

**ALLEN COUNTY REGIONAL WATER AND SEWER DISTRICT
BOARD OF TRUSTEES MEETING
April 27, 2016**

CALL TO ORDER:

Ric Zehr, Board President, called the meeting to order at 12:01 p.m.

ATTENDANCE:

Board Members present were Ric Zehr, Win Rood, MJ Klinker, Adam Day, Justin Brugger, Charles Ray and Ted Nitza. Ex-Officio Gary Chapple was present. Executive Director Kenny Neumeister was present. Support Staff present were Vince Heiny, Bob Eherenman, Ben Adams, Ryan Walls, and Deb Fee. There were three visitors; Steve and Judy Miller from Platter Parkway and Kevin Brown from Monroeville Road.

APPROVAL OF MINUTES:

Mr. Rood made a motion to approve the March 23, 2016 Board Meeting Minutes and the March 23, 2016 Public Hearing Meeting Minutes, as distributed. Mr. Day seconded the motion. All ayes cast.

TREASURERS REPORT:

Mr. Rood reviewed the March 2016 Financial Report and Claims to be paid in detail with the Board and recommended a motion for approval. Mr. Klinker motioned for approval. Mr. Ray seconded the motion. All ayes cast.

APPROVAL OF SRF PAYMENT TABS:

Mr. Adams reviewed Payment Tabs 66 through 72 with the Board and recommended payment of:

- Payment Tab #66, Underground, Goshen-Cook-Fritz-Steele, \$92,972
- Payment Tab #67, Underground, HCC, Berneway & Yoder, \$48,928
- Payment Tab #68, Rothenberger, Wallen Community, \$25,948
- Payment Tab #69 Rothenberger, Tonkel-Hursh-Crawford, \$90,384
- Payment Tab #70, Commonwealth, Construction, RPR, Easement Assistance, \$47,566
- Payment Tab #71, Rothenberger, Lower Huntington Rd – Whippoorwill Dr, \$140,902
- Payment Tab #72, Rothenberger, HCC, Berneway & Yoder, \$165,209

Mr. Rood made a motion to approve Payment Tabs 58 through 65, as listed above. Mr. Nitza seconded the motion. Mr. Neumeister recommended their approval. All ayes cast.

MAINTENANCE REPORT:

- Mr. Walls reviewed his monthly report with the Board. The Hoagland lagoons are being monitored and lift stations checked over the past month due to elevated ph levels. Pond 4 will be pumped into pond 2 to try to reduce the ph level. This is an unusual situation and has not occurred before. IDEM is aware.
- Mr. Walls reported that Frontier cut into a couple of lateral lines on Hoagland Road and Jon Niemeyer is completing the repairs. Frontier is paying for them.
- Mr. Walls stated there were more miscellaneous repairs over the last few weeks than usual.
- Severn Trent is still \$10,000 under the approved maintenance cap.
- Scadata still having some issues. Mr. Walls mentioned, The District just started receiving all of the readings this morning. The alarms have been working, but some come on and then go off 10 seconds later. Mr. Neumeister is going to request a credit for the last few month's billings due to improper performance.

COMMITTEE REPORTS:

New Development Committee:

- Mr. Nitza presented and reviewed the recommendations from New Development Committee Report.

1. That Mr. Neumeister approach Huntertown to request permission to connect Yates residence on north side of Carroll Road to the Carroll/Hand Roads project area.
2. That the District not counter to Hessen Utilities, Inc. at this time; instead re-approach in six months.
3. That the District pursue the West Dupont Road project area by scheduling an initial meeting with the neighborhood.

Mr. Nitza made a motion to approve these three recommendations. Mr. Day seconded the motion. All ayes cast.

EXECUTIVE DIRECTOR'S REPORT:

- Mr. Neumeister presented the H.J. Umbaugh & Associates Continuing Disclosure Services agreement with their hourly rates and asked for the Board's approval.

Mr. Rood made a motion to approve. Mr. Nitza seconded the motion. All ayes cast.

- Mr. Neumeister presented the new BCS Management two-year contract. The Board discussed that the hours worked are controlled by Mr. Neumeister, their satisfaction with previous work performed, the District's current and future needs and the transfer of some these tasks to internal staff over time.

Mr. Rood made a motion to approve. Mr. Nitza seconded the motion. All ayes cast.

- Mr. Neumeister mentioned that Zimmerman Septic Service has completed the Hessen Cassel Rehab repairs.

PUBLIC COMMENTS:

Kevin Brown, 4634 Monroeville Road, asked when the Yoder project will be completed. Mr. Neumeister replied it is anticipated between 45 to 60 days, then a letter will be sent out giving homeowners 90 days to connect. Mr. Brown asked if there are any plans for the abandon Country Motel. Mr. Zehr replied that the District does not, only that service is currently available to the property. Mr. Brown asked the Board to conduct a benchmark study comparing the rates to those of other municipalities. Mr. Adams replied that the District financial consultants, H.J. Umbaugh & Associates did complete a 2015-2016 rate study for both water and sewer rates and it is available in the District office. Mr. Brown stated that he would like a copy of the report.

Steve Miller, 4814 N Webster Road, asked about the new BCS Management Contract. Mr. Neumeister, Mr. Klinker and Mr. Nitza replied. Mr. Nitza addressed Mr. Miller expressing his appreciation for his participation and wanted to make him aware of two Woodburn issues. First, the District is Woodburn's biggest customer; however, does not receive a discount, so a reduced rate to reflect that would benefit everyone including the Platter Parkway residents. Second, Woodburn is struggling with needed repairs to its waste treatment facilities and may require millions of dollars in improvements.

PROJECT UPDATES-2014-2015 PER PROJECTS (under construction right now):

Mr. Adams stated that several projects are nearing completion. There was an equipment issue, some grinders are being replaced due to float issues and should be completed within 30 days. Most contracts are at 80 – 90% complete at this time. Yoder will be the first project finished. Currently, waiting on I&M to provide commercial power to two primary lift stations on Bluffton Road. This should be resolved in a few weeks. Then the District will be ready to issue the Notices to Connect. All projects are on schedule other than the float issues. There will need to be a Change Order when the quantities are finalized.

PROJECT UPDATES-2015-2016 PER PROJECTS (under design right now):

Mr. Adams explained that all 2015 -2016 projects are under design and he has issued review comments on the JPR and Wessler design sets over the past few weeks. He is still waiting on information from Wessler on two of their four areas. Mr. Adams should have a timeline for design completion and permitting/bidding to send to the Board soon. He mentioned that he is coordinating an easement signing meeting with the assistance of BCS Management. They will present plans to the residents and have several notaries on hand. Mr. Neumeister added he hopes this will reduce the man hours needed to complete the easement signing process.

OLD BUSINESS:

Mr. Nitza discussed that the assigned committee of Mr. Day, Mr. Brugger and himself reviewed the two letters sent by Severn Trent: 1) New 5 year arrangement excluding office support and 2) Early Termination of the current contract. The committee recommends the pursuing the second option of early contractual termination which will provide 90 day support. Mr. Nitza

made a motion to recommend the Severn Trent Services Early Termination proposal. Mr. Day seconded the motion. Mr. Neumeister and Mr. Heiny will meet to discuss when the notification date should be given to Severn Trent to start the 90 day period. Mr. Nitza asked permission for the committee to continue, along with BCS Management, evaluating staffing needs. With no other discussion, Mr. Zehr asked for a final vote. All ayes cast.

NEW BUSINESS:

Mr. Heiny presented the Introduction to Rate Ordinance. He explained that for a long time, the City of Fort Wayne Utilities required a clause in the ACRWSD treatment contracts stating that when customers connect, they waived their right to remonstrate against annexation. The City Utilities no longer requires this clause and Mr. Heiny recommends that the District also remove the clause. Mr. Heiny presented the proposed Ordinance No. 2016-4-27: (1) The entire first sentence in Section 10 of the Ordinance No. 2015-12-1 is revoked and annulled in its entirety. All of the remainder of Section 10 remains in full force and effect. (2) All of the remainder of the Ordinance, as amended by Ordinance No. 2016-2-1, remains in full force and effect. This amendment shall be in effect upon passage, but is retroactive to February 1, 2016. Mr. Klinker made a motion to introduce Ordinance 2016-4-27 amending Ordinance 2015-12-1 and convene a Public Hearing for May 25, 2016 at 12:30 pm. Mr. Brugger seconded the motion. All ayes cast.

Mr. Heiny mentioned that the Lawsuit filed by the Hoagland area challenges the recent rate increases. He along with Mr. Eherenman will meet with SRF later that day to discuss it and the timeline involved with the District's current financing. He wishes to move swiftly including asking the judge to advance the lawsuit on the agenda.

Mr. Nitza stated that he had received a call from a Developer looking to build 60 houses in the Yoder area.

Mr. Nitza discussed that Hoagland was at 118% of designed capacity in March and was at 120% of designed capacity in December 2015 and that the District had received an Early Warning Ban from IDEM. He recommends the Board take a closer look at the problem on a case by case basis. Mr. Nitza made a motion that no further Hoagland development be allowed, including adding more connections or changes of service on existing lots, unless the request is first brought to the full Board for review and approval. Mr. Day seconded the motion. All ayes cast.

COMMENTS FROM THE BOARD:

Mr. Nitza stated the City of Fort Wayne's proposed Annexation has three upcoming meetings and has requested an ACRWSD representative set up a table to answer questions concerning forced connections, how residents get connected, and debt services charges.

ADJOURNMENT:

Mr. Klinker made a motion to adjourn. Mr. Brugger seconded the motion. The meeting adjourned at 1:09 p.m.

Respectfully submitted,
Deb Fee, STES



MJ Klinker, Secretary