

**MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
OF KOONTZ LAKE REGIONAL SEWER DISTRICT**

May 18th , 2010

The 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 (*Koontz Lake Association*) Clubhouse, 10870 Cherokee Road, Walkerton, Indiana 46574. The meeting was called to order by Paul Warnke and other Board members present were Charlie Tilleman, Robert Aloï, Mike McKenna, Tom Camire and Tom Vild (Late 6:52). Absent was Jerry Zehner. Also present were six members of the public at large, William McDermott, Ken Matthiesen, Gene Muraida, Patricia Markle , Jon German and Sue Pearse. Also present were Kenny Jones of Wightman Petrie and the Board's Attorney Jim Clevenger. Mr. Warnke asked if there were any additions or corrections with respect to the adoption of the agenda as previously published. There being none and upon motion by Mr. McKenna, seconded by Mr. Camire, the Board unanimously approved the agenda for the meeting.

Regarding the minutes of the April 20th meeting Mr. Warnke asked if there were any addition or corrections. There being none and upon a motion by Mr. McKenna, seconded by Mr. Tilleman, the Board unanimously approved the minutes of April 20th 2010 as submitted by Mr. Aloï.

In the Treasurer's Report, Mr. McKenna stated that:

1st Source checking account balance as of 4/30/ 2010 was \$2,392.28

Harris Bank Money Market account balance as of 4/30/2010 was \$64,472.96

Invoice received from Wightman Petrie on 5/7/2010 for \$39,821.06

Invoice received from Pfenninger Agency on 4/30/2010 for \$210.00

Invoice received from the Pilot News Group on 4/30/2010 for \$663.99

Mr. McKenna reported that we have paid Wightman Petrie a total of \$940,666.39 which approximates the amount agreed upon to be paid to them out of BAN (**Bond Anticipation Note**) funds and recommends the Board defer payment based on this earlier arrangement.. Mr. Tilleman suggested that the treasurer keep and report a running total of unpaid invoices as part of each month's report. Mr. McKenna recommended Payment of the Pilot News Invoice which was for a Publication of the "**Notice of the Availability of an Environmental Assessment Amendment due to WWTP site Change**". (*Waste Water Treatment Plant*) and recommended payment of the Pfenninger Agency invoice for the permit bond required by INDOT (*Indiana Department of Transportation*). Mr. McKenna also reported that he contacted the State Board of Accounts regarding our possible need for an auditor. The Supervisor for Special Districts,

Tom Austin, informed Mr. McKenna that they, the SBA, will be our only auditor and will schedule us for an audit next year. Upon motion by Mr. Tilleman, seconded by Mr. Camire, the Board unanimously agreed to defer payment on the latest invoice from Wightman Petrie until we close on the loan/grant from Rural Development and to pay those invoices as recommended by the Treasurer and to further approve the Treasurer's report.

There was discussion per agenda item of the project status report from Wightman Petrie. Ken Jones of Wightman Petrie presented a Design Project Update memo to the Board. A detailed report of Permit status was discussed. Mr. Jones commented that all permits have been submitted and that we are only waiting on INDOT R/W permit, Marshall County Highway Permit, USACE (*United States Army Corp of Engineers*) Wetland concurrence, final IDEM NPDES (*Indiana Department of Environmental Management National Pollutant Discharge Elimination System*) permit. In regards to the Marshall County Permit, the Board, after some discussion, is going forward to secure the \$200,000 bond the County required to complete their agreement. Mr. Jones commented that KIRPC (*Kankakee-Iroquois Regional Planning Commission*) will be submitting the OCRA (*Office of Community and Rural Affairs*) Grant Application by the end of the week. Mr. Jones reminded the Board to keep the dates of June 7th and 24th for the possibility of a pre-hearing with IDEM on the Raycroft Appeal. Mr. Jones also passed out a revised Engineer's estimate that reflected an increase in Plant cost but a decrease in collection system costs for a total decrease in estimated costs of \$2,333,735. Mr. McKenna asked how was RD money that comes in split up? Is it proportional? Mr Jones was to provide an answer after talking with RD. Paul Warnke asked how soon after permits are done, could we expect to go to bid. Mr. Jones replied approximately 30 days.

There was discussion per agenda item of the annual KLA (*Koontz Lake Association*) meeting. The Board is going to provide the newsletter article as originally approved and proceed with a KLRSD Informational meeting to be announced in the KLA Newsletter. No Questions and answers or presentation will be made at the KLA meeting at their request.

There was then discussion per agenda item of the KLRSD Q&A meeting. Mr. McKenna informed the Board that this meeting is scheduled for July 24th 2010 at the Koontz Lake Fire Station at 9:00 Central time. Mr. McKenna discussed having mandatory attendance by all Board members, 1 or 2 representatives from Wightman Petrie, our attorney, and Possibly IRCAP (*Indiana Rural Community Assistance Program*) representatives. Mr. McKenna discussed some of the items in the presentation including; How we got here; The Plant and Plant site; the collection system, How the Low pressure system works; The funding, the rates; and what additional costs people can expect. Some visual materials that WP offered to coordinate include a map of the District, grinder pump details, a cutaway from manufacturer. Mr. Jones also offered to secure a reliable PA system for the meeting. The Board would also have flyers and

other materials available. Mr. McKenna informed the Board that this meeting will be presented as a civil and concise meeting that presents the facts of the coming sewer system and will allow landowners to ask questions related to the construction and connections of the initial capital project and individual building connections. The meeting is not intended to be a referendum. Mr. McKenna reminded the Board Members that we all have to participate in some way and there will be a need to have board members assist in set up and takedown at the fire station. A more detailed schedule will be presented at next month's meeting.

There was discussion per agenda item regarding expansion of the FAQ page on the website. Mr. McKenna stated that the Board has received additional questions which need to be addressed on the FAQ page and that some of our current answers need to be revisited due to current available information. Mr. McKenna asked the Board members to forward any questions they have received to him and with the volunteer help offered by Mr. Warnke and Mr. Tilleman he would revise the preliminary page for next month's meeting.

There was discussion per agenda item of the Boards Insurance needs. Mr. McKenna is continuing to research quotes and reported that he may be able to insure the office and not the individuals who hold the office. Mr. McKenna checked with RD who indicated they were ok with the idea. Mr. McKenna will pursue an application and a copy of policies available, along with property insurance and general liability proposals to present to the Board as well.

Mr. Aloï discussed the agenda item relating to the request for NIPSCO Electric and gas installation at the Plant site. Mr. Aloï stated that the request has been made and all pertinent information provided to the Utility.

Mr. Aloï discussed the agenda item relating to the current drafts of Sewer Use and Sewer Rate Ordinances as well as the Guidelines. Mr. Aloï will hold another work session on June 9th 2010 at 6:30 pm central time at the KLA Clubhouse on Cherokee. Mr. Aloï stated that with the success of the last work session and the proposed work session, the Board should be able to complete a final draft of these documents by the next regularly scheduled meeting of the Board.

Mr. Clevenger handed out written Oaths of office for Paul Warnke, Mike McKenna, and Charles Tilleman to be notarized to be used for bonding purposes. The oral Oaths were given at previous meetings of the Board.

There was discussion, per agenda item of the publication of the **"Notice of the Availability of an Environmental Assessment Amendment due to WWTP site Change"**. (*Waste Water Treatment Plant*) Mr. Aloï stated that Publisher's affidavits were sent back to us and that we would provide copies to Mr. Jones at the end of tonight's meeting.

Mr. Aloï discussed, per agenda item, IRCAP (*Indiana Rural Community Assistance Program*) Board training on May 20th and July 15th. All Board members are encouraged to attend this worthwhile training.

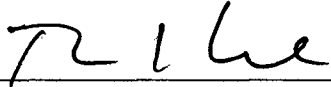
Mr. McKenna asked about the need to follow up on our District Plan to IDEM

Mr. Warnke recognized those members of the public who signed in and wished to address the Board. Mr. Muraida asked when will the project start? The Board replied that the District collection and plant project may start yet this year and that individual homeowner connections would begin after completion of enough of the collection system and all of the treatment plant and the District sewer is in operation (Approximately 12-24 months). Notices of individual sewer connection requirements would be sent out prior to connection. Sue Pearse asked; how often is an attendant is on duty? Ken Jones explained the Operational requirements of the plant site. Someone is there 5 days a week and on call 24-7 at the plant site. Visual alarms on all stations either direct a person to the KLRSD or the Operator for the district. He stated there was no SCADA (*Supervisory Control and Data Acquisition*) System. Sue Pierce asked why the High School [Oregon Davis] was not considered to be connected to the system. Mr. Aloï stated that OD school was included in the Preliminary engineering report in investigating a connection between Koontz Lake, the Hamlet Industrial park, and the Town of Hamlet. Oregon Davis had an interest in connecting to the Town of Hamlet and only encouraged Koontz Lake to utilize the Hamlet facility. The Town of Hamlet would have had to have considerable Treatment plant upgrades in addition to considerable infrastructure costs as well as considerable infrastructure Costs for the Industrial Park and Oregon Davis for this to be a financially feasible project according to the PER. In addition to the analysis in the PER, Oregon Davis proceeded to permit and install a large trickling filter on-site sanitary system instead of connecting to Hamlet. The Director for the Starke County Development Foundation, although in favor of a sewer project to service the school and the Industrial Park, did not see any immediate source of gap funding available for such a project. John German asked a question about an individual service connection. Mr. Jones said he would discuss this with him after the meeting. Patricia Markle asked for a copy of the P.U.D (*Planned Unit Development*) narrative. The Board informed her that the narrative is available at the Starke County Plan Commission office.

There being no further business to come before the meeting, upon motion by Mr. Camire, seconded by Mr. Vild and unanimously approved, the meeting adjourned at approximately 7:49p.m. local central time.

Respectfully submitted by Robert S. Aloï, Secretary

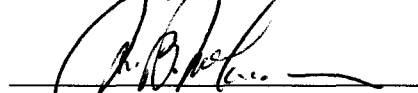
May 18th , 2010 minutes approved by:



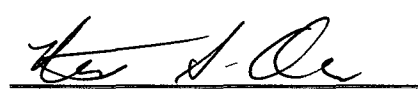
Paul Warnke, President



Charles J. Tillman, Vice-President

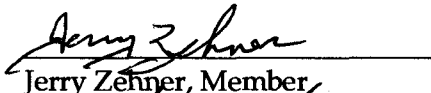


Michael McKenna, Treasurer



Robert S. Aloï, Secretary

Tom Camire, Member



Jerry Zehner, Member



Tom Vild, Member