

Blue Lake Conservancy District
January 4, 2021
Board Meeting

The January 4, 2021, Board meeting of the Blue Lake Conservancy District was called to order at 7:05 pm. Due to Covid 19 issues, the meeting was held in the large meeting hall of the Blue Lake Association building. All board members were present including President Lisa Waterman, Treasurer Darlene Ramus, and Directors Don Greve, Steve Shrock, and Vince Simmers. Also present included Counsel Andrew Grossnickle, Finance Clerk (FC) Randy Grawcock, and Maintenance Supervisor (MS) Rick Hamilton. There were no guests.

The meeting opened with a call for approval of minutes for the December 7, 2020, board meeting. Motion by Shrock to accept the minutes as written, seconded by Ramus. Abstentions by Greve and Simmers. Motion passed.

The Treasurer's report was presented by Treasurer Ramus. The Accounts Payable Voucher Register was presented first showing \$35974.21 in disbursements. Notables including \$13,428 to Gasvoda & Associates to purchase the new main spare pump. This month also saw all board members being paid their annual stipend for board service along with fees paid for the recording of minutes for all of 2020. The Monthly Recap Report was presented next with an opening Checking account balance of \$183,179.42, incoming receipts of \$42,414.85, and \$35,974.21 of disbursements, leaving an ending checking account balance of \$189,620.06. Adding the CD balance (held at Farmers & Merchants Bank) of \$102,469.26, brings the Current Funds total to \$292,089.32. The bond balance, which under agreement cannot be reduced until 2024, remains at \$749,987.11. Motion by Shrock to accept the report. Seconded by Simmers. Motion passed.

It was noted by Simmers that we continue to hold in excess of \$180,000 regularly in our checking account. Given the disparity between interest rates on longer term funds, he requested that FC Grawcock look into transferring funds into a more fruitful interest arrangement. Ramus mentioned being aware of FDIC limits and FC Grawcock acknowledged this limitation. Currently the CD is earning 0.7%. *Motion to give FC Grawcock the authorization to move funds into another institution or account to garner more interest, with notation that the bank/financial institution must be located in Churubusco, Indiana. Motion by Simmers, seconded by Shrock. Motion passed.*

The 2020 Disbursements Report was presented next and showed budgeted amounts to the expended amount per line item. Month to date expenditures total \$35,974.21, month to date receipts total \$42,473.77 while YTD expenditures are \$426,745.77 and YTD receipts are \$430,977.66. Motion by Simmers to accept the report, Seconded by Greve. Motion passed.

The new budget was presented by FC Grawcock and showed all items as previous budgets with the exception of a new category, Main Lift Station, being created given the BLCD's focus on ensuring its smooth operation with continued upkeep with the new spare motor, generator, and other ancillary items. Further, The I & I allocation was increased from the previous \$10,000 annually to \$20,000 to ensure MS Hamilton continues a focus on this issue. It was also noted that the "Waste & Late fees" should be changed to an estimated \$415,000, to reflect the additional late fees and campground fees received by the BLCD. Motion by Greve, seconded by Simmers to accept the report.

The BLCD Profit & Loss Report was then presented detailing the postings to the General Ledger accounts and showing \$6,499.56 income the month, and \$39,246.92 for the year. Motion by Shrock, seconded by Greve to accept the report. Motion passed.

The Wastewater Adjustment Report was the last of the Finance reports presented. This month's report is quite substantial, but in this case, it is being done to reverse assessed late charges from the Keystone System to reflect reality. In fact, both Campgrounds' payments and assessments have been intensely reviewed by FC Grawcock, Treasurer Ramus, and President Waterman. Big Al, Inc. (Blue Lake Campground) has been overcharged and does not owe late charges as shown in the system. Davis Campground has paid very regularly and does not owe any late fees either. Both of these

reversals are to reflect expected receipts and to bring the accounting system in line with the actual expected and due receipts. Other adjustments show a reversal of a couple residential late fees that were not appropriate or were accessed against a previous tenant. Motion by Simmers to accept the Wasterwater Adjustment report. Seconded by Shrock. Motion passed.

MS Hamilton then offered his monthly report. Hamilton relayed that the month was quite uneventful. Locates were a little above normal, but he completed them without issue. Inventory is appropriate and needing just one additional pump on order. Attention was given to the meter readings shown on the bottom of the December Work report. Clarification was provided that the numbers reflect the gallonage used, and that these are not the actual numbers shown on the meter.

It was noted that Blue Lake Campground's meter is not working and has not worked since one of the summer storms in July. Without the pump reading, there is nothing else the BLCD can do as the meter is owned by BL Campground. Counsel Grossnickle referenced the Use Ordinance that the billing is EITHER meter or per site. Waterman suggested we notify BL Campground that without a meter, the BLCD should revert to campground site numbers and assess the billing based on that, instead of flow. Waterman also asked that the MISSING meter reading should be noted as missing, on this monthly report, instead of not writing it down on the report. It should be NOTED that the meter is broken and not readable.

MS Hamilton stated the meter would then need to be recalibrated and Waterman made mention that this should be at BL Campground's expense – not BLCD. *MS Hamilton said he would follow up with Mike Nightingale who is the BL Campground's maintenance supervisor to get this matter resolved.*

The status of various properties around the lake were reviewed including asking that FC Grawcock relay billing issues to new buyers. For example, the property at the end of Harold Place has a duplex billing and it should continue given the infrastructure in the ground serving the property. FC Grawcock agreed and has relayed such information. Ramus wanted to ensure they know about the dual billing.

Waterman asked about new construction around the lake and MS Hamilton said there were a few new homes being built coming in the Spring. MS Hamilton noted that he is requesting new infrastructure be laid on any new home build site, that then travels to BLCD equipment/lines. Costs about \$10,000 to get a new basin installed. Various comments were made with the directorship agreeing that new 10" basins should be installed given the full time status of most residents. Ramus mentioned this will also get most of the residents to the same billing status. Motion made by Simmers to approve the Maintenance Supervisor's (MS) report, seconded by Ramus. Motion passed.

UNFINISHED BUSINESS

I & I Update -- Nothing to report.

Campground Review – Counsel Grossnickle relayed he had completed the letter to BL Campground, but wasn't sure how the BLCD would provide repayment and asked for clarification as to who sends the letter, signs it, etc. It was decided that the letter should come from FC Grawcock and/or President Waterman and the BLCD should request a meeting with the BL Campground owner to discuss and evidence the amounts.

Simmers made a motion to provide a cash payment of \$25,000 with the balance to be used, based on actual BL Campground billing and associated usage, over time (expected to be about 2 years based on previous billings),

seconded by Shrock. Motion passed. All agreed this matter should be resolved swiftly.

Waterman reiterated that BLCD has just three commercial accounts including the two campgrounds, along with CRZ Properties (a trailer park charged by the number of sites) and in all matters, they are treated the same when possible.

Waterman presented an email which was received by the Davis Campground at 5:04 pm, January 4th (just before the actual meeting). In summation, Mary Davis Wynn relays that Davis Campground wishes they would have been on a flow meter as it now appears it would have saved them a substantial amount over the time periods. She is asking the BLCD to pay the David Campground \$64,778.18, based on her recalculation of their overpayment based on what their bill would have been if they were on a meter, over the past several years as outlined in her email. She relays they are willing to settle for \$35,000. Waterman then summarized by saying that, while the Davis Campground may have saved money with the use of the meter, in fact, they were NOT on a meter and do not now have the right to go back and reassess their usage charges. Per previous review of the applicable statutes, each campground had/has the right to determine how they are billed and the Davis' were on a per site fee until notifying the BLCD last year of their intent to go on a meter.

After considerable discussion, it was determined that *legal counsel Grossnickle should create and send a response letter to Davis Campground, detailing the position of BLCD, and including a detailed answer to each of the points within the email.* As previously noted in past minutes, FC Grawcock, Treasurer Ramus and President Waterman did a complete audit of the David Campground records and found the payments assessed and received were correct through the Year Ended December 2019. FC Grawcock reports, however, that the Davis Campground has consistently overpaid during the 2020 calendar year without a documented reason and are due their overpayment.

Life Station Updates – Generator and Pump – The Generator and new back up pump have both been ordered, paid for, and received. NIPSCO service is scheduled to supply natural gas and they will pay for the line extension to reach the generator. Simmers provided a cost estimate for the concrete pad that the generator will sit on and workmen will access. It will be approximately 9' x 17'. Work will commence as the weather and work schedules may allow. Waterman suggested fencing or some other structure in order to protect the generator from vandalism. *Waterman also asked FC Grawcock to notify Star Insurance of the additional items, including the generator and new pump.*

CRZ Properties Review – Grossnickle reports we are awaiting further remedy/options from Cary Zeigler to move forward. He relayed that Zeigler was interested in purchasing the pumps, then having BLCD transfer ownership to him. The BLCD is not interested in such an option. MS Hamilton suggested the best possible remedy would be to have Zeigler install "catch baskets" that Zeigler said he has used at other properties situated in other sewage districts. While MS Hamilton likes this idea, he is very clear that he, as the Maintenance Supervisor (MS) nor anyone else from the BLCD, will NOT be responsible for emptying or maintaining these baskets. *Grossnickle will reach out to Zeigler's counsel and suggest this as the least costly and most beneficial option.* Overall, options include: 1) Pay the pump charges previously assessed; then 2) upgrade the pumps, or 3) give Zeigler control of the pumps through a lease agreement of some sort. All agreed the catch baskets would be the least costly and most beneficial arrangement.

Building to purchase – Waterman relayed that the BLCD needs to make a decision on the building purchase. Per Jeff Rowe, buying the building is allowed but financing the building through a lending arrangement would need to go through public meetings and process.

Waterman and FC Grawcock agreed to put information together for the next meeting to review the financial aspects of such a purchase. Waterman will reach out to the private utility management group to determine their interest in physical land, in the event the BLCD would ever want to build a sewage treatment plant.

FC Grawcock reported that he had phoned Whitley County and that the property could be separated while Simmers contends that the land cannot be sold as it is public property.

NEW BUSINESS

Elections – The terms previously reported were incorrect. The correct terms are as follows:

Greve terms ends Feb 2021 (completing the previous term of Winebrenner) and new term will end Feb 2025

Waterman term ends Feb 2022

Ramus term ends Feb 2023

Simmers term ends Feb 2023

Shrock term ends Feb 2024 – to be confirmed for completion of Jim Davis' previous term, who was elected in 2020.

Grossnickle will request from the Whitley County Commissioners that Don Greve and Steve Shrock be appointed to the BLCD Conservancy District Board of Directors to complete full terms as stated above.

Waterman asked Grawcock to create a detailed sheet for the Board of Directors terms to retain in BLCD files and to add in his AUGUST Calendar to begin establishing procedures and notifications for upcoming elections to be held in the following February.

ANNUAL MEETING – Saturday, February ^{12th} ~~27~~, 2021 is the slated date per our ordinance which states the 4th Saturday in February at 2 pm. With no election slated, there will be no need for additional planning of ballots/voting. Instead, the BLCD will report its activities over the last year.

There being no further business, a motion to adjourn was accepted from Simmers, seconded by Shrock. Meeting adjourned at 9:54 pm.

Respectfully submitted,

Lisa L Waterman, President

Approved this 1st Day of February, 2021, by:









