal agreement, which might slow the report down somewhat. If the possibility of going to Hamlet looks to be strong, then extra architectural and archeological work will need to be done, but again, they feel this is covered by the current contract and

there will be no additional cost. He also stated that they had received a clearance at the end of December on the Section 106 issues.

Mr. Jones noted that his company was very familiar with the Walkerton operation as they had been engineers there for some years, and they are updating the cost of possibly going that direction based on studies that have been done recently with respect to the type of system that Walkerton is looking toward going to with respect to their treatment plant. He noted that if the Board desired, a representative of his company could be present at each of the next couple of month's meetings to update the Board on developments with respect to the PER. The Board noted that they would let them know if they felt that was necessary.

A discussion followed concerning the Umbaugh agreement, which had been presented, and Mr. Gifford was asked to contact Steve Carter to eliminate a couple of the provisions that did not need to be in the contract as they related to water and also to put a clause in consistent with Mr. Carter's e-mail concerning when they would bill for their work. Subject to those changes, upon motion by Mr. Aloï, seconded by Mr. Buza and unanimously approved by the Board, Mr. Warnke was authorized to sign the redraft of that contract as soon as it was available.

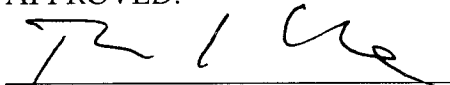
Mr. Warnke explained that his personal and professional life had become more hectic than he might have desired or thought, and as a result he has been unable to put any time into the updating of the mailing list in Starke County. A general discussion ensued as to the best way to handle this, and the Board agreed to continue making this an agenda item until such time as they had developed a plan for how this might be done. The discussion included the possibilities of hiring someone to do this work as opposed to volunteers from the Board attempting to accomplish the same.

Upon motion by Mr. Aloï, seconded by Mr. Buza and unanimously approved by the Board, a membership in the Indiana Regional Sewer District Association was approved, and Mr. McKenna will take care of filling out any application and submitting a payment for that membership, which is in the amount of \$50.00.

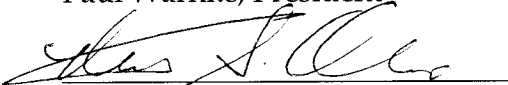
In other business, Mr. Buza reported that a major overhaul of the website would be coming sometime soon to give it a new look and make it more user friendly.

There being no other business to come before the meeting, the meeting adjourned at approximately 7:40 p.m. local central time.

APPROVED:

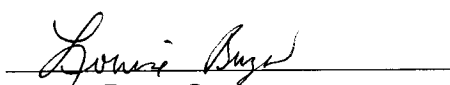


Paul Warnke, President



Robert Aloï, Vice-President

Michael McKenna, Treasurer



Louise Buza, Secretary

Thomas Camire, Member



James Buza, Member

Ronald D. Gifford, Acting Secretary