

**MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS
OF KOONTZ LAKE REGIONAL SEWER DISTRICT
December 17th , 2009**

A Special 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, 10870 Cherokee Road, Walkerton, Indiana 46574. The meeting was called to order by Paul Warnke and other Board members present were Mike McKenna, Robert Aloï and Jim Buza. Also present were seven members of the public at large, Amy Remkus, Lawrence J. Remkus, William McDermott, Ed Hofferth, Charles Brownlee, Jerry Zehner and Jerry Weber. Also present was Kenny Jones of Wightman Petrie. 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. Buza, the Board unanimously approved the agenda for the meeting.

Regarding the minutes of the November 17th meeting Mr. Warnke asked if there were any additions or corrections to the minute as read by Mr. Aloï. There being none and upon a motion by Mr. McKenna, seconded by Mr. Buza, the Board unanimously approved the minutes of November 17th 2009 as submitted and read by Mr. Aloï.

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

1st Source Bank Checking Account Balance as of November 30th 2009 was \$2,985.12

Harris Bank Money Market account balance as of November 30th 2009 was \$507,866.72

Invoice received from Wightman Petrie for \$124,993.76

Invoice received from H.J. Umbaugh for \$7875

Invoice Total : \$132,868.76

Upon motion by Mr. Aloï, seconded by Mr. Buza, the board unanimously approved The Treasurer's report including the accounts payable voucher for the submitted invoices and further approved the wire transfer based upon the recommendations by Mr. McKenna. Wire transfers were to be confirmed by Wightman Petrie.

There was discussion per agenda item regarding the "Notice of Exercise of Option to Purchase Real Estate". The real estate refers to the Clean Water Plant site property from Mr. Borrelli. Mr. Aloï presented a draft copy of this Notice to the Board for review and discussion. The notice allows the Board to move forward with the purchase of this property with the seller based on the average appraisal prices received. Total cost to purchase the property would be \$31,750 less the Title insurance costs and the \$500 option fee according to the Option to Purchase agreement. The District would be responsible for paying the closing costs. Upon

motion by Mr. McKenna, seconded by Mr. Buza the Board unanimously approved for Mr. Aloï to move forward with executing the "Notice of Exercise of Option to Purchase Real Estate" and to further complete a purchase agreement and closing on the property as soon as possible.

There was discussion per agenda item of the project status report from Wightman Petrie. Kenny Jones of Wightman Petrie presented a design project update to the Board. Mr. Jones discussed the clean water plant design, collection system design, and Grinder Pump easements. Mr. Jones commented on the recent local approvals on the zoning for the Clean Water Plant site and the discussions taking place with all the relative permitting agencies. Mr. Jones discussed the "Rule 5" Permit for Erosion and sediment control, and submitted the Notice of Intent to the President of the Board for signature so that the permit can be submitted to IDEM. Mr. Aloï commented that there should be complete construction records for the Notice of Termination for this permit and that should be a requirement in the Contractor specifications. Mr. Jones also discussed the importance of including the wetland boundary as concurred by the Army Corps of Engineers on the PUD plat submittal. Mr. Jones also mentioned the "massive effort" to complete the easement process for the grinder pump locations. So far 300 of the 331 identified landowners have been sent information packets, and all easement areas calculated. Another update on the easements will be coming at January meeting. Mr. Jones also commented on the pre-selection bid packages sent out to vendors of the grinder pumps. As this progresses WP intends on discussing it further at the January meeting.

There was discussion per amended agenda item regarding Reappointment of Board members Tom Camire and Robert Aloï. Mr McKenna announced that Mr. Camire's re-appointment Certification was received from the Starke County Council. Mr. Aloï's Reappointment by the Marshall County Council was also completed and we are waiting on a certification letter. Mr. McKenna also received a certification by the Polk Township Trustee and Advisory board for Mr Jerry Zehner. Certifications for these appointments and oaths of office shall be delivered at the January regular meeting of the Board. Mr. McKenna is going to get contact and other board information to Mr. Zehner before the January Meeting.

Mr. McKenna made a motion to accept Mr. Buza's verbal resignation from the Board which would become effective upon the Board seating his replacement and to further recommend Mr. Tom Vild to the appointing body for consideration for appointment. The motion was seconded by Mr. Aloï and unanimously approved. Mr. McKenna thanked Mr. Buza for all his service to the Board and further indicated that the Policy and Procedure guidelines for recommending a Board member replacement and publishing for this position would commence.

Mr. Warnke mentioned the availability of Mr. Michael J. Aylesworth of IDEM to attend any of our meetings or if we have questions. Mr. McKenna stated that he will take care of the

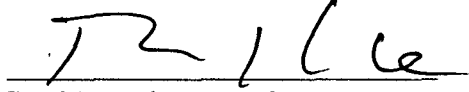
upcoming ARRA reporting in January and that he has already updated our registration renewal in CCR. Mr. Buza was given approval to publish the WP project newsletter on the website.

Mr. Warnke recognized those members of the public who signed in and wished to address the Board. Amy Remkus asked how not donating the grinder pump easement affects overall cost of project. Mr. Warnke explained that the cost of \$1.24 per square foot for the easements would amount to almost \$36,000 and every cost borne by the district is against the funding for the project. He stated we are trying to limit the debt wherever we can so the cost to the public remains at an acceptable rate. Mr. Brownlee stated that he thought \$65/month seemed high. Mr. Warnke explained that the rate had been accepted by the funding agency based on income surveys and other criteria for a project like this. Mr. McDermott asked about the size of the grinder easements and Mr. Jones stated that they averaged 10 feet by 10 feet. Ed Hofferth asked about policies relating to installation of new septic. Mr. Aloï stated that if he provided his name and address he would get the IC relating to this topic to him. Mr. McKenna stated that the State law [IC 13-26-5-2.5] allows some grace period for individuals who have recently installed a new septic system. You would have up to 3 years to connect, however you must follow strict conditions under the law which include an inspection and report from the local health department. You may also be able to recover some of the cost. Mr. Hofferth asked about the Grinder pump easements. Mr. Jones stated that they are either in the rights of way or between 5 to 10 feet on owner property. Jerry Zehner asked about the size of the low pressure lines and Mr. Jones stated they were primarily 6 inch lines. Mr. Brownlee asked if we were going to put in a water system. Mr. Aloï stated that a Regional Sewer District can only be in responsible charge of a sanitary sewer system and that "No" the District would not be installing a water system.

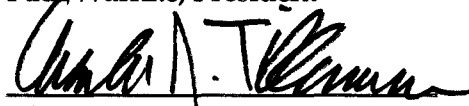
There being no further business to come before the meeting, upon motion by Mr. McKenna, seconded by Mr. Buza and unanimously approved, the meeting adjourned at approximately 8:06p.m. local central time.

Respectfully submitted by Robert S. Aloï, Secretary

December 17th, 2009 minutes approved by:

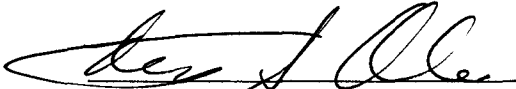


Paul Warnke, President



Charles J. Tilleman, Vice-President

Michael McKenna, Treasurer



Robert S. Aloï, Secretary

Tom Camire, Member



Jerry Zehner, Member