

KOONTZ LAKE REGIONAL SEWER DISTRICT

P.O. Box 204
Walkerton, IN 46574

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES OF KOONTZ LAKE REGIONAL SEWER DISTRICT

March 19th, 2019

The March 19th, 2019 Regular meeting of the Board of Trustees of the Koontz Lake Regional Sewer District was held at approximately 5:30 p.m., local central time, at the KLRSD Administrative Building, 10625 East Prairie Avenue, Walkerton, Indiana 46574. The meeting was called to order by James Jackson. Other board members present were: Ron Armstead, Kristy Wilsey, Paul Warnke, and Dan Pisarek. Mike McKenna attended via teleconference. Also present was Shelley Bell.

Mr. Jackson asked the Board if there were any additions or corrections with respect to the adoption of the March 19th, 2019 agenda as previously published. Mr. McKenna requested an update of the field tile issue be added under Old Business and also the issue with a property on Ostego. Mr. Jackson made the motion to accept the Agenda with these additions, Mr. Warnke seconded, and upon vote the Board unanimously approved.

Next, Mr. Jackson asked if there were any additions or corrections to the minutes for the February 19th, 2019 Board Meeting, dated 3/18/19 Rev 1. Changes were made on pages one and four. Mr. Warnke made the motion to accept the Minutes with these additional changes, Mr. Pisarek seconded, and upon vote the Board unanimously approved.

Next was a discussion of Swan Lake Resort updates:

Mr. Warnke reported that he had talked with Kenny Jones of JPR this afternoon and that checks have been issued to Hesters and contractors regarding the field tile issues and the matter is considered closed by JPR. Hesters is satisfied with the outcome. Mr. Jones had informed Mr. Warnke that Hesters and Borelli would now have the burden of proof for any further complaint/action. Mr. McKenna said he was glad this is resolved.

There was nothing to be reported by the Nomination Committee.

Next was the presentation of the Treasurer's Report:
Please see Treasurer's Report on following page:

KOONTZ LAKE REGIONAL SEWER DISTRICT

TREASURERS REPORT

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March 19, 2019

CASH

1 st Source Bank Checking Account	
Balance as of January 31, 2019:	\$312,588.06
Checks, withdrawals, debits	-\$152,842.63
Service charges	-\$44.01
Deposits and credits	\$56,380.76
Interest earned	\$50.01
Statement balance as of February 28, 2019:	\$216,132.19
Checks written but not cleared	-\$9,483.26
Available balance in checking:	<u>\$206,648.93</u>
Certificates of Deposit:	<u>\$866,554.69</u>
Total funds	\$1,073,203.62

RECEIVABLES

Reported by JPR as of 3/14/2019 \$103,831.48 (see Note 1)

CLAIMS

The following invoices and claims are presented:

NIPSCO	CWP electric	\$4,214.63 *1
NIPSCO	CWP gas	\$111.03 *1
NIPSCO	CS grinder electric	\$1,376.41 *1
NIPSCO	OB gas & electric	\$168.25 *1
Republic Svcs	sludge hauling	\$0.00 *1
CenturyLink	Phone Svc	\$197.06 *1
Marshall County REMC	SLR electric	\$199.00
Astbury Water Tech	Operater services	\$16,847.96 *2
Jones Petrie	billing services	\$4,733.90 *3
Jones Petrie	locate services	\$1,360.00 *3
Jones Petrie	engineering	\$1,425.00 *3
Jones Petrie	inspection services	\$382.50 *3
Personnel Partners	staffing services	\$615.00
Shelley Bell	bookkeeping expenses	\$27.48
Pfenniger Ins	annual insurance premium	\$10,978.00
Peggy Shively	office cleaning	\$25.00
Lawrence Lawn Service	snow removal	\$100.00
	Total claims	<u>\$42,761.22</u>

* Footnotes to Claims:

*1 Preapproved for automatic payment.

*2 Contract services plus SLR services plus CWP supplies plus numerous call outs and repairs.

*3 Contract services.

Note 1: Receivable aging:	Current	\$35,109.89	
	30 days	\$8,745.85	
	60 days	\$3,268.23	
	90+	\$8,500.25	
	Lien	\$48,207.26	7.5% (percent of annual revenue)
	Total	\$103,831.48	

Note 2: The Treasurer recommends approval to pay all claims listed above.

4/14/19

Mr. Warnke asked how the billing is figured for Swan Lake and Mr. McKenna said it was approximately \$2,000 with \$900 fixed charges and \$1,100 flow/variable charges.

Mr. Warnke said he had run a check with EDU's and feels we are getting a favorable rate. He also said the agreement package for billing Swan Lake is very satisfactory.

Mr. Warnke questioned why the aging of Receivables was now at 7.5 %. Mr. McKenna explained this was because Ms. Ransbottom of JPR had just filed approximately \$14,000 - \$15,000 new liens, which raises the percentage for a short time. He added that the District usually has a jump in March and November when the liens are filed, but it goes down when we get the checks from the counties for the liens that have been paid.

Mr. Pisarek said the question of how many liens were for properties not connected yet and that Ms. Ransbottom's report goes over this.

Mr. Warnke also asked questions regarding the budget and how the Revenue needs to be better than the expenses. Mr. McKenna explained that funding for the Reserve does not come out of expenses, but wondered if perhaps the funding for reserves should be on the expense side.

Money to pay operators, make the Loan payment, and to build up Reserves and to save money for improvements was discussed. The Debt Reserve, the full annual payment to USDA of \$250,000 is built up over 10 years. The Loan repayment comes out to approximately \$20,000/month.

Mr. McKenna also said he identifies the money as different funds.

Mr. Pisarek told the Board he had talked to the owner of the Ostego property last fall, JPR and the Health Department regarding the problems with their failing septic system and non-connection. The Health Department was to address the problem. The Health Department claimed the people at the property had said they were trying to get a contractor out to get ready to hook up into the sewer system. They had the septic pumped once sometime during the winter. With the problem persisting, Mr. Pisarek asked if there was anything more we could do about it?

Mr. Warnke said he had talked to Mr. Williams at the Health Department who had said the pump and haul of the septic tank was a temporary fix and that the last pump bill was March 8th, 2019.

Mr. Jones of JPR has contacted Mr. Williams and a contractor. They will give a deadline to the occupants of the house based on figuring all facts to how long it actually takes to get things done.

Mr. Warnke said the District is out of this situation now. Once the Health Department is involved, it is in their hands.

JPR said the property has been paying sewer bills from day one, so \$35.00/month is on their account toward debt service, therefore the \$1,500 new building fee is not needed to be added to their connection expenses.

Mr. Warnke said our Ordinance requires property gets billed, whether it is paid or not. Mr. McKenna noted there are liens on the property, but because they've been paying some sewer bills through the property tax liens, they do not owe debt service, however they DO owe the County for the liens. The owners need to pay the non-lien portion which is approximately \$200.

Mr. McKenna stated that the primary goal is to get the property connected to the sewer system.

Mr. Warnke said that if the property does become red-tagged, condemned, then those owners are no longer dumping waste.

Mr. Warnke said he would like the District to have a better understanding of how Starke County handles the ~~lines~~ ^{liens} process. Mr. Jackson also voiced concern over these liens continuing to build up.

Mr. Warnke acknowledged the frustration with this situation but added that we need to follow policy and handle this accordingly. This would include the Sewer Bill current account up-to-date, and permits and fees would need to be paid before they can connect.

Mr. Pisarek also noted there is a property on Tecumseh that may not be connected as the neighbors are complaining it leeches down their driveway.

There being no further discussion on the Treasurer's Report, Mr. Armstead made the motion to accept the Treasurer's Report as presented, Mr. Warnke seconded, and upon vote the Board unanimously approved.

Asset Management reported that Astbury may soon be helping out with this as they have a new program to handle it.

There was no discussion of the JPR billing or engineering report.

There was no discussion of the Astbury report.

The System Manager reported everything looks good. Mr. Armstead said he and Mr. Fox will get doors figured out as the weather gets better. He also reported that the tree man will send a copy of his insurance coverage once he gets back from Florida.

For Building Management, Mr. Pisarek questioned if the District is covered should there be an accident with the public who uses the building, such as the Koontz Lake Conservancy District. Mr. McKenna explained we are covered with property ~~indemnity~~ insurance.

Mr. McKenna said the Board needs to better understand our property insurance coverage regarding other groups using the facility. He will contact our lawyers to request they attend the next meeting to answer some of the questions regarding liability of each board member.

The Contract Manager reported that he has worked out the contract with Astbury. Mr. McKenna said he has been in contact with Mr. Astbury to work out the District's requested changes.

Mr. Warnke made the motion to accept the Astbury Contract with the Red Lined corrections, with the new rate of \$5,818.30 and have Mr. Jackson and Mr. Pisarek sign it once we get the new contract. Mr. Armstead seconded this motion and upon vote, the Board unanimously approved.

Mr. Jackson told the Board that our insurance increased by \$2,600 and he has been unable to get them to be forthcoming on what the explanation for the increase is. He said he will start looking for a new agent as he is unhappy with the current one's service.

Mr. McKenna said that a new agent should come out and speak with the Board to go over all of our policies so the Board better understands what is covered and what is not.

Mr. Warnke suggested contacting IRSDA for insurance agent recommendations.

There was nothing to report under Key Control.

The P & P Committee reported all Conflict of Interest forms have been signed.

Next there was a brief discussion of the website management.

Under old business, the Board continued the discussion of building permits. Mr. Warnke said Starke County sends us an email with every permit in our district. He added that with Marshall County, everything is available online.

There were no members of the public present at the meeting who wished to speak.

There being no further business to come before the Board, Mr. Armstead motioned for the meeting to be adjourned, Mr. Pisarek seconded, and the March 19th, 2019 Regular Meeting of the Koontz Lake Regional Sewer District Board of Trustees was adjourned at approximately 6:45 p.m. local Central Time.

The next KLRSD Board Meeting is the Annual Board Meeting scheduled for April 16th, 2019 to begin at 5:30 pm CST.


Respectfully submitted by Shelley K. Bell, KLRSD Bookkeeper

March 19th, 2019 KLRSD Regular Board Meeting Minutes approved by:



Michael McKenna

Gerald Weber



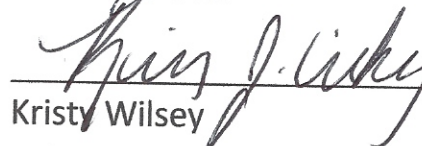
Ronald Armstead



Dan Pisarek



James Jackson



Kristy Wilsey

Paul Warnke