

**ALLEN COUNTY REGIONAL WATER AND SEWER DISTRICT
BOARD OF TRUSTEES MEETING
September 28, 2016**

CALL TO ORDER:

Ric Zehr, Board President called the meeting to order at 12:00 p.m.

ATTENDANCE:

Board Members present were Ric Zehr, Win Rood, Ted Nitza, and Adam Day. Board Members, MJ Klinger, Justin Brugger and Charles Ray were absent, as was Ex-Officio Gary Chapple. Executive Director Kenny Neumeister was present. Support Staff present were Bob Eherenman, Ben Adams, Ryan Walls, and Deb Fee. There were six visitors: Steve Miller, DeWayne Nodine, Rita Dean, Matt Vondran, Amber Muller, Jim Graber and Mark Herber.

APPROVAL OF MINUTES:

Mr. Rood made a motion to approve the August 24, 2016 Board Meeting Minutes, as distributed. Mr. Nitza seconded the motion. All ayes cast.

TREASURERS REPORT:

Mr. Rood reviewed the August 2016 Financial Report and Claims to be paid in detail with the Board. Mr. Day made a motion for approval. Mr. Nitza seconded the motion. All ayes cast.

APPROVAL OF SRF PAYMENT TABS:

Mr. Adams reviewed Payment Tabs 100 through 108 with the Board and recommended their payment:

- Payment Tab #100, Commonwealth, Various, \$20,861
- Payment Tab #101, Rothenberger, Lower Huntington-Whippoorwill, \$11,222
- Payment Tab #102, Rothenberger, HCC, Berneway, & Yoder Contract "B", \$81,365
- Payment Tab #103, Rothenberger, Lower Huntington-Whippoorwill, \$19,000
- Payment Tab #104, Rothenberger, Tonkel-Hursh-Crawford, \$99,715
- Payment Tab #105, Underground, Goshen-Cook-Fritz-Steele, \$75,487
- Payment Tab #106, Underground, Goshen-Cook-Fritz-Steele, \$62,062
- Payment Tab #107, CSU, Inc, Gerdings-Kroemer-Leesburg, \$314,428
- Payment Tab #108, VS Engineers, Various Easement Acquisition, \$56,000

Mr. Rood moved to approve Payment Tabs 100 through 108. Mr. Nitza seconded the motion. All ayes cast.

CONSIDERATION OF CHANGE ORDER

Mr. Adams presented four Change Orders for the Board's approval:

- Change Order No. 2, Underground, Goshen-Cook-Fritz-Steele, \$77,216.50
- Change Order No. 2, Rothenberger, Hursh-Tonkel-Crawford, \$104,821.30
- Change Order No. 2, Rothenberger, HHC, Berneway & Yoder Contract "B", \$95,462.58
- Change Order No. 2, CSU, Inc, Gerdings-Kroemer-Leesburg, \$95,180

Mr. Rood moved to approve all presented Change Orders and Mr. Nitza seconded the motion. All ayes cast.

MAINTENANCE REPORT:

Mr. Walls reviewed his monthly report with the Board. There were no exceeded permits, limitations or rules. He reported they have discharged the lagoons and there were a few repair issues in the Cedar Shores area. Thirty-four inspections were performed for the month.

COMMITTEE REPORTS:

New Development Committee:

Mr. Nitza reported there is a MOU being drafted by the City Utilities to address the area connection fees, financial assistance for connections and partnering on the Hoagland project. Mr. Nitza stated they are waiting for a response from Hometown concerning the Yates' request to be added to the Carroll-Hand project area.

Hoagland Infrastructure Committee:

Mr. Nitza reported that they are awaiting the completed MOU from City Utilities to move forward with actual design.

Operations Transition Committee:

Mr. Nitza reported there were three main focuses as the Severn Trent Services contract ends on September 30. They are (1) having new contractual relationships in place, (2) hiring Scott Lee and Deb Fee and (3) ensuring that the bills go out on time. All of these have been met or will be completed today.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Neumeister discussed the new HR Policies and Procedure Manual. It mirrors City Utilities' manual. A few tweaks may be required moving forward, but is a great starting point and requested the Board's approval. Mr. Nitza stated he has reviewed it, concurs with Mr. Neumeister and recommended its approval. Mr. Nitza moved to approve the new 2016 HR Manual and Mr. Rood seconded the motion. All ayes cast.

Mr. Neumeister presented the MoU with Fort Wayne City Utilities concerning Sewer Tap Inspection Fees and Procedures and requested the Board's approval. Mr. Rood made a motion to approve the MOU and Mr. Nitza seconded the motion. All ayes cast.

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

Mr. Adams stated construction is complete in all areas and we are waiting for the final acceptance from the City of Fort Wayne for four project areas. Some of the delay was contingent to the signing of the Change Orders executed today. We have issued the notices to connect to the Wallen and Yoder Contract "B" project areas. There are approximately 550 connections being added this year.

Mr. Adams updated the Board about the Septic Replacement Program and the consideration of quotes. It will cost approximately \$129,000. Mr. Herber, from the Department of Health addressed the Board stating that everything is ready to go for the program other than the contractors need to renew their permits because of the time that has lapsed. Mr. Rood made a motion to approve the Septic System Replacement Program and Mr. Day seconded the motion. All ayes cast.

PUBLIC COMMENTS

Amber Muller, 5432 Steele Dr, addressed the Board; she is dissatisfied with the restoration of her property after the installation of the sanitary sewer line. She stated that the contractors did not return her property to its prior condition, as stated in the contract. They left trash in her yard and is unhappy with the placement of the grinder pump station. She presented photos of her property. Mr. Zehr requested Ms. Muller, to allow time to investigate the situation, look over the contract and have Mr. Adams come out to see her property. Ms. Muller agreed.

Rita Dean, 16529 Yoder Rd, addressed the Board about her concerns with meeting the 90 day deadline since she is currently working with the USDA Rural Development to pay for the installation of her lateral line. The process is time consuming and she is frustrated that she did not know about the funding sooner. Mr. Neumeister reassured her that as long as she is actively going through the process, the District will work with her. Mr. Nitza added that the District just became aware of the availability of the USDA program. The District is working with the Allen County Commissioners and the City of Fort Wayne to come up with an internal program to provide financial assistance.

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

Mr. Adams updated the Board on the anticipated final approvals of the designs and tentative bid schedules. He recently spoke with SRF and it appears everything is on target to hold pre closing between December 8 and 22. And hope to have closing by the end of the year. Mr. Nitza added that Leo-Cedarville District and the City of Fort Wayne have come to an agreement on purchasing the Leo-Cedarville force main for the Mallard's Lake project. The Carroll-Hand and Glen Elm project areas will require some oversizing.

PROJECT UPDATES 2016-2017 PER PROJECTS (submitted to IDEM for consideration for 2017):

Mr. Adams stated that the PER was submitted to IDEM for consideration in June and is still waiting to hear their technical comments.

OLD BUSINESS

Mr. Nitza reviewed the Amendment No. 1 Intergovernmental Agreement with the City of Fort Wayne with the Board. It covers the City providing payroll services for the District staff, allowing the staff to participate in the City's benefits program. This agreement is intended to bridge the gap from now until the Operations and Maintenance Interlocal Agreement between the City and the District no later than December 31, 2016. Mr. Nitza recommended its approval. Mr. Rood made a motion to approve Amendment No. 1 Intergovernmental Agreement with the City of Fort Wayne. Mr. Day seconded the motion. All ayes cast.

Mr. Eherenman presented the Operations and Maintenance Interlocal Agreement with the City of Fort Wayne. This is a 10 year agreement, but may be terminated after 5 years with a 180 day notice. The cost is \$259,000 per year plus any additional costs the District incurs. Mr. Rood moved to approve the Agreement and Mr. Nitza seconded the motion. All ayes cast.

NEW BUSINESS:

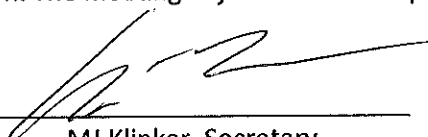
Mr. Nitza mentioned that the newspaper reported the Woodburn Mayor met with Commonwealth to discuss financing and options for the final design of the mechanical plant. The concern is that Woodburn is still charging the District a retail rate instead of a wholesale rate. Mr. Nitza asked Mr. Adams the status for the Woodburn project. Mr. Adams replied that a study was completed, Woodburn was presented with the option to abandon the treatment facility and pump to the City of Fort Wayne or build a new plant. Woodburn has decided to build a new mechanical plant with SRF funding. Commonwealth is currently working on the design and the new plant is anticipated to be operational by September 2018. Mr. Adams reported that Umbaugh is performing the rate analysis to determine the new rates, but have not been determined. Mr. Zehr asked if SRF will be aware of the alternative options available to Woodburn and Mr. Adams responded yes, they require seeing the alternatives. Mr. Nitza stated that he believes Woodburn has lower cost options available and is convinced that the retail rate they are charging the District is unfair and should be adjusted.

Mr. Eherenman updated the Board that an Appeal has been filed for the Hoagland Rate Appeal lawsuit. The plaintiff must submit their brief to Indianapolis by mid-October. At that time, the District will have 33 days to file our response brief. The Court of Appeals typically takes from 4 – 8 months.

ADJOURNMENT:

Mr. Rood made a motion to adjourn. Mr. Nitza seconded the motion. The meeting adjourned at 1:09 pm.

Respectfully submitted,
Deb Fee, STES



MJ Klinker, Secretary
Ric Zehr, President