

# KOONTZ LAKE REGIONAL SEWER DISTRICT

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P.O. Box 204  
Walkerton, IN 46574

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

November 21<sup>st</sup>, 2023

The November 21<sup>st</sup>, 2023 Regular meeting of the Board of Trustees of the Koontz Lake Regional Sewer District was held at 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 Jeff Jarnecke. Other board members present were: Kristy Wilsey and Ron Armstead. Attending via teleconference were Mike McKenna and Jerry Weber. Also present was Jeff Rowe of Baker Tilly and Shelley Bell.

Mr. Jarnecke asked the Board if there were any additions or corrections with respect to the adoption of the November 21<sup>st</sup>, 2023 Agenda as previously published. Mr. Armstead made the motion to accept the agenda as published, Ms. Wilsey seconded, and upon roll call vote, the Board unanimously approved the Agenda.

Next on the Agenda was the reading of the October 17th, 2023 Minutes. Mr. Jarnecke asked if there were any additions or corrections to the Minutes. Mr. Armstead made the motion to accept the Minutes as presented, Mr. McKenna seconded, and upon polled vote, the Board unanimously approved.

The Nominating Committee reported letters had been sent to the County Council and County Auditors requesting renewal of terms for Mr. Armstead and Mr. Weber. Mr. McKenna added that those nominations will probably not be made until January 2024. Mr. McKenna also told the Board that he has written a procedure to be followed when making nominations.

Next was the Treasurer's Report:

Treasurer's Report on next page:

**KOONTZ LAKE REGIONAL SEWER DISTRICT**

TREASURERS REPORT

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November 21, 2023

**CASH**

1 <sup>st</sup> Source Bank Checking Account		
Balance as of September 30, 2023:		\$255,046.18
Checks, withdrawals, debits		-\$31,874.07
Service charges		-\$53.25
Deposits and credits		\$62,699.15
Interest earned		\$77.21
Statement balance as of October 31, 2023:		\$285,895.22
Checks written but not cleared		-\$564.87
Available balance in checking:		<u>\$285,330.35</u>
Certificates of Deposit:		<u>\$1,047,568.12</u>
<b>Total funds</b>		<b>\$1,332,898.47</b>

**RECEIVABLES**

Reported by JPR as of 7/12/2023 \$92,716.92 (see Note 1)

**NOTE: above line should read "Reported by JPR as of 11/8/2023" per email of 11/20/23 Mike McKenna to Board**

**CLAIMS**

The following invoices and claims are presented:

NIPSCO	CWP gas	\$73.35	*1
NIPSCO	CWP electric	\$4,742.64	*1
NIPSCO	OB gas & electric	\$141.89	*1
NIPSCO	CS grinder electric	\$675.00	*1
Republic Svcs	sludge hauling	\$7,132.37	*1
Brightspeed (CenturyLink)	Phone Svc	\$209.02	*1
Marshall County REMC	SLR electric	\$301.00	*1
H&G Services	generator service	\$1,153.82	
VersaCheck	check validation subscription	\$133.94	*2
Astbury Water Tech	Operator services	\$10,973.32	*3
Jones Petrie	billing and engineering	\$14,486.94	*4
Personnel Partners	staffing services	\$740.25	
	<b>Total claims</b>	<u><b>\$40,763.54</b></u>	

**\* Footnotes to Claims:**

- \*1 Preapproved for automatic payment.
- \*2 Debit Card
- \*3 Contract services plus SLR services, numerous service calls and repairs.
- \*4 Contract services.

<b>Note 1:</b>	Receivable aging:	Current	\$44,241.01	
		30 days	\$1,980.66	
		60 days	\$2,155.00	
		90+	\$10,256.88	
		Lien	\$34,083.37	4.7% (percent of annual revenue)
		<b>Total</b>	<u>\$92,716.92</u>	

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

There were no questions regarding the Treasurer's Report.

There being no further questions or discussion regarding the Treasurer's Report, Mr. McKenna made the motion to approve the Treasurer's Report as presented, Mr. Weber seconded, and upon polled vote, the Board unanimously approved.

Mr. McKenna told the Board the checks were on their way to Mr. Jarnecke for his signatures and for him to mail them out.

Next, the meeting moved to Baker Tilly's proposal to work with Mr. McKenna and the District over the coming year of 2024 and 2025. Mr. McKenna believes they can work out a good transition.

Mr. Rowe introduced himself and his firm to the Board citing that they have 25-plus years of working with local municipal governments and have worked with approximately a dozen similar districts. He added that he and his firm are familiar with working with JPR and Astbury.

The KLRSD account will be managed out of their Mishawaka office and most of the information will be handled electronically. KLRSD is about medium sized of those firms he's worked with.

Mr. Jarnecke asked about renewal of contracts. It depends on the district, some being year-to-year and others with 2-year terms. Most districts use a 12 month term.

Mr. Armstead said he would like to see a year-to-year term for the first year, going to possibly 2-year terms after that. Mr. McKenna and Mr. Jarnecke also agreed to this.

Mr. McKenna made the motion to accept Baker Tilly's engagement as submitted, Mr. Armstead seconded, and upon polled vote, the Board unanimously approved.

Mr. McKenna then told the Board that the Treasurer's Report for the last 5-year period audit has the auditors wrapping up the job. He said the auditors would like an exit conference to wrap up the audit with at least two of the Board Members next week. Mr. McKenna and Mr. Jarnecke will try to arrange this meeting according to their schedules.

There was nothing to report under Asset Management.

There was no discussion regarding JPR Billing or Engineering, other than the comment that JPR set a large amount of liens to Starke County.

For Astbury's Report, Mr. Armstead said they need to get pumps worked on because they are stacking up and he feels there is no reason for it. He added that the District gives a courtesy to Astbury to work on other district's pumps, but ours are stacking up without being worked on. He will contact Dan Fox of Astbury.

The System Manager reported there are 34 of KLRSD pumps and approximately a dozen out-of-town pumps.

The Building Manager reported the floor looked a little rough, but believes that a result of aging. Otherwise, the building was looking okay.

The Website Manager reported making some recent updates.

There was nothing to report by Compliance other than occasional permits.

There was nothing to report by Contracts.

There was nothing to report on Key Control.

There was nothing to report on P & P.

There was nothing to report for Records Management.

Under Old Business, Swan Lake repairs of approximately \$46,000-\$47,000 have been awarded to Astbury. The KLRSD has asked JPR to share in the repair expense.

The Board discussed JPR's response to the above request. Mr. McKenna made the motion to accept JPR's offer of \$10,183 (25%) to be reimbursed to the KLRSD. Mr. Armstead seconded.

Ms. Wilsey felt the offer of \$10,000 was a little low. She said the Board should negotiate the best price for the District's customers. Mr. Armstead agreed with part of her reasoning.

Mr. Weber asked if we accept the \$10,000 from JPR, do we also seek any reimbursement from Swan Lake.

Mr. McKenna explained this situation is unique and complicated. He doesn't want to nickel and dime JPR and feels JPR's offer is fair.

Mr. Weber commented on the dollar amount we share with Swan Lake infrastructure is \$1,000 but his is not normal. This is new construction that failed in a very short time.

If the District were to ask Swan Lake for reimbursement, we would need to decide who will ask them.

Mr. Armstead stated that Swan Lake is out of this.

Ms. Wilsey feels like asking JPR for \$20,000.

Going back to Mr. McKenna's motion to accept JPR's offer of \$10,183 to be reimbursed to the KLRSD, a polled vote was taken: Ayes included Mr. McKenna and Mr. Jarnecke. Ms. Wilsey and Mr. Weber were Nay votes, and Mr. Armstead abstained.

The motion did not pass.

Mr. Armstead suggested telling JPR the Board feels the offer is a bit low, that it was their design and they oversaw the project.

Mr. Jarnecke said he feels this is dragging on and feeling very governmental, adding we did not read Swan Lake into this repair so we probably shouldn't go after them. Swan Lake engaged JPR and upon completion was turned over to the KLRSD. He also is trying to avoid risk of a lawsuit with Swan Lake as a result of the District going after them.

Mr. Jarnecke is concerned with the possibility that if the District goes back to JPR, then JPR may counteroffer at an even lower rate.

Ms. Wilsey agrees with not going after Swan Lake.

Mr. Armstead stated that JPR offered 25% but he still feels that is low.

Mr. McKenna said the District had relied on the experience and expertise of Astbury, JPR, and the Contractor. This was Swan Lake's project, and by volume, Swan Lake is the District's largest customer and the KLRSD needs them.

Mr. Armstead made the motion to accept JPR's offer as presented for \$10,183 reimbursement and Ms. Wilsey seconded. Upon polled vote, the Board unanimously approve and the motion was carried.

Mr. McKenna will follow up with Kenny Jones of JPR to wrap up financial options.

Next was discussion of the 2024 Budget. Mr. Jarnecke was concerned with the Revenue. Mr. McKenna explained that, for example, to understand the 2022 Revenue, you have to look at the 2021 Revenue, which was about \$58,000 per month. This included some significant Lien Payoffs. Mr. McKenna uses the previous year to estimate the budget for the new year.

The 2023 Budget was based on the increased rate of \$60.

Mr. McKenna explained the District has to send an approved Budget to the USDA. A lot of guesswork goes into making that budget, including past Revenue and Expenses, planning for future projects and repairs, liens, and various other items that affect the Budget numbers.

Mr. McKenna made the motion to accept the 2024 Budget as corrected, Mr. Weber Seconded, and the Board voted as follows:

Mr. McKenna – aye  
Mr. Weber – aye  
Ms. Wilsey – aye  
Mr. Armstead – aye  
And Mr. Jarnecke abstained

The motion carried.

There being no further business to come before the Board, Ms. Wilsey motioned for the meeting to be adjourned, Mr. Armstead seconded, and upon polled vote, the Board unanimously approved. The November 21st, 2023 Regular Meeting of the Koontz Lake Regional Sewer District Board of Trustees was adjourned at approximately 6:30 p.m. local Central Time.

Respectfully submitted by Shelley K. Bell, KLRSD Bookkeeper

November 21<sup>st</sup>, 2023 KLRSD Annual Board Meeting Minutes approved by:

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Michael McKenna

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Kristy Wilsey

\_\_\_\_\_  
Gerald Weber

\_\_\_\_\_  
Paul Warnke

\_\_\_\_\_  
Ronald Armstead

\_\_\_\_\_  
Jeff Jarnecke

\_\_\_\_\_  
Heather Harty