

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

April 19th, 2022

The April 19th, 2022 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 Jeff Jarnecke. Other board members present were: Kristy Wilsey, Paul Warnke, Mike McKenna and Ron Armstead. Also present were Kenny Jones and Josh Wyman of JPR, Dan Fox of Astbury, and Shelley Bell. Board Member Jerry Weber attended by teleconference.

Mr. Jarnecke requested to change the April 19th, 2022 Agenda by moving the JPR discussion to the beginning of the meeting. There were no further additions or corrections so the Board gave JPR the floor.

Mr. Jones told the Board that Round 2 of the SWIF grants had been cancelled. He said the question is does the Board want to move forward with the treatment plant project.

Mr. Jarnecke said the District might want to look into the revolving fund access program (SRF).

Mr. Jones said the District must demonstrate why they can't/won't use money the District already has, needing a financial advisor to explain.

Mr. McKenna added that the District has a list of things to get done, including a Rate Study.

Mr. McKenna requested that Mr. Jones and Mr. Fox get together to provide a plan of a time line for pump replacements. Mr. Jones added that the past 10 years has pretty much matched the original

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estimates of usage, repairs and replacement needs. 239 grinder have had cores pulled and replaced. This is a little less than half of all grinders. Mr. Jones said he does not foresee that pattern changing.

Mr. Jones said that currently, there are multiple time periods for pumps needing replacing.

Mr. Jarnecke said 53% will need serviced or replaced, plus the District needs improvements to the CWP, which amount to approximately \$600,000 of necessary improvements, plus \$500,00 will be needed for purchase of grinders.

Mr. Jarnecke said he would like to have someone give the Board guidance on the District's cash flow. Mr. Jones said JPR will provide information needed to do this.

Mr. McKenna said he believes he can do the Rate Study by himself. He feels we could raise the rate 10% based on what the District has experienced so far. He noted that there have been no rate hikes since the original rates were established.

Mr. McKenna added that JPR's Study opened the Board's eyes to how much more expenses there are than just grinders.

Mr. Warnke said Swan Lake is at a break-even point regarding what they are charged and what their usage is.

There was some discussion on possible future growth. It was noted that Tyner is very vocal about not wanting to tie into a sewer system. Mr. Warnke said the District is really fixed in terms of units and potential growth.

Mr. Jarnecke asked what other rural customers are paying for sewer service. Mr. Warnke said it runs between \$70 - \$80 a month.

Mr. Jarnecke said the Board should put a CAPEX line in our budget.

Mr. McKenna said Swan Lake will help pay improvement costs for CWP but not collection. Swan Lake was at approximately 20% flow the first quarter of 2022.

Mr. Jarnecke proposes a path forward to do a rate increase, letting customers know to expect a rate increase by June/July of 2022.

Mr. Wyman will contact Mr. McKenna for information he needs for Asset Management for the SRF plan.

Mr. McKenna plans to have a cash flow draft for the next few years ready for next month's meeting.

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Mr. Jones said the estimate of PIRR was assembled with assumed federal funding/grants. Once we know what the funding estimate is, the District might want to go back and look at everything again. If Federal/State funding is not available, there might be some soft costs that will go away.

There being no further discussion, Mr. Jarnecke moved the meeting forward to the Astbury Report.

There was a grinder station that was damaged by a car accident. NIPSCO was called to disconnect power for safety and a generator was used to periodically pump down the tank until repairs could be made. Mr. McKenna said we need to submit the paperwork for reimbursement of the repairs needed.

Mr. Fox said the Generator control panel failed in March so a replacement unit was ordered and installed on April 4, 2022.

Mr. Fox told the Board we have 11 pumps still boxed up and 7 to 8 pumps that have not been repaired yet, being held in case we need to repair and use them due to pumps being hard to get in a timely manner. It takes 4 to 6 months to get new pumps. Mr. McKenna said the District should consider ordering new pumps because of the long lead times. Mr. Fox agrees with this idea.

Mr. Warnke wondered if the District should go to a flat rate for certain businesses. Mr. Fox said he gets a lot of calls for repairs at Country Roads restaurant on weekends because of the increased flow.

Mr. Armstead feels restaurants are receiving an excellent price break on their rates.

Mr. McKenna said that the District would have to change the Ordinances to allow changing restaurant rate charges.

Mr. Fox said that with the E-One pumps, meters can be put in and record volume for charging purposes.

There being no further discussion of the Astbury report, the meeting moved to discussion of the Minutes of March 15th, 2022 Board Meeting. Mr. Jarnecke asked if there were any additions or corrections to the March 15th, 2022 Board Meeting Minutes. Mr. McKenna made the motion to approve the minutes as presented, Mr. Warnke seconded, and upon vote, the Board unanimously approved.

Mr. Jarnecke made the decision to table all committee reporting except the Treasurer's Report.

Next, the Treasurer's Report was present by Mr. McKenna.

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TREASURERS REPORT

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CASH

1 st Source Bank Checking Account		
Balance as of February 28, 2021:		\$311,490.05
Checks, withdrawals, debits		-\$72,716.57
Service charges		-\$32.86
Deposits and credits		\$60,100.32
Interest earned		\$24.78
Statement balance as of March 31, 2022:		\$298,865.72
Checks written but not cleared		-\$498.75
Available balance in checking:		<u>\$298,366.97</u>
Certificates of Deposit:		<u>\$1,005,868.21</u>
Total funds		\$1,304,235.18

RECEIVABLES

Reported by JPR as of 4/15/2022 \$102,855.60 (see Note 1)

CLAIMS

The following invoices and claims are presented:

NIPSCO	CWP gas	\$90.70	*1
NIPSCO	CWP electric	\$4,369.05	*1
NIPSCO	OB gas & electric	\$198.57	*1
NIPSCO	CS grinder electric	\$1,478.73	*1
Republic Svcs	sludge hauling	\$2,405.60	*1
CenturyLink	Phone Svc	\$206.47	*1
Marshall County REMC	SLR electric	\$230.00	*1
GoDaddy	web services	\$83.88	
Astbury Water Tech	Operator services	\$11,659.43	*3
Jones Petrie	billing services	\$6,472.93	*4
Jones Petrie	locate services	\$2,422.50	*4
Jones Petrie	engineering	\$5,200.00	*4
Jones Petrie	inspection services	\$0.00	*4
Jones Petrie	PIR partial payment	\$0.00	*4
Personnel Partners	staffing services	\$645.75	
Shelley Bell	bookkeeping expenses	\$47.48	
IUPPS	locate services	\$54.15	
H&G Services	generator maint and test	\$619.50	
Universal Security	security services	\$135.00	
	Total claims	<u>\$36,319.74</u>	

* Footnotes to Claims:

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

Note 1: Receivable aging:	Current	\$47,385.82	
	30 days	\$3,462.87	
	60 days	-\$227.87	
	90+	\$14,909.74	
	Lien	\$37,325.04	5.8% (percent of annual revenue)
	Total	<u>\$102,855.60</u>	

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


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

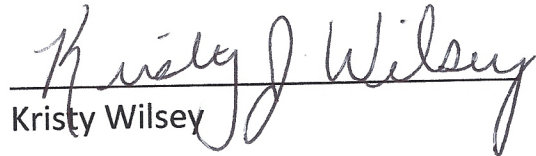
There being no further business to come before the Board, Mr. Warnke motioned for the meeting to be adjourned, Ms. Wilsey seconded, and the April 19th, 2022 Regular Meeting of the Koontz Lake Regional Sewer District Board of Trustees was adjourned at approximately 6:30 p.m. local Central Time.

Respectfully submitted by Shelley K. Bell, KLRSD Bookkeeper

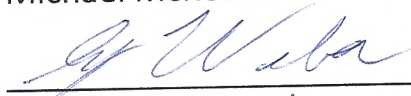
April 19th, 2022 Regular Board Meeting Minutes approved by:



Michael McKenna

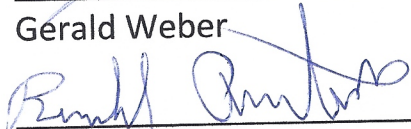


Kristy Wilsey

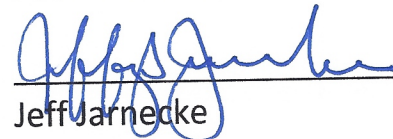


Gerald Weber

Paul Warnke



Ronald Armstead



Jeff Jarnecke

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