

LAPORTE COUNTY REGIONAL SEWER DISTRICT

MEETING MINUTES

February 24, 2022

9:00 a.m.

Time and Place:

The LaPorte County Regional Sewer & Water District monthly board meeting was held on Thursday, February 24, 2022, at 9:00 a.m. Central Time, by Zoom Meeting only. Login: <https://us02web.zoom.us/j/81946459973?pwd=SVF0b0dZam9kc3dhOWJIR3BoUTAxQT09> Meeting ID: 819 4645 9973 Password: 321962

Attendees:

Meeting was called to order at 9:00 a.m. by John Carr, roll call was taken. Those present included the following: John Carr, Mitch Bishop, Marcella Kunstek, Dalia Zygas, Amanda Lahners, and Mark Danielson. Jerry Jackson was not present at the time of roll call but did join the meeting at approximately 9:15 a.m.

Approval of Minutes:

Mark Danielson made the motion to approve the minutes from the monthly board meeting on January 20, 2022. Dalia Zygas seconded the motion.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Dalia Zygas-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

Public Comments:

Kevin Flaherty – 7410 East Point Road, New Carlisle, IN.

Hudson Lake resident spoke regarding the Hudson/Saugany PER in support of it and wanting to see it move forward. He wanted to know what needed to be done to get this project moving forward. After asking several questions he was informed that the PER for the project was on the agenda today and the board was going to be discussing the project

Georgette Joyce – 7299 E Hudson Point Lane, New Carlisle, IN.

Another resident who expressed desire that the Board continue to support the district and make sure our lake stays clean and healthy for the residents. Wants to let the board know that she appreciates their hard work.

Tom Lode, - 5522 E. Winona

President of one of the Homeowner Associations. Appreciates their efforts. He wanted to let the board know that the majority of the folks there are behind the sewer project.

Kathy Avrenz – 7765 N Spruce Lane – Hudson Lake

She is in support of this project. She has rental properties and is wanted to sell but under the current conditions she is not sure she can.

Steve Varela - 7405 E Lake Shore Drive, New Carlisle, IN

Besides concerns of the environment and the lakes, he also has concerns regarding Building Code Requirements and being able to do basic improvements to our homes and the space requirements. He is also in favor of this project.

No further public comments made – Public Comments Closed.

Reports - Finance Staff:

Steve Carter, the Board's accountant, presented the board with the following reports:

Financial Report

- 1.) Toll Road
 - A.) Beginning balance \$136,023.53 as of January 1, 2022.
 1. Deposits: \$28,488.00
 2. Interest Paid: \$1.36
 3. Disbursements: \$14,229.45
 - B.) Account Ending balance as of January 31, 2022, is \$150,283.44.
- 2.) Rolling Prairie Service Area
 - A.) Horizon Bank Checking-Rolling Prairie Account - had a beginning balance of \$32,247.99 as of January 1, 2022.
 1. Deposits: \$19,482.68
 2. Interest Paid \$32
 3. Disbursements: \$6,297.48
 4. Bond Interest Payment: \$8,486.32
 - B.) Horizon Bank Checking had an ending balance of \$32,347.26 as of December 31, 2021.
- 3.) Hoosier Fund:
 - A.) Beginning balance \$250,962.32 as of January 1, 2022.
 1. Interest Paid: \$63.90
 - B.) Hoosier Fund ending balance as of January 31, 2022, is \$251,026.22.
- 4.) Claims

Steve Carter presented claims for consideration in the amount of \$33,755.15. There were some late additions added after the board packets were emailed to everyone. There were the USIC invoice, Cardinal Invoice and Tuscany Valley services invoice.

Steve Carter also indicated that he had prepared the Annual Financial Report, and someone needed to go into the Gateway system and review it and submit it. He indicated he did not believe anyone had authority since Tony and that will need to be changed and someone else put on there.

Marcella Kunstek made the motion to approve the minutes from the monthly board meeting on February 24, 2022. Dalia Zygus seconded the motion.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Jerry Jackson – yes, Dalia Zygus-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

Reports:

Astbury

- Chris Vogeler from Astbury Technology reported that there was nothing more than what was in the report. They did pass the IDEM inspection with satisfactory.
- It was discussed that the name on there was still Tony Mancuso and Chris will try and get it changed to Jennifer at JPR since the President could potentially change every year.
- Discussion regarding putting Jennifer on the Gateway also for future access as well due to the changing of Presidents. Jennifer will still provide copies and get signatures and forward the information to the property board members as needed.

Phase II Billing Update – Jennifer Ransbottom

Jennifer Ransbottom, from JPR gave an update on Phase II -

- Billing: Nothing new other than what is in the report. Those adjustments with the \$150 are the ones who liens were filed on the properties.
- Property owners who are complaining about receiving a bill and the building has no ruining water or sewer was discussed. It was determined that Mitch Bishop would visit the properties and determine if there was any water and/or sewer in the buildings.
- Discussion regarding the tearing down of a home and still paying the debt service for that home was discussed. Jennifer indicated to the board that other District's normally adopt an Ordinance, so property owners still pay the debt service if they tear down the home. Otherwise, the District would continue to lose income for the repayment of the loan. Attorney Barry McDonnell is going to check their Rate Ordinance, State Statute and what other District's do in the area.
- Mitch Bishop will go to the sites and verify the information before a decision is made. Mitch will do this prior to the next meeting.
- Discussion about the monthly amount for the Major Moves payment was discussed. It was determined that instead of trying to figure out how many connections were done each month that we stick with the monthly amount of \$1,830.

Phase II Update – Dan Byam

Dan Byam and Ken Jones, from JPR gave an update on Phase II -

- Use of Remaining Funds – Ken Jones reported that discussions with SRF for the remaining funds for homeowner connections was held and they advised that yes it should be considered for Phase II homeowner connection. Ken Jones will prepare a draft of how the process will work and bring it to the board to review and then SRF will have to approve as well. Basically, the property owner will need to pay their contractor and will then have to supply the district with proof of payment and connection. Homeowners would complete an application for reimbursement, and then Jennifer could review it and prepare those packets for the board to

approve at their monthly meeting, and then go to SRF for payment, funds would come to the District and then the District would pay the property owner. The amount for each homeowner would be set by the amount left and divided by the number of Phase II property owners. Phase I property owners are not eligible to receive any reimbursement which is per SRF. It appears that the amount would come out to approximately \$1,000.

Marcella Kunstek made a Motion for Approval of the Board to use the remaining funds for a grant program for the Phase II owners in the flat of \$1,000 per owner if they are eligible after the review of the documentation. Seconded by Mitch Bishop.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Jerry Jackson – yes, Dalia Zygas-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

Motion to amend PER for the Rolling Prairie Sewer Project. Marcella Kunstek seconded the motion.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Jerry Jackson – yes, Dalia Zygas-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

- City of LaPorte – Issues at 350 East Lift Station/Hatfield List Station.
- Dan Byam discussed the site visit and the issues happening with the matting. The City has been making weekly site visit at \$350/visit and sometimes to both lift stations. In order to resolve the issue a flush valve needs to be installed – which Dan has received quotes one and discussed with the Board. Dan discussed that the installation at another district resolved the matting, and it completely went away.

Jerry Jackson made a Motion to approve the flush valve and installation and get reimbursed by SRF. Mark Danielson seconded the motion.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Jerry Jackson – yes, Dalia Zygas-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

PER – Hudson/Saugany Lake

- Ken Jones reviewed the PER he presented to the Board at last month’s meeting. The filing deadline is May 1st However, he suggests submitting as soon as possible to get the review started before all other applicants submit.
- Recommends project be funded by dual funding – USDA and SRF – PER was prepared to meet the USDA guidelines which will automatically meet the SRF guidelines. Interest rate is incredibly low, and able to secure grant and loan funds in a current project. They encourage Districts to look at dual funding for projects where the costs are higher. We have not had a pre-filing meeting yet on this project.
- Propose filing in first week of April. Not critical to hold Public Hearing prior to filing but it could be held in March. If you were to consider this project for 2023 that means we would submit and would know in July if we are on the project list for SRF. However, we would not know exactly what it would look like until in August.

- That fits the timeline with USDA where we would be looking for a Letter of Obligation sometime in August or September – which would begin construction in 2023. Proposing to Design through the winter of 2022-2023 and put the project out to bid Spring of 2023. Start construction sometime mid to late Summer.
- Approximately over 1000 connections. This project needs subsidization.
- The WWTP will provide an anchor for this project. Funding for this project will not be anymore attractive then at this time.
- SRF is telling us that they are well funded for the next 5 years – but there are a lot of people seeking these funds. USDA is refunded every year. They are focused on rates for communities.
- Current PER has the budget of the project at 34 Million. This would require both funding agencies to achieve the target rate of \$80-\$90. Just as a comparison the original costs of this project when we were contact in 2013 was 35-40% less than what we are seeing today.
- Amanda Lahner asked about House Bill 1245 passes today – Attorney Barry McDonnell indicated that he thought if it passed that it would make it more difficult for District’s to pass on costs to customers and to allow more exemptions for property owners to apply for within the Districts. There was a Public Hearing last Thursday. He believes today or tomorrow is the day for voting or amending. It may be in front of the Senate. He did not know if there were any potential amendments to it or not.
- Ken Jones indicated the version he looked at previously it did make it more difficult for District’s to apply penalties for non-connection, but it didn’t circumvent the property owner to be billed for the service whether they connected. It’s been our experience that in the past that District’s try to avoid charging that penalty because they don’t want to have that kind of relationship with the customer. The Districts have to bill the property owners because they have debt to pay, and the legislature can’t get the rural districts out of – We already know RSD can’t force a sale of a home due to unpaid debt even if there is a lien. Our review was to see if this goes into place would RSD still be able to pay its bills. What Ken will do is dig back into that and see how it has evolved.
- Ken indicated that moving forward with the filing of the PER does nothing more than qualify you for funding – doesn’t obligate you for funding or obligate you to do the project. It only determines if there is a funding model out there to fund the project and the only way to do that is to submit this PER. We won’t even know until sometime in July of next year what the financing package looks like. We will know ahead of time what will be recommended. At this time risk is pretty minimal. This will attract attention as these projects always do.
- Ken also indicated that submitting the PER for funding the board could also hold it there until another year if for some reason they determined they did not want to move forward with-it next year. Ken also indicated that both SRF and USDA have indicated they are financially stable for the next 5 years, but he doesn’t think that is something to hold on to because it could also change with any election.
- Marcella Kunstek indicated that she felt they should move on with this project at this time. Ken mentioned that at this time the District has no risk in submitting the PER. Once the PER is submitted you want to make sure the funding agencies are committed to

this project. They will ask if you are committed – and you can indicate going forward with information based on rates.

- Dalia Zygus indicated that she is very much in favor of the project and thinks that it is a great time to move forward as the prices are not going down.
- Mark Danielson had various questions regarding expanding the system and what the holds with expanding the system. Ken answered his questions with additional information will be supplied and given when the PER is filed and moves forward which will help determine rates and other information needed for the board.

Mitch Bishop made a Motion to engage JPR to perform and submit the PER to USDA and SRF for a sewer grant. Marcella Kunstek seconded the motion.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Jerry Jackson – yes, Dalia Zygus-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

- Ken Jones discussed the time and place for the Public Hearing occurred. He suggested the Executive Committee get together and decide when this should take place and where.
- No decisions are made at the Public Hearing and no votes are taken so the board does not have to be present.
- Previously the meetings were in the evening, but the board can have them in the morning during their regular meeting time.

Mark Danielson made a Motion that the Executive Committee get with Ken Jones to figure out the date and time for the Public Hearing. Seconded by Marcella Kunstek.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Jerry Jackson – yes, Dalia Zygus-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

Proposal for Rate Analysis – Krohn & Associates - Steve Carter

- Steve Carter provided information about his firm’s proposal (Krohn & Associates) which included the Rate Analysis for the PER.
- They would be working with JPR, SRF and USDA along with the District during the process, long with the bond counsel.
- If the project does not move forward, then they would work on a time and material basis.
- The estimated range is \$30-\$50,000 if the project to completion.

Mitch Bishop made a Motion to approve the proposal from Krohn & Associates. Seconded by Marcella Kunstek.

Roll call taken and results were as follows: John Carr-yes, Mitch Bishop-yes, Marcella Kunstek-yes, Jerry Jackson – yes, Dalia Zygus-yes, Mark Danielson-yes and Amanda Lahners- yes. All were in favor. Motion passed.

New Business:

- Monday and Tuesdays are the best new days to meet for the Board.
- 4th Tuesday of every month for Meeting Dates for 2022 – appears that everyone is available. Jennifer will verify with scheduler and confirm the room is available.

Old Business:

- Mitch Bishop indicated that the Plan Commission met last Tuesday, and they had a meeting with some home developers a few months ago.
- They received approval at the Plan Commission. They are planning on a full build out of 300 houses – 170 Acres that were rezoned. That process is coming, and I know Jerry wants to know the flow rates in that area. It is on their dime, and they will be coming for a final approval and then Plat Committee and the Final requirement for the subdivision.
- There will possibly be about 300 additional connections coming. They just secured the re-zone so it will be coming. It is a process and Mitch was informing the board it will be coming within the next 3-4 months.
- There will be additional research which will be conducted to determine if the District will accept the Subdivision and how it will fit into the system.
- Jerry Jackson asked if there were GPS As-Builts of the system as he has paper ones but not GPS. Dan Byam will see if they had been shot and will get them to Jerry if they are available. Jerry indicated that he thought it was a contractor responsibility and was in the specs. Dan Byam is going to follow-up with Woodruff and find out.
- Dalia Zygus asked why power bills are inconsistent and Jennifer explained the various locations and the 5 new ones from Phase II, along with when they get mailed to us and they are all on individual invoices. Steve Carter indicated that he wanted to get them all put on one invoice instead of several and will look into doing that.
- Mitch Bishop mentioned that last night the Redevelopment Commission passed the Sewer and Water Project for 300 North and 950 West at 421. It was a 4.9-Million-dollar contract that was signed. I know the board discussed in the past about rentals-Mitch didn't know if that is still being considered any longer. Barry indicated that him and Jim Myers could discuss but the first step is that the project has morphed and changed, and he would need insight from Mitch as to how the project has changed. Mitch and Barry will discuss offline.

Adjournment:

Mark Danielson made the motion to adjourn at 10:49 a.m. Marcella Kunstek seconded the Motion. Roll call taken; all were in favor – Motion passed.