

**MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
OF KOONTZ LAKE REGIONAL SEWER DISTRICT
February 19, 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, IN 46574. The meeting was called to order by Paul Warnke and present at said meeting were Board members Paul Warnke, Jim Buza, Robert Aloï and Louise Buza. Absent were Board members Michael McKenna and Tom Camire and Attorney Ronald Gifford. Also present were residents Don O'Barski and Sandra Santacaterina, and Rochelle Owens, RCAP State Director.

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. Buza, seconded by Mr. Aloï, the Board unanimously approved the agenda for the meeting.

Mrs. Buza read aloud the minutes of the January 15, 2008 meeting of the Board following which Mr. Aloï made a motion to approve said minutes, which motion was seconded by Mr. Buza and the motion was approved unanimously by the Board.

Mr. Warnke, acting on behalf of Mr. McKenna, stated that an expenditure of \$50 had been made for membership in the Indiana Regional Sewer District Association leaving a balance of \$1882.93.

Mr. Warnke then presented the Board with the completed Marshall County Community Foundation Grant application. Mr. Warnke thanked Ms. Rochelle Owen for her hard work on the proposal. Mrs. Owen stated that the application approval is expected by the end of April or early May (90 days from submission of grant application). Mr. Buza questioned whether the Board could use this same application for any future grant applications. Ms. Owen replied that the applications can be similar and it may be helpful. Mr. Warnke pointed out that this particular application is very comprehensive.

Mr. Aloï gave the Board an update on the PER progress and presented the Board members with a copy of the draft PER. Mr. Aloï stated that Wightman-Petrie is not present at this board meeting, but they are reviewing treatment options and he expects them to bring a draft before the Board at next month's meeting. He also stated that the PER is running ahead of schedule and he is very pleased with the engineering firm. ~~He said that Wightman-Petrie is currently in discussion with Walkerton.~~ He asked the Board to review the PER and to make suggestions or corrections. Wightman-Petrie will run through the various financial scenarios and then Umbaugh & Associates will do the same.

E1 and Air-Vac have contacted Mr. Aloï requesting that a Board member tour their facilities to gain more information on their treatment and/or collection systems. Mr. Warnke felt this may be a touchy situation. Air-Vac constructs vacuum systems and Mr. Aloï stated that this system would be a viable option. A gravity system would require a deep depth and result in expensive restoration to roads and property. Mr. Buza said that he would possibly be traveling to Albany, NY in the near future on a business trip and volunteered to take the tour of E1's plant. Mr. Aloï stated that regardless of the system chosen at least one board member should be familiar with all possible systems.

Sandra Santacaterina, a resident and real estate agent for Pat & Associates in Koontz Lake, questioned the board on how the system would work. Mr. Warnke suggested that she review the KLRSD website for more information. He explained that the Board will review the PER and the best options for treatment and collection and moves forward from there. She questioned whether the lake will have its own collection system. Mr. Aloï said that it is a possibility but tying in with another community's collection system will be addressed for cost comparison. Ms. Owen suggested the Board visit a community with a vacuum system such as the one overseen by the Laramie Twp. Regional Sewer District in Tippecanoe County. Again, Mr. Aloï suggested the Board review the draft PER and make comments and suggestions.

Mr. Warnke reported the Umbaugh & Associates service agreement was signed on January 25, 2008 upon Attorney Ron Gifford's recommendation.

Mr. Warnke reported that he had submitted the request for an extension to Lynn Newlon and followed up with an e-mail to Ms. Newlon requesting a reply. Ms. Newlon replied that she had received the request and will grant it. Mrs. Buza was sent a copy of the e-mail for the Board records. Mr. Warnke then explained that he sent the e-mail only to Mrs. Buza as he has concerns about sending e-mails to all Board members.

A website update was given by Mr. Buza. Mr. Buza told the Board that the website is now completely updated. He posted a request to the public to submit their own photos of Koontz Lake to post on the home page. Mr. Buza had previously submitted an e-mail to a couple of the Board members questioning the best way to handle an e-mail from a potential resident who requested a timeline for completion of the sewer project. This future resident had concerns about building in Slip Away Bay subdivision and the costs involved in constructing a new septic system prior to the sewer project completion. He wanted a timeframe and an expected completion date. The Board members that received Mr. Buza's e-mail felt it was best to hold an open discussion on how to handle the reply at this Board meeting. A discussion then took place between board members concerning the best reply. Mrs. Santacaterina told the Board that the person that submitted the e-mail is her client and wanted an answer the following morning before deciding whether to build in the area. Mr. Warnke felt it was best not give an estimated date for completion of the project since no one knows what the date may be. Mr. Aloï said the July 17, 2007 minutes stated that construction would begin in July 2009 and be completed by November 2010. He stated that the Board is striving to begin construction in 2-3 years, but will probably more likely in 3-5 years. He also stated that it may be possible that the Board may determine that, in the end, this project is not financially feasible. Mrs. Santacaterina stated that her client is concerned about putting in a new septic system and then having to pay for connection to the new sewer system shortly after. Mr. Aloï said that many people are in that same situation and that the board does not know what the considerations may be for that situation at this time. Mr. Warnke pointed out that rumors have circulated in the community that connection fees could be \$10-20,000. He pointed out that it is impossible to even hazard a guess on the connection fee at this point. It was suggested by the Board the anyone with a question concerning a timeframe for construction and completion to directed to view the website information and the timeframe included in the Marshall County Community Grant Foundation application. Mrs. Santacaterina said that she feels sewers will be a good thing for the community and offered her assistance to the Board.

Mr. Buza asked the Board for guidance on how to respond to the e-mail request for a timeline. Mr. Aloï and Mr. Warnke told him to reply that our estimated time for completion is by 2010 per the recent grant application, but circumstances may change that date. Mr. Aloï added that this is only an estimate, there is no definite sewer project yet.


Mr. Aloï stated that he once again began work on updating the mailing address list but was interrupted. Mrs. Santacaterina suggested using the Koontz Lake Association's mailing list, but Mr. Aloï pointed out it would not be comprehensive enough. The Marshall County portion is done, but the Starke portion will take time due to an antiquated computer system.

A discussion was held concerning House Bill 1061. Mr. Aloï explained that this Bill states in part that if a homeowner sells their property that any lien against the property (including past due sewer fees) would not transfer to the new property owners. Mr. Warnke pointed out that this Bill affects rental property. His understanding is that if the property is sold, any lien against the property will not become the responsibility of the new owner. Ms. Owen suggested that the Board follow the Bill and make sure that nothing else gets added on to it. She will e-mail information to the Board on how to track a Bill. Mr. Buza questioned whether the Board can do anything. Ms. Owen said, yes, we can send e-mails and letters.

Ms. Owen then asked the Board to tell interested parties about the upcoming utility board training sessions.

There being no other business to come before the meeting, the meeting adjourned at approximately 7:25 p.m., central local time.

Louise M. Buza, Secretary

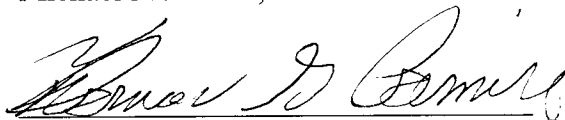


Paul Warnke, President

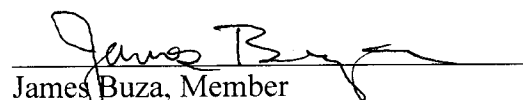


Robert Aloï, Vice-President

Michael McKenna, Treasurer



Thomas Camire, Member



James Buza, Member