

LAPORTE COUNTY REGIONAL SEWER DISTRICT MEETING

Zoom Meeting

November 19th, 2020

9:00 a.m.

Time and Place:

The November 2020 LaPorte County Regional Sewer & Water District meeting was held on November 19th, 2020 was held by Zoom meeting

Attendees:

Meeting was called to order at 9:00 a.m. by Tony Mancuso, those in attendance by Zoom were John Carr, Marcella Kunstek, Mitch Bishop, Mark Danielson, Dalia Zygas, and Jerry Jackson.

Approval of Minutes:

Dalia requested a change to the minutes noting that on page 4, paragraph 4 the reference to month needs to be week. Mark Danielson made the motion to accept the minutes from the October 15, 2020 meeting with the one correction. Marcella Kunstek seconded the motion, and all were in favor.

Public Comments:

No Public Comments.

Reports - Finance Staff:

1.) Financial Report

A.) Horizon Bank Checking had a beginning balance of \$29,276.92 as of October 1, 2020.

1. Deposits 3,457.87
2. Interest Paid \$.75
3. Disbursements: \$1,430.84 in Operation Expenses

B.) Horizon Bank Checking had an ending balance of \$31,304.70 as of October 31, 2020.

2.) Toll Road Service Area Account

A.) Beginning balance as of \$296,875.94 as of October 1, 2020

1. Deposits \$55,448.50
2. Interest Paid: \$46.20
3. Disbursements: \$13,371.10
4. Transfer-Hoosier Fund: \$250,000.00

B.) Account Ending balance as of October 31, 2020 is \$88,960.55.

3.) Claims

Steve Carter, the Board's accountant, presented claims in the amount of \$30,526.08

Jerry Jackson also mentioned that the City of LaPorte has increased their rates so the District will need to review their current rates and see how it will affect them. The increase is a 4-year

increase with the 1st year at 13-15%, and 4% for the 2nd year and then 3% for the 3rd and 4th years. The current bill to the City was just under \$1,000 for this past month. Discussion regarding the outside customer rate and what it would be according to the Ordinance and the way it was written is unclear – Jerry indicated that he would have to get a letter of explanation from the Clerk as it would not be fair, and it would be unlawful to charge 30% to outside bulk customers without permission from the IURC. Jerry indicated that the 15% is their magic number and that is what they have been charging for years and years. At the current flow rates the increase in the charges would cost the District approximately \$1,500/year. The charges should double or maybe triple once the customers in the project are all connected.

Karl Cenders suggested that at this time until Phase II of the project is completed and we know what the actual flow is the District is being charged we do not raise rates. Karl also suggested that Jerry get an exact determination of what the rate increase will be for the District. Jerry indicated he would do that.

Jerry Jackson made the motion to accept the finance reports as presented. Mark Danielson seconded the motion, and all were in favor.

Mark Danielson made the motion to approval of claims in the amount of \$30,526.08. Jerry Jackson seconded the motion, and all were in favor.

Reports - Astbury:

Chris Vogeler reported he had 6 items to report.

1. Check Valves – at the plant are noisy again so he is working with Peerless Midwest to check that out. They have done several things, but they are still checking it out.
2. Chlorine Analyzer- has been kind of spotty. May check with the distributor or manufacturer to see what we can do – he is still doing manual analysis to double check.
3. Aero-Mod Communication- Installation is happening this week.
4. Flow Meter- At WWTP is being calibrated today.
5. NPDES Permit – Has been sent out. Tony received it. Jerry would like a copy.
6. Exterminator at Water Plant – There are a bunch of flies. Chris would like to get someone out there to look at the bugs and have someone take care of them.

Jerry was asked who the City used for an exterminator and they use Hatfield and they are happy with them.

Chris also had a couple of questions – he wanted to know what the status was with the generator repairs quote from H&G for the muffler repair and for the bathroom quote for D.A. Dodd. Jennifer Ransbottom, District Manager, indicated they would get to those topics in a little while. Jennifer asked if they could go back to the beginning of the list Chris brought up and review them. Regarding the check valves – has this been an on-going issue? Chris indicated that yes it has been, and they have been replaced before and they are looking at what we can do to check them out. We may pull one of them and see why it is being noisy. They are the special slow opening and closing check valves. They are not leaking but they are closing loudly.

Ken Jones asked about the check valves and Chris indicated that this was the 3rd set of check valves and that the first 2 sets leaked. So, we looked these are not working so we went to a different type of check valve and these seem to be lasting longer but they are closing loudly.

Ken asked if these were all replaced under warranty? Chris indicated that the first set was replaced under warranty but the set that is in there now they paid for them. Ken asked what the warranty is on the product when it is installed, and Chris said it was a year. Jerry asked if these were Clay check valves – that is the brand he normally sees? Chris was not sure of the name. Ken asked if Chris was going to see if these are going to be replaced if he was going to see if they are under warranty from the last date of install? Chris indicated yes. Jennifer asked Chris to send her the information and history of the check valve and warranty information, so it was on file. Chris said ok. Mark asked when we have issues like this with a valve or anything are, we taking the recommendation from an installer or engineer – what is the procedure? Chris said the installer was Peerless Midwest so when he has issues, they are his go-to people to find out what needs to be done. Mark asked the board if that is what they want to do in the future? Jerry indicated that Peerless is expensive, but they are good.

Jennifer asked that when Chris has something come up during the month and someone is coming onsite that Chris send her an email to advise her of the situation ahead of time. Chris indicated that the check valve and chlorine analyzer were on-going issues and since Peerless just came out last Friday it would not have made the meeting notes. Mark indicated that what Jennifer is asking is to notify her when repairs are being made or when someone is out there on site and then if you are getting a bill a month from now you can coordinate the two things. Jennifer indicated yes and that communication of what is going on when it is happening and not after it is happening. Mark indicated he was good with that.

Reports – JPR:

Billing/Collections/Lien – Jennifer indicated that full payment was made on 2 of the accounts. Certified mail went out on 4 accounts and they will go to Lien if they do not pay.

Phase II Update:

Minutes from Pre-Construction Meeting on October 22, 2020 were sent in the board's packets.

SRF Loan

Approval letter from SRF for the Grant – Loan amount of \$209,000 from SRF they forgot about. Karl Cenders updated the board regarding the \$209,000 SRF Loan information. SRF and their attorneys finally realized that it was \$209,000 Grant and \$209,000 Loan. They have suggested that we have need to go back and amend the Bond Ordinance to increase the maximum amount of the project as well as the not to exceed amount of the loan. Those are the only terms we need to amend – is to increase the Not to Exceed \$2,650,000 and the Loan amount of \$2,500,000. Other than that, there are no other changes. Then after passing the actual closing with the SRF would be scheduled.

Ordinance No. 2020-3

Barry indicated that a draft Ordinance was provided to him and he made some small changes and provided to Jennifer for the board packets. The Ordinance is No. 2020-3. We are looking for an approval and because it is an Ordinance and our procedure is typically 3 readings you can have your 1st reading but then you will need unanimous consent from all the board members to go ahead and have 2nd and 3rd reading today as well.

First Reading of Ordinance No. 2020-3 was done. “An Ordinance amending Ordinance No. 2018-03 of the LaPorte County Regional Sewer and Water District, in connection with the

District's issuance of revenue bonds to finance additions and improvements to the sewage works of the District"

Marcella Kunstek made the motion to approve the first reading of Ordinance No. 2020-3. John Carr seconded the motion, and all were in favor.

John Carr made a motion to waive the formalities of having an additional meeting and have the 2nd and 3rd reading today. Marcella Kunstek seconded the motion, and all were in favor.

Second Reading of Ordinance No. 2020-3 was done. "An Ordinance amending Ordinance No. 2018-03 of the LaPorte County Regional Sewer and Water District, in connection with the District's issuance of revenue bonds to finance additions and improvements to the sewage works of the District"

Jerry Jackson made the motion to approve the second reading of Ordinance No. 2020-3. Mark Danielson seconded the motion, and all were in favor.

Third Reading of Ordinance No. 2020-3 was done. "An Ordinance amending Ordinance No. 2018-03 of the LaPorte County Regional Sewer and Water District, in connection with the District's issuance of revenue bonds to finance additions and improvements to the sewage works of the District"

John Carr made the motion to approve the third reading of Ordinance No. 2020-3. Jerry Jackson seconded the motion, and all were in favor.

Public Notice – Intent to Extend Services IC 13-26-5-6.5

Needs to be sent to all the rate payers – new payers along with the current payers.

Jennifer and Barry will be working on it and will try to get it out the beginning of December.

Statute is unclear as to what date to use for the 60-day notice. We are thinking of using the date of the loan closing as the date.

Statute does not require the mailing to be mailed by certified mail – and a lot of property owners will not pick it up once they see it is certified. If it is sent certified, then we will mail it by regular mail as well.

New Business:

Solar Panel: - Midwest Wind & Solar – Marc Van Dongen and Abe Bayha

Board was provided a full packet of information prior to the meeting to review.

Turn-Key Provider for construction, permitting, financing, maintenance, etc.

Installation of about 288 Solar Panels would generate approx. 154, 358 kWh, so board would need to still purchase approximate 25% from AEP.

Jerry Jackson commented the following: The District would hit 0 around year 15 and would then save money. They used a 3% annual increase which I think is reasonable – I am guessing it could be higher. It would be a long payback for a business. For a utility we have kind of a long prospective and of course its good for the globe. O&M very minimal. The site is remote so no real worries about damage are of any concern. We are a small District and the \$220, 000+ up front is a big amount up front is a big consideration.

Marc added that the payback on Page 8 of the information notes the energy inflation from the Dept. of Energy Data. Financing available through Collective Sun. A non-tax entity like the District we cannot get any taxes. Collective Sun has come up with a model that does allow for monetizing tax credits and they would finance this transaction.

Abe Bayha then went on to explain the discount model Collective Sun used and described a Solar Power Agreement they created that could be used if the District did not want to own it right from the start.

Abe indicated that more bills were needed to be able to give better information. He said he only had 2 months of bills. More detail as to where the intersection of the

Steve Carter indicated that he thought that they did provide 12 months of bills and there was a graph on the invoices. Meter does not capture a loading peak.

Net metering – when not utilizing the load it will get credited and trued up at the end of the month. Jerry wanted to just confirm the District would get net metering.

Abe was able to get the kWh off the bills I feel confident about that – as far as the peaks and demand charges – I do not know what that is for sure, so I had to extrapolate what that estimation is.

Marc commented that he thought they had bills going back from January, February. Jennifer commented that yes, she was confused why they were saying they only had 2 months of bills because when she first started emailing and discussing the presentation with them, she sent them several invoices going back to at least March of this year and then Steve sent them another 2 more bills prior to the presentation that were current. So, they should have had at least 10 months of bills to review. Marc said they would go back and review their emails and find the other bills and find the detachment.

Mark Danielson also commented that Abe indicated he needed to know where the power source is and that you sort of guessed on that – so if we gave you that you could zero in on that more is that what you are asking? Abe said yes if he just had a sense of where that service is coming in at and where the meter is in relation to the facility and have some pictures of that main distribution panel as well. It will not make a huge impact, but it will make it useful and it will make us more confident in what we are providing.

Jerry will try and track that information through AEP.

Dalia asked about the fact that all the equipment is scheduled to last at least 30 years except the inverters. So, I am really in favor of this project – I think thinking long term is great – how much will the inverters cost if they go in 20 years? Marc explained that they could provide an extended warranty on their proposal and map out what the anticipated replacement cost. Put in what the cost is today. Abe also mentioned that Collective Sun model to be eligible requires an extended 10-year warranty so that cost is factored in already as well.

Jerry confirmed that the inverters convert DC power from the solar panels to AC power at the Treatment Plant uses with Marc.

John Carr asked that they indicate that they “self-perform” does that mean that they install all these panels yourself or do you subcontract out any of the work? Marc indicated that they normally use their own employees but sometimes the electric work we sub-out even though we have our own electricians. It depends on the scope of the work and complexity involved.

Marc indicated they are based out of Griffiths, IN They have worked in City of LaPorte, many schools in Indiana, and all the Toll Road. So yes, our manpower is local.

Marc can provide references for everyone and will send it to Jennifer.

Ken Jones asked that on Page 9 in the column designated O&M, I do not see an R – so are we assuming that this equipment lasts 30 years and there won't be a replacement needed? Marc said that is a good point. The equipment - the solar modals as well as the racking system - have a life beyond 30 years, 35-40 years. This ones Enrale the scientist has tested it for – the solar modals have a performance guarantee for - a production guarantee for 25 years. So, we stop at our modeling for 30 years just to be safe, even though the system will last longer than that. The only thing that you would need to replace is the inverters that we talked about earlier.

Ken Jones mentioned that one of the things that the board would have to model into this is that if we are that optimistic that this equipment has a life cycle more than 30 years – the board would have to decide and probably somewhat internally justify not including the cost of replacement. Would we decide to leave it out and then at 30 years do a capital project to replace it or whenever that might occur? Typically, what we might want to do, especially in the world we are living in today where we are having to justify the management of our assets to our lender, in this case SRF, we would have to include replacement cycle cost. So that would be something to think about as to how that would affect the model – the other thing I would ask, and this is probably a Barry question – procurement of this product exceeds the SBOA limit for direct contracting. So, if we decide to go forward with this, we will probably have to go forward with this we would probably have to bid this. Barry agreed with Ken regarding going to bids for this product. Marc indicated that one thing that they could do to not have to go to bids is split the contract into engineering and procurement and then have a separate contract for construction. Jerry indicated that they did their project for the City of LaPorte under Guaranteed Energy Savings Project.

Ken Jones also commented that the timing of this product might come at a better time such as with the Saugany/Hudson Lake project where it might be possible to use grant money and scoring higher in the green project reserve category which would result in a lower interest rate.

Jerry asked if the Chinese solar panels were still an issue for the SRF loans – Ken was not sure, but it would be a good question to ask. Steve Carter also mentioned that crossing over to another service area is an issue and that would be something to explore as well.

Mitch Bishop mentioned that the County is in the process of preparing and adopting a Solar Ordinance which is in the Plan Commission and they have been working on for 4-5 months. Mitch will send a draft to the board members.

Abe indicated that they are a non-union company and they do work on projects when it is required. Barry asked that Abe forward the financing information to Jennifer and then it be forwarded to Steve Carter and Barry.

Abe also mentioned that the Collective Sun incentive is tied directly to the ITC Federal Tax Credit which some of you may not be aware is in a stepdown phase – which is currently in a 26% and 2021 is 22%. I already modeled this for 2021 so as far as Collective Sun is concerned you are good for all of 2021.

Gary Radtke: - Radtke Engineering & Surveying – East Side Meat & Product

Gary Radtke gave a review of his work experience and history.

Project site a new development on US Hwy 20 – owners of East Side Meat and Produce.

17 Acres east of store on US 20 – area will be commercial.

Area behind the store will be multi-family. Begin with 50' x 120' building w/3 commercial businesses. Tenants already interested.

All Dependent on Connecting to Sanitary Sewer.

School Sanitary Sewer on north side of US Hwy 20 -Radtke Engineering designed and connected)

Low Pressure system – 7,500 linear feet of 4" pipe, Installed in 2009-2010

Can handle 200 homes – 63,000 gpd

School has lift station to pump their sewage

Michigan City Sewer District transports and treats sewerage from intersection of US-20/US-35 (1 ½ miles)

Renaissance Academy Charter School and District Agreed to join partnership in 2009.

School gets sewer system designed and installed and paid for it.

District applied and received IDEM and INDOT permits to construct system.

INDOT does not allow private companies to open and operate system in their R-O-W.

Original agreement was to have system turned over to District and operate it – was not finalized.

2011 – Attorney Jim Meyer, District's Attorney, drafted new agreement, met with School and District – again it was not finalized.

Several property owners for the past 11 years have wanted to connect without success.

District and School tried to get together and have sewer owned and operated by District – no success.

School wants to recover some of their cost which was about \$184,000.

Attorney Jim Meyer informed them – no other connections are allowed – IDEM requirement.

Gary indicated that there are 4 alternatives at this time.

1. School continues to operate system. Note: at present time, they are not allowed to have anyone connect to it – IDEM requirement.
2. LCRSWD owns and operates system.
3. Michigan City Sanitary District owns and operates system.
4. Construct another sewer on south side of US Hwy 20 to this project.

Gary is requesting the following:

1. The board approve Barry to work with him to find a solution for the District to own and operate they system so that the project/development can proceed, and many other property owners can connect.
2. Evaluate cost to ensure the present sewer system is operating properly and in good condition so that the District can take over.
3. Determine District's liability because IDEM/INDOT permits are in District's name and INDOT permit cannot be transferred to School.

Barry McDonnell indicated that he was not originally involved with the discussions but that he had not pulled out this file in over 4 years to review it.

Barry recalled that the issue when they previously had discussions was that the school was not willing to spend any money for testing of the sewer and wanted to be fully repaid.

Barry also indicated that the effort would need to be by all involved and that Michigan City Sanitary District role is important. Barry also indicated that due to his schedule he did not see any meetings taking place before next year.

Tony Mancuso indicated that the school was put on the agenda for meetings a few different times and never showed up. Tony has concerns regarding the permit issue and who does actually own the sewer and how it can be determined.

Gary also indicated that he has not seen Michigan City involved in the maintenance of the sewer system pipe or the private lift station.

Tony questioned whose responsibility was it if there was a sewer break and that they had tried to have this discussion with the school previously to point this issue out to them.

Mitch Bishop also indicated that there is going to be road improvements on US Hwy 20 and this area will have a lot of traffic and new development. That is on INDOT's radar to do more improvements in that area. Those are safety issues that come into play.

Barry also indicated that financing also needed to be considered and Steve Carter or Karl Cenders would need to be involved as to not just if it can legally happen but if it makes policy sense or financially sense.

Jennifer suggested that Gary send the previous information and his presentation materials to her so she could forward it to all the board members for their review prior to the next meeting. Gary agreed and will get that information to Jennifer after the meeting and minutes of his presentation.

Website Proposal: -

SERA Solutions, LLC provided a website proposal which was the same company that did the County's proposal. They will also provide a teaching session for myself and another board member. \$4,055 with a \$400 discount with a total of \$3,655.00.

Board members discussed using the County's website which SERA Solutions, LLC also created and had no complaints and agreed it was easy to use and nicely done.

John Carr made the motion to approve the quote for SERA Solutions, LLC in the amount of \$3,655.00. Marcella Kunstek seconded the motion, and all were in favor.

Board Positions: -

Marcella Kunstek resigned as the Vice President for the District.

Dalia nominated Marcella Kunstek for Treasurer and John Carr seconded. All were in favor.

Marcella Kunstek nominated John Carr for Vice President and Mark Danielson seconded. All were in favor.

Tony discussed his retirement with the board members and possibly someone taking over his President position for the interim to learn many of his duties for the next few months prior to his full retirement from the County Health Department. Mitch Bishop's term is also expiring at the end of this year.

Audit 2016, 2017, 2018, and 2019: -

Jennifer, Steve, and Marcella will be working on the audit with Crowe. Jennifer will go to Tony's office once she is back in town to look for hard copies of documents from when the County was doing the billing and financing.

Executive Committees: -

Jennifer discussed with the board that in the by-laws it indicates that certain committees can be set up to research and discuss topics outside of the regular board meetings. Jennifer believes that with the Radtke project coming to the board and the Phase II project starting and the Internal Control Policy she is going to discuss it is a good time to set up an executive committee.

Barry then brought up the fact that the officers would be changing at the beginning of the year and it would be his recommendation to wait until the beginning of the year to decide on the executive committee members. It was agreed to wait until the January 2021 meeting.

Internal Control Policy: -

Jennifer discussed that she recommends the District put together an Internal Controls Policy which is a policy showing how all public money gets from A to B. It has been her experience that after this audit the SBOA will recommend the District have this sort of Policy in place. Jennifer has a few samples from other District's she has put together and can use those as a start. Barry agreed that it is a necessary document and that a few years back he had several City's adopting Internal Control Policy. He was not sure if the Regional Sewer District fell under the same guidelines but thinks its still a great idea and should be followed.

Jennifer will begin setting up and working on the Policy with Marcella and then get it to Barry for his review.

Next Meeting: -

December 17, 2020 – by Zoom only. No room available. Tony will set it up.

Old Business:

Hoosier Fund: Tony had the money of \$250,000 wired and sent the information to Jennifer and Steve. That will be something else that someone will have to take over.

Generator Repairs: H&G Services Quote \$3,995.00 –

Jennifer discussed with the board that they wanted her to look at the maintenance contract regarding the current quote and review the belts and see if they were already covered under the maintenance contract. Wanting to know why we are paying for it twice.

Marcella asked the board if they wanted to get another quote for the repairs – she found another company who can give them a quote and can come out next week on Tuesday. Marcella confirmed with Chris that he would be available to let the other company in on Tuesday at 8:00 a.m.

D.A.Dodd: -

Jennifer indicated that she had just received the last invoice from D.A. Dodd yesterday and that the board was waiting to approve the new quote for the pressure reducing valve until they knew the amount of the current invoice. Jennifer asked if the board was ready to go ahead and accept the proposal and get the bathroom up and running.

Marcella Kunstek made the motion to approve the quote from D.A. Dodd in the amount of \$1,288.00. John Carr seconded the motion, and all were in favor.

Tony was asking about the WWTP building and if it were cleaned up and if the files could be moved to the site. Jennifer indicated she would go there and check it out and let him know. Tony said he will have the maintenance workers move the files on site once Jennifer confirms the site is clean and available.

Project 300 North: -

Mitch indicated that bids were opened 10 days ago, and the low bid was Grimmer at \$4.2 Million.

The appraisals are done on 30-40 parcels and they hired a company to do the buying services. So, in the next couple of weeks, they are going to start sending out the paperwork for the acquisition sheets to lay down the sewer and water. Mitch was asking about the agreement they were working on at one time with Michigan City Sanitary District that they would give us some kind of "Rental Assistance" because it is our jurisdiction, but they would have all the operation, maintenance, and treatment of the waste. Mitch believes those conversations should get going. He spoke with Jim Meyer and he was in favor of getting those conversations moving and remembered the draft agreement from about a year and a half ago prior to the project being put on hold. Mitch remembered they were talking about an amount of \$30-\$40K a year for a "rental fee" but he did not remember if it was determined by EDU or how it was determined.

Barry remembered the meetings and discussing the topic but does not recall there was ever a draft of an agreement prepared.

Mitch explained the timeline that Love's gas station/Travel Plaza purchased the land on the Southwest quadrant of 421-94, there is like 50 acres there. The pipeline wanted to be paid \$5 Million dollars by Loves, that never happened, but that slowed down the process a couple of years. That is now taken care of – as long as Loves does not build in their easement, they are ok. They are in a TIF District and we applied for an EDA Grant, and the grant could cover 80% of all the costs the sewer and water – but we will not know until the end of November – so soon. If not, then we will probably go the bonding route. Love's is looking to start construction of the Travel Plaza in July/August next year – they want to be fully functional in May 2022. There are 2 hotels involved as well.

The easements will be owned by the County, but the improvements will be done by the Redevelopment Commission. Mitch will take the lead in scheduling a meeting with all the necessary parties to continue discussions and get it finalized as to what it is called and agreed.

Adjournment: Motion to Adjourn at 11:12 a.m. was made by Mitch Bishop, seconded by Jerry Jackson, all in favor.