

**ALLEN COUNTY REGIONAL WATER AND SEWER DISTRICT
BOARD OF TRUSTEES MEETING
April 26, 2017**

CALL TO ORDER:

Ric Zehr, Board President, called the meeting to order at 12:04 p.m. Mr. Zehr addressed the audience by saying this was the first meeting without Kenny Neumeister, District Executive Director due to his passing.

ATTENDANCE:

Board Members present were President: Ric Zehr, Vice-President: Justin Brugger, Treasurer: Win Rood, Secretary: MJ Klinker, Adam Day, Matthew Wirtz, Charles Ray and Ex-Officio Gary Chapple were present. District Office Administrator: Erika Beachem, Maintenance District Director: Scott Lee, District Engineer: Ben Adams of Commonwealth Engineering. Support Staff present were: Vince Heiny of Carson Boxberger. There were four visitors: County Commissioner Therese Brown, Steve Miller, Jeff Morris and DeWayne Nodine.

APPROVAL OF MINUTES:

Mr. Rood made a motion to approve the March 22, 2017 Board Meeting Minutes. Mr. Adams seconded the motion. All ayes cast.

TREASURERS REPORT:

Mr. Rood reviewed the January, February and March 2017 Financial Reports and claims to be paid in detail with the Board. Mr. Heiny asked for the rate stabilization funds to be removed or listed separately under the Bank of New Mellon Construction Account.

- Ms. Beachem, Office Administrator agreed to check with Umbaugh and FWCU-Accounting to see if these funds can be listed separately.

Mr. Rood recommended a motion for approval. Mr. Brugger seconded the motion. All ayes cast.

APPROVAL OF SRF PAYMENT TABS:

Mr. Adams reviewed Payment Tabs 001-002; Invoices: 38919-38922 with the Board and recommended payment of:

- Payment Tab #001, Rothenberger Company, Inc. \$55,565.50
- Payment Tab #002, Fleming Excavating, Inc. \$55,565.50
- Invoice #38919, Construction Engineering \$18993.08
- Invoice #38920, Resident Project Representative (Inspection) \$2,458.15
- Invoice#38921, Miscellaneous Additional Services \$2801.12
- Invoice#38922, General Consulting \$4616.92

Mr. Klinker made a motion to approve Payment Tabs 001-002; Invoices: 38919-38922, as listed above. Mr. Rood seconded the motion. All ayes cast.

MAINTENANCE REPORT:

Mr. Baggett, PE reviewed his monthly report with the Board providing status updates on what the FWCU-Engineering department is doing. The landmark sign at the DuPont Fieldhouse has been installed as of Tuesday, April 25th, 2017. A water meter was installed on the water main and Mr. Baggett confirmed FWCU will pay for the monthly water and sewer service. Approval has been granted for some upgrades to the lighting out at the Fieldhouse and they are waiting on some final parts, which are currently being shipped from Mexico. The high amount of rain in early April brought forth some wet weather inspections. Two issues were found: a valve that was wrong and a manhole that seemed to be having some infiltration flow issues. They have quotes for the repairs and have sent FWCU Pollution Control Maintenance out to clean the telelines.

According to the verbal report, there were no collapses, but a lot of debris stuck in the lines. Customer audit is near completion and will be complete once the remaining five or six regional service infrastructure areas are added to GIS

mapping. Set points are operating to the rest of the system now that all the lift stations have been surveyed and set to the 1988 datum.

FWCU Engineers are also working on installing consultant magnetic club meters to the Trentman and Tillman lift stations. These assets were recently switched to FWCU and placed onto meters for billing. The next focus of FWCU Engineering is investigating the inflow and infiltrations in the Hessen Cassel/Benzinger area to see if they can adjust the flow to get better rep time. The last report reflected that there were two overflows: March and then again in April. Mr. Heiny recommended to the Board Mr. Baggett interacts with the District Engineer, Ben Adams, to see if anything can be done differently, since Mr. Adams is already familiar with past inflow and infiltration (I&I) overflow issues. Mr. Zehr asked whether or not these recent spikes had an impact on Platter Parkway.

- Mr. Baggett stated he would investigate whether or not recent flow spikes had an impact on the Platter Parkway service area.

COMMITTEE REPORTS/RECOMMENDATIONS:

FINANCE COMMITTEE:

Mr. Brugger reported that committee members and Ms. Beachem met on March 31st and discussed using the Improvement Fund for City-District Oversizing projects. The committee has learned that the Mayhew Class II rate adjustment is effective April 1st, 2017 and the impacted customers have been notified and provided with an informational meeting prior to the effective date. Mr. Brugger shared that the committee discussed the 2016 year-end closing, reporting activities, and addressed the assistance provided by Umbaugh in reporting these activities into Gateway. Mr. Brugger stated recognition was given to everyone for their efforts in training the new Office Manager, Ms. Beachem. He addressed the Board and said, "Erika is doing a great job and is catching on wonderfully".

Mr. Brugger shared that the committee has reviewed FWCU lien process and found the District to be vulnerable to nonpayment from tenants. Mr. Brugger addressed the Board and stated that FWCU does not allow tenants to be account holders or flat rate sewer customers – only the property owner. Ms. Beachem confirmed that the District has already adopted FWCU policy when adding or changing new accounts and that the District currently has tenants listed as the account holder. There was a discussion of making the change under administration or to adopt a policy change. Mr. Zehr approved for the District to continue this policy moving forward. The discussion was tabled to allow Mr. Heiny time to review the District's current sewer ordinance.

- Mr. Heiny agreed to review the District's current sewer ordinance

Mr. Brugger stated that Ms. Beachem has requested to add a 3rd person authorized to sign checks over \$30,000, in absence of Mr. Brugger and/or Mr. Rood. Mr. Rood questioned the Board on the intent, as he had not been made aware of having any issues and stated that State Board of Accounts (SBOA) holds him accountable. Mr. Zehr acknowledged the Ms. Beachem's intent in being proactive and anticipating a problem and noted Mr. Rood's request to have time to further review. Discussion tabled.

Mr. Brugger explained that the committee discussed the substantial rate impact to the Woodburn Improvement Project. Commonwealth, SRF and Umbaugh are involved in providing a funding package that would insulate the rates for the amount District is being charged for Platter Parkway. Mr. Adams confirmed that Commonwealth is overseeing the engineering and that a discounted per value retail rate is currently in place. Mr. Adams also explained to the Board the Woodburn rates are going up fairly dramatically and they have already enacted a Stage 1 increase. They are aware that they are going to have to increase again to reach the full project rate.

The committee recommended that a letter be prepared to keep an open line of communication about our SRF request for a rate relief/reclassification. The Board agreed a letter will need to be sent to the Woodburn community and recommended the following course of action:

- Mr. Adams provide a summary to Mr. Heiny of the New Woodburn Treatment Plan
- Mr. Heiny agreed to reach out to SRF (Mr. Jim McGoff and Mr. Bill Harkins) to review the new treatment plan

PUBLIC COMMENT:

Mr. Zehr opened the floor at 12:36pm for any public comments or anyone who would like to address the Board. No comments.

HOAGLAND INFRASTRUCTURE COMMITTEE:

Mr. Wirtz shared notes from the committee's meeting, summary, and recommendations. He shared that the committee briefly discussed the MOU City potential partnership for solution, but funding is still unclear. He said the committee also discussed the second reminder letter from IDEM, regarding our sewer ban warning regarding flows approaching treatment capacity, dated February 7th, 2017. Mr. Wirtz explained there was further discussion on the March 29th, 2017 response letter from Mr. Adams and Mr. Neumeister, which specified the District's PIR in process and outlined our vast improvements and facility designs. The committee has circled back on where exactly we are at with the lawsuit and has also addressed the December 7th, 2016 advisement letter from the County Commissioners which urges the District to hold off on making any further decisions.

Mr. Wirtz reminded the Board of the Districts client's timeline to move forward in addressing the Hoagland capacity and clarified that there are two issues that the Board will need to address:

- Hoagland is in need of several upgrades to the WWTP. The plant has received an "Early Warning Sewer Ban" notice and will need a treatment system for ammonia.
- New effluent limits for ammonia have recently been imposed on the plant and phosphorus limits are expected to be added in next NPDES permit cycle.

Mr. Wirtz recommended a follow-up letter from the District Board of Trustees to be sent to the County Commissioners regarding the IDEM advisement.

Mr. Heiny questioned Mr. Adams on the (\$5million) construction estimate as he recalled it to be \$4-million-\$4.2million. Mr. Adams clarified Lochmueller would have received the same PER funding that was sent to SRF along with a copy of the planning that is also associated with the District's funding. Mr. Zehr inquired about the Districts timeframe for compliance. Mr. Adams offered to provide exact dates, at a later date, as this information was not in front of him, but offered the following draft timeline:

- 2013-2014 1st IDEM Reminder Letter received: Early Warning Sewer Ban was documented as being at capacity
- 2014-2015 NPDES permit renewed: 3 years granted for improvements in place to treat the ammonia at the facility
- 2015-2016 IDEM Reminder Letter received: Warning Sewer Ban reminding the District we are over 100% capacity
- 2016-2017 IDEM Reminder Letter
- 2017-2018 3 year improvement period ends, improvements are in place to treat the ammonia

Mr. Adams also advised the Board that milestone updates have been sent to IDEM but at some stage of the game we need to get into a design and construction phase to comply with those terms or the following actions are needed:

- IDEM is in need of another progress report update (another update will be needed at time of construction)
- IDEM could potentially issue a fine or decreed order, if not in construction, after the 3rd-year has expired.

The Board discussed the need to have a follow up conversation or to send a letter to County Commissioners requesting for their understanding and explain what the Districts plans are in moving forward. Mr. Heiny cautioned the Board in using "connection ban" in their language to avoid misleading customers.

Mr. Zehr apologized to the Board for not being aware of having received a 2nd IDEM letter. He addressed the Board to strike the committee's recommendation to reaffirm Connection Ban for Hoagland due to multiple IDEM issues and to instead publicly talk about the second letter. Mr. Zehr instructed the Board of Trustees to reaffirm the steps already taken with how the District addressed the first letter and reestablish that process.

Mr. Heiny stated, through no fault of the current Office Manager, we are trying to find the minutes of the meeting where the Hoagland capacity issues were last discussed. These minutes could serve as a starting point in figuring out what actions the Board agreed to take regarding this issue last year. Mr. Zehr requested that the Board table this discussion to have time to explore this further. Discussion tabled.

Mr. Wirtz explained that the committee asked Commonwealth to put together a quote for a small planning study for the opportunity of putting together a package to begin the loop to the Hoagland situation.

Mr. Adams explained to the Board that the planning study conducted was to reevaluate a point of connection on how to connect everything from Point (A) to Point (B) using: Marion Center /Monroeville Road, Village of Maples and Felt Place-Aljean Drive. Commonwealth proposal to review is \$7500.00. Mr. Wirtz motioned the committee. Mr. Klinker seconded the motion.

Mr. Heiny recommended, at a minimum, send a follow up letter to the County Commissioners asking for their consultant (Lochmueller) to step up their analysis or whatever they are doing – as the Lochmueller report is needed to help aid the District in addressing IDEM issues.

PERSONNEL COMMITTEE:

Mr. Brugger explained that the Interim Director Transition Plan, Executive Director Job Description, and Executive Director job placement timeline were discussed at the April 19th Executive Session meeting. The committee recommendations are as follows:

- Place a part-time Interim Executive Director through FWCU Shared Services Agreement (Jeff Morris)
 - **Interim Executive Director Smaller Subset Focus:**
 - Field Operations
 - SOP development
 - PM (non-lift stations)
 - SRF and Bank coordination
 - Training and resource/relationship utilization for the Office Manager
 - Cost containment, tracking and reporting
 - **Major Focus: will continue to be handled by:**
 - Current Construction Project and Implementation (Commonwealth and BCS Management)
 - PM Lift stations (Brian Robinson and Joe Johnson of FWCU)
 - Existing Infrastructure Capital Spending (Nathan Baggett, PE: FWCU-Engineering)
 - External relationship building, outreach, public meetings, media (Board of Trustees and Committees)

Mr. Brugger introduced Mr. Morris to the Board and went over his employment background. Mr. Klinker asked the Board to consider Mr. Rood's experience as a current Board member and went over the benefits of having a hands-on Board member in the District Office. Mr. Klinker proposed the idea of still using Mr. Morris but as a part-time "consultant" to the District. Mr. Klinker explained that the District Consultant would then report to the Office Manager, Erika Beachem.

Mr. Zehr recognized the effort and amazing job everyone is doing in stepping up during the Districts difficult and challenging time. Mr. Zehr expressed support for Mr. Rood and Ms. Beachem managing the office, administration, and

tackling operating procedures and processes. He explained that this will allow Mr. Morris to serve as a District consultant given his vast field and infrastructure experience.

Mr. Zehr addressed the Board by saying "I don't think we can ask for any more than a Board member being compensated while serving in this capacity". The topic was then referred to the Personnel committee to determine compensation, if any. Mr. Wirtz further added that the Leo Sewer District had some conflict of interest issues with compensating board members and advised Mr. Heiny to look into the topic.

Mr. Klinker recommended the following actions:

- Erika Beachem, Office Manager, will manage Administration/Finance with part-time assistance from Mr. Rood, Treasurer.
- Jeff Morris will serve as the "District Consultant" who will report to the District Office Administrator
 - Primary Subset Focus: Field Operations
 - Scott Lee, Field Office Manager and Kameron Miner, Field Service Technician will report to District Consultant

Mr. Klinker made a motion to approve. Mr. Brugger seconded the motion. All ayes cast.

Mr. Brugger presented the Board with the draft copy of the Executive Director Job Description and the timeline to fill the position. Mr. Klinker inquired about BCS Management contract fees and cost associated to fill the District Office Manager position. Mr. Klinker explained that Ms. Beachem will report back to the Board and HR will review salary range and job description to make sure everything checks out.

Mr. Heiny advised that if more than three members participate in the interviews, it will constitute a quorum and necessitate an executive session with public notice requirements. It was agreed that the three-member Personnel Committee would conduct the initial interviews, place all candidate applications in the shared Dropbox for all Board members to review, and that the finalist(s) will come before the entire Board in executive session.

Mr. Brugger suggested the Board adopt a policy requiring an Allen County residency requirement for the Executive Director by incorporating such language into the job description.

Mr. Brugger motioned to approve the Job Description pending the following changes:

- Page 1 – replace "incumbent" to the "successful applicant"
- Item 7d: , including the Operations and Maintenance Interlocal Agreement
- The addition of an Allen County Residency Requirement for the Executive Director. The addition of boilerplate language.
- Mr. Klinker seconded the motion. All ayes cast.

NEW DEVELOPMENT COMMITTEE:

Mr. Klinker shared that the committee met on February 6th, 2017 and again on April 14, 2017 to discuss the progress from November 2016 Report. He stated that the committee reviewed draft Future Project Affordability Analysis worksheet tool which provides quick estimates of total associated costs and rate coverage for new project areas.

Mr. Klinker shared the following tool estimates:

- Approximately \$16,000 for wholesale areas
- Approximately \$10,000 for retail areas

Mr. Klinker explained that the committee briefly reviewed the improvement fund balances and projections but more information is needed before able to move anything forward. Mr. Klinker stated that the 2016 PPL Projects are on hold due to finances and other constraints, until we have an opportunity to look at the past financing challenges with the

recent closing of the bonds. Mr. Adams stated that he spoke to Ms. Love from SRF to see how the technical review was progressing and said we should hear something soon. Mr. Klinker also noted that having Mr. Chapple, from the Department of Health, present at the community meetings has been very helpful.

Mr. Klinker stated that the next areas of interests are homes on Bass, Yellow Road, Flaugh and Rural. He said that unfortunately we have no activity to report on for the Hessen Cassel Utilities.

Mr. Klinker presented the committee recommendation to send letters to the community of Zulu advising no further action will be taken by the District. He shared this is due to Zulu-PIR and Zulu not being financially advisable for the District to take on. Mr. Klinker explained that an update to the community is needed to advise the Zulu Community and allow the Department of Health time to proceed with the activity they need to do. Mr. Zehr inquired about the expense and Mr. Adams shared that the project would be over \$30,000.

Mr. Klinker made a motion to send out letter to Zulu Community advising no further action will be taken by the District due to funding. Mr. Brugger seconded the motion. All ayes cast.

Mr. Adams reported 2014 PPL Project is complete. He said we had about 500 connections and for the last couple of months connector audits have been conducted to ensure customers have been all been switched to the full rate. Mr. Adams said Ms. Gomez-Espino from Developmental Services has been a big help in auditing the retail list. He shared that a second notice to connect letter will be going out for the customers who have not connected and a TAP fee can be imposed for those that have fallen outside of their 90-day grace period or given any latitude from Mr. Neumeister.

Mr. Adams stated that there are two active construction projects for the 2015 PPL. He said Fleming Excavating is handling the first project in the Carrol Hand area and scheduled for completion in August. Mr. Adams shared the second construction project is in Poe and being handled by Rothenberg Inc.

Mr. Adams shared that a Press Event for 2017 construction projects is scheduled for Monday, May 1st, 11am at Glen Elm Lift Station – 12105 Leo Road Fort Wayne with drive access at 12129 Leo Road.

OLD BUSINESS:

Mr. Adams reported that the Platter Parkway was addressed in Mr. Baggett's Maintenance Report. He said that when the smoke test was conducted it was too wet. Mr. Adams shared that we will have to see if the inflow infiltrations in the Hessen Cassel/Benzinger area to see if that will help resolve the Platter Parkway issue.

Mr. Lee, District Maintenance Director advised the Board that the Muldoon project has already started. Mr. Lee said he was contacted by Phil from Zimmerman Septic Services on Monday, April 24th. Board requested the following action:

- Mr. Morris, District Consultant visit the Muldoon and Winchester areas to confirm status and advise Zimmerman Septic Services to hold off from starting Winchester project.
- Mr. Adams will create Letter of Recommendation for the Zimmerman quotes: \$53950 (Muldoon Rd) and (Winchester) \$57480
- Office Manager and Mr. Rood will confirm funding for both projects.

Mr. Rood announced that this would be Mr. Ray's last day as a Board member. Mr. Chapple reported that his replacement will be Mr. Kevin McDermitt, an Engineer with Loughheed & Associates.

NEW BUSINESS:

None.

ADJOURNMENT:

Mr. Zehr motioned to adjourn the meeting. Mr. Day seconded the motion. All ayes cast. The meeting was adjourned at 1:30 pm.

Respectfully submitted,
Erika Beachem, District Office Administrator



MJ Klinker, Secretary