

# KOONTZ LAKE REGIONAL SEWER DISTRICT

---

P.O. Box 204  
Walkerton, IN 46574

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

August 18<sup>th</sup>, 2020

The August 18<sup>th</sup>, 2020 Annual 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 Paul Warnke. Other board members present were: Mike McKenna, Jeff Jarnecke, Jerry Weber, Kristy Wilsey and Ron Armstead. Also present were Jennifer Ransbottom of JPR, Dan Fox of Astbury, and Shelley Bell.

Mr. Warnke asked the Board if there were any additions or corrections with respect to the adoption of the August 18<sup>th</sup>, 2020 Agenda as previously published. Mr. Jarnecke made the motion to accept the agenda as published, Mr. McKenna seconded, and upon vote, the Board unanimously approved the Agenda.

Next on the Agenda was the reading of the July 21<sup>st</sup>, 2020 Minutes. Mr. McKenna amended the first page, fourth paragraph from "approved for nomination" to "appointed by the Board. There being no further changes, Mr. Jarnecke made the motion to accept the Minutes as amended, Mr. Armstead seconded, and upon vote, the Board unanimously approved.

The first item of the Annual Meeting was the President's Annual Report. Mr. Warnke delivered this report as follows:

President's Annual Report on next page.....

# Koontz Lake Regional Sewer District

## President's Annual Report

August 18, 2020

The District continues to fulfill its mission of providing safe, economical wastewater treatment infrastructure to the community of Koontz Lake.

A brief summary of the past year includes the following:

1. James Jackson and Dan Pisarek have resigned their positions as Trustees. The District thanks them for their years of service and contribution to the community.
2. Jeff Jarnecke has graciously volunteered to serve as a Trustee representing Starke County.
3. Kristy Wilsey, Secretary, has spearheaded the development and implementation of a new District website. This will enhance the flow of information to the community and allow the District to better communicate with the Ratepayers.
4. Ron Armstead and Jerry Weber (not necessarily in that order) donate a lot of hours at both the plant and the office building supervising the Operator, Astbury Water Technology, and maintaining the upkeep of both buildings and grounds.
5. Mike McKenna continues to serve as Treasurer for the District. His expertise and attention to detail has been invaluable in keeping our financial house in order.
6. Shelley Bell has served as Assistant to the Secretary, Bookkeeper, and Den Mother for several years. Her contribution deserves recognition.
7. Finally, we note the passage of Jim Buza. Jim was involved with the District continuously since the beginning of its formation. He served as a Trustee. Later, he developed and managed the website for the District. Jim will be missed. We are grateful for his help, guidance, and expertise.

In the upcoming months, the District will continue to serve the community. A rate study and financial analysis will be done to insure the financial stability of the system. We will continue to improve the flow of information to ratepayers. We are working with our Engineering Consultant to plan and provide for future growth of the system.

Mr. McKenna made the motion to accept the President's Annual Report for 2019-2020 as presented, Mr. Armstead seconded, and upon vote, the Board unanimously approved.

The Treasurer delivered the Annual Treasurer's Report as follows:

# Koontz Lake Regional Sewer District

P.O. Box 204

Walkerton, IN 46574

## ANNUAL TREASURERS REPORT

Report Period: July 1, 2019 to June 30, 2020

### Finances

July 1, 2019 Starting Balance		
Checking	\$287,994	
Certificates of Deposit	\$925,817	
<b>STARTING CASH BALANCE (JULY 1, 2019)</b>		<b>\$1,213,811</b>
<b>TOTAL REVENUES</b>		<b>\$679,312</b>
<b>TOTAL EXPENDITURES</b>		<b>\$630,160</b>
<b>ENDING CASH BALANCE (JUNE 30, 2020)</b>		<b>\$1,262,963</b>
June 30, 2020 Ending Balance		
Checking	\$280,690	
Certificates of Deposit	\$982,273	
<b>Balance</b>		<b>\$1,262,963</b>

### Fund Balances

Operating Fund	\$100,000	
Principal & Interest Reserve	\$103,030	
Debt Service Reserve	\$236,390	
Capital Improvement Reserve	\$823,543	
<b>Total Funds</b>		<b>\$1,262,963</b>

### Items of Note

The 2020 Business Plan (for January through June) shows the following:

- Revenues are 51% of projection
- Expenses are at 48% of projection.
- Operating Ratio is 1.17

These figures indicate that the Proposed Budget, adopted in November 2019, is very much on track after the first 6 months

Customer accounts receivable certified in lien stand at 5.2% of annual revenue which is at the high end of where we want to be, but the total includes recently filed liens but does not include payments from the County Tax Collections that are normally paid in June but are late this year.

After a year of operational experience, Swan Lake rates were adjusted in April as provided by ordinance. The Fixed Rate and Variable Rate were increased 14% and 12% respectively.

Expenses remain under control and the District continues to build reserves. However, with an increase of only \$49,152 over the twelve months reported, we may be falling behind our goal of accumulating \$1,000,000 every ten years for grinder replacements. A separate Rate Analysis has been done and will be presented to the Board for consideration of a possible need for a rate increase.

I hereby certify the above to be true and correct.

Michael B. McKenna, Treasurer

August 15, 2020

Mr. McKenna reported the Ending Cash Balance was \$1,262,963 for the District. He added that the Operating Ratio is still quite decent and that some of the liens have been paid. He informed the Board Swan Lake rates were increased as per ordinance.

Mr. McKenna also told the Board that he feels the District may be falling behind the goal in money accumulated for grinder replacements. He will look into doing a rate study as a small increase in rates may be necessary this coming year.

There being no questions or discussion on the Treasurer's Annual Report, Mr. Jarnecke made the motion to accept the Treasurer's Annual Report of 2019-2020 as presented, Mr. Weber seconded and upon vote, the Board unanimously approved.

Next was the Nomination of Officers. The first office was for President. Mr. McKenna nominated Mr. Warnke to this position and Mr. Weber seconded. There were no other nominations so the Board voted with all in favor voting with a vote of confidence.

Mr. Warnke told the Board that technically, there could be a Conflict of Interest because he is employed by JPR.

Mr. McKenna said that for there to be a Conflict of Interest, a person needs to benefit financially from a company we do business with. He added that for any actions requiring financial dealings/decisions regarding JPR and the KLRSD, Mr. Warnke would recuse himself.

Mr. Armstead voiced concern about Mr. Warnke being there for any discussions regarding such matters.

Mr. McKenna said that Mr. Warnke might prove beneficial as resource.

There being no further discussion regarding the nomination for President being Mr. Warnke, Mr. Warnke requested a second vote and upon that vote, the Board unanimously approved Mr. Warnke as President.

Next, the office of Vice President was open for nominations. Mr. Armstead nominated Mr. Weber and Mr. McKenna seconded. There were no other nominations. The Board voted a vote of confidence unanimously.

Next were nominations for the office of Secretary. Mr. McKenna nominated Ms. Wilsey and Mr. Armstead seconded, and there were no other nominations. The Board then voted with all in favor voting with a vote of confidence.

The next position for nomination was that of Treasurer. Mr. Weber nominated Mr. McKenna to continue as Treasurer, with Mr. Armstead seconding. There were no other nominations. Upon unanimous vote, the Board approved with a vote of confidence.

The officers for the next 12 months for the KLRSD are:

- President – Paul Warnke
- Vice President – Jerry Weber
- Treasurer – Mike McKenna
- Secretary – Kristy Wilsey

With this, Mr. Warnke made the motion to close the Annual Meeting and upon vote, the Board unanimously approved.

This also concluded the Annual Meeting of the Koontz Lake Regional Sewer District Board of Trustees for the years of 2020-2021.

The Regular Meeting of the Koontz Lake Regional Sewer District Board of Trustees began approximately 5:50 CST.

Next, the meeting turned to Monthly Reports.

There was nothing to report by the Nominating Committee.

Next was the Treasurer’s Report:

<b>KOONTZ LAKE REGIONAL SEWER DISTRICT</b>			
<b>TREASURERS REPORT</b>	<b>Page 1 of 1</b>		<b>August 18, 2020</b>
<b>CASH</b>			
1 <sup>st</sup> Source Bank Checking Account			
	Balance as of June 30, 2020:		\$280,690.30
	Checks, withdrawals, debits		-\$31,942.74
	Service charges		-\$24.02
	Deposits and credits		\$55,922.67
	Interest earned		\$24.50
	Statement balance as of July 31, 2020:		\$304,670.71
	Checks written but not cleared		-\$134.20
	Available balance in checking:		<u>\$304,536.51</u>
		Certificates of Deposit:	<u>\$986,327.23</u>
		<b>Total funds</b>	<b>\$1,290,863.74</b>
<b>RECEIVABLES</b>			
	No report in August		<u>\$0.00</u> (see Note 1)

**CLAIMS**

The following invoices and claims are presented:

NIPSCO	CWP gas	\$69.33	*1
NIPSCO	CWP electric	\$4,845.88	*1
NIPSCO	OB gas & electric	\$158.27	*1
NIPSCO	CS grinder electric	\$1,393.69	*1
Republic Svcs	sludge hauling	\$1,624.55	*1
CenturyLink	Phone Svc	\$209.80	*1
Marshall County REMC	SLR electric	\$156.00	*1
Astbury Water Tech	Operater services	\$12,601.79	*2
Jones Petrie	billing services	\$3,601.25	*3
Jones Petrie	locate services	\$1,785.00	*3
Jones Petrie	engineering	\$718.75	*3
Jones Petrie	inspection services	\$2,028.75	*3
Jones Petrie	reimbursables	\$787.32	*3
Personnel Partners	staffing services	\$630.38	
Covalen	Gruska grinder	\$5,975.00	
Shelley Bell	bookkeeping expenses	\$27.48	
Mike McKenna	claim	\$102.06	
USDA	loan payment	\$123,635.00	
Universal Security	battery replacement	\$50.00	
Ron Armstead	Board Comp	\$147.00	
Jerry Weber	Board Comp	\$147.00	
Kristy Wilsey	Board Comp	\$147.00	
Chrissy Bottonoff	cleaning	\$62.50	
	<b>Total claims</b>	<b>\$160,903.80</b>	

**\* Footnotes to Claims:**

\*1 Preapproved for automatic payment.

\*2 Contract services plus SLR services

\*3 Contract services.

<b>Note 1:</b> Receivable aging:	Current		
	30 days		
	60 days		
	90+		
	Lien		0.0% (percent of annual revenue)
	<b>Total</b>	<b>\$0.00</b>	

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

Mr. McKenna made the note that the Aging shows on the monthly JPR report.

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

There was nothing to report by Asset Management.