

The June 1, 2020, meeting of the BLCD was called to order at 7:38 pm, delayed due to a lack of quorum. Present were President Lisa Waterman, Treasurer Darlene Ramus, and Director Don Greve. While there were no guests present, Counsel Andrew Grossnickle, Maintenance Superintendent (MS) Rick Hamilton, and Finance Clerk (FC) Randy Grawcock were all present at the meeting.

The agenda was presented with the first item of business being the resignation of James (Jim) Davis from the Board of Directors. He relayed he was too busy during the summer months to commit time to the BLCD. The Board discussed possible candidates for the position and came up with several names to pursue. This would be fill the remaining term of Davis, who was installed in February 2020.

The minutes of the May 2, 2020, board meeting were presented. Motion by Greve to accept the minutes as written. Seconded by Ramus, motion to accept the minutes as presented was passed unanimously.

Treasurer Ramus then presented the financial condition of the BLCD. Showing \$173,130.39 as the opening balance in the BLCD checking account, with incoming receipts of \$27,833.36, and disbursements for the month totalling \$19,523.89, leaving a ending checking account balance of \$181,439.86. The CD held at Farmers & Merchants Bank now totals \$102,049.70 and the Bond Payable Balance remains at \$769,987.11 with the next required bond payment occurring in September.

Notable expenses were for the \$9,326.84 paid to the Town of Churubusco for the processing of waste. All other expenses were normal and expected.

Upcoming additional expenses were noted after a discussion concerning the correct pay for Board Members and payment for the preparation of the meeting minutes. Counsel Grossnickle referenced that state statutes dictate a maximum of \$150 per month, with \$100 being for up to 2 meetings per month, along with an additional \$50 per month allowed. Treasurer Ramus stated that additional payments would be due for the first quarter when the Board met twice in January and three times in both February and March. Waterman noted there should be no payment for the month of April given the suspension of the monthly board meeting. FC Grawcock agreed to make payment for the additional board meetings and minute preparation charges.

Treasurer Ramus represented the 2020 Disbursement report (to Budget) with \$199,202.79 being disbursed YTD to a remaining budget of \$185,472.21. Notable expenses have been the additional (unbudgeted) items associated with the Rate Study and the Feasibility Study adding some \$32,698 to our expenses along with additional work required of legal counsel as well.

Motioned made by Director Greve, seconded by Waterman, to accept the Treasurer's Report. Motion passed unanimously.

The new Profit & Loss Report was presented by the Finance Clerk (FC) Grawcock. It was noted that over \$3900 has been collected in late fees since the beginning of the year. Waterman asked about the system review of the assessment of late charges. Grawcock relayed that the system assesses the late fee when he runs a report to generate the fees.

Discussion ensued regarding the appropriateness of the 1st of the month payment due date, with a grace period until the 15th of each month, with late charges assessed on the 16th of the month. As the Directors discussed, there is no utility that offers a grace period for payment of services with grace periods typically offered for loans. Counsel Grossnickle

referenced the Rate Ordinance which stated the payment would be considered "delinquent" after the 15th of the month.

As Grawcock explained, in order to assess the late fee on the 16th of the month, the system is manipulated in order to calculate the late fees in this fashion. As the Keystone system, the billing system used by the BLCD and many communities in the surrounding area, considers the payment due date (by input) which then calculates the late fees to be assessed the day following the due date. Grawcock relayed that all coupons sent out in April showed the due date to be the 1st of the month and late on the 2nd of the month.

Motion made by Greve, seconded by Ramus, to suspend the reading of the Rate Ordinance 2020-02 "Ordinance Amending and Restating Sewer Rate Ordinance, as Amended" in its entirety, and replace the language detailing late charge assessment, shown in Section 4 (c) which changes to reflect. . ."all rates and charges not paid by the 1st day of the month following receipt of billings are hereby declared to be delinquent" . . .

Motion seconded by Ramus, motion passed unanimously.

FC Grawcock then presented the Wastewater Adjustment Report which he has been working on to determine and ensure the Keystone system appropriately reflects late charges for Freeholders. Grawcock stated he has now finalized and adjusted, as appropriate, 215 Freeholder accounts out of 345 accounts. The report showed numerous adjustments with the net total of ALL adjustments being just an \$83.30 adjustment. The most common error found (with a net adjustment of \$0) occurred when a Freeholder with multiple accounts (properties) around the lake would make one payment which was incorrectly allocated to multiple properties, leaving a surplus balance in one account and a deficit in the other. All directors signed the Adjustment Report authorizing the changes to Freeholder accounts to remedy the late charge field on the Keystone system. Grawcock will keep the report along with the adjustment authorization form on file in the BLCD office.

Motion to accept the Finance Clerk Report made by Greve, seconded by Waterman, motion passed unanimously.

Maintenance Superintendent Rick Hamilton was present to report on his activities in the past month detailing that several pumps needed replaced. Two pumps, manufactured by Crane, were replaced without charge. Waterman asked why there should be no charge and MS Hamilton reported that the Crane pumps were the original pumps installed in the system and the pump had reached its end of life use. Crane and Barnes pumps are those oldest within the system and any pump failure at this point would be deemed an end of pump life failure. Failure of Keen pumps is closely reviewed as all pumps would be less than 8 years old or significantly newer.

New pumps were installed at 6705 McGuire Road with New SI#102819D and at 7607 E Harrold Road with new SI#010720A. A new pump was also required at the Davis Campground, which was covered under warranty, SI#020419D. An additional pump seemed to be having amperage problems and was removed, cleaned and reinstalled on 700E. The problem persisted and the pump was replaced with new SI #010720D.

MS Hamilton also reported that the three meters in the BLCD were recalibrated with Mike Franke including the Town of Churubusco flow meter, the Davis Campground, and the Blue Lake Campground generating a due bill to MS Hamilton for \$35 for his time and effort outside of traditional work. MS Hamilton noted to FC Grawcock the required volumes for billings.

Discussion ensued about the Davis Campground given their move to meter. Consultant Jeff Rowe had previously offered the structure to bill, with true-up occurring in September, after actual readings are made in June, July, and August, per state statute. FC Grawcock relayed he had the email detailing the process and understood the calculation.

MS Hamilton reported the pump inventory was back up to appropriate levels and LOCATES seemed to be up in his monthly activity.

Motion made by Greve, seconded by Ramus, to accept the Maintenance Superintendent's report. Motion passed unanimously.

President Waterman asked for any other reports to be presented. As there were none, discussion moved to UNFINISHED BUSINESS.

Grossnickle presented proposed Resolution 2020 - _____ "Resolution for Adoption of Disconnection Policy for the Blue Lake Conservancy District". The proposed resolution was previously sent via email to directors for previous review.

Waterman relayed that Director Simmers asked that motions not be made on this matter until he was able to pursue with the Whitley County Health Inspector Scott Wagner, which he expects to do in the coming weeks. Simmers felt the disconnection policy was strict and far-reaching and wanted to ensure the Health Inspector agrees with its appropriateness.

Grossnickle and MS Hamilton relayed that the Health Inspector is an integral part of the disconnection policy and that the Inspector would accompany MS Hamilton on the disconnection visits as the home would be immediately CONDEMNED and deemed inhabitable. Grossnickle relayed that the Disconnection Policy presented was adapted from other such policies now in place for other conservancy and sewage districts around the area.

As Grossnickle relayed, this Resolution allows for a sewer to be "disconnected" in a home due to significant non-payment of utility fees. Discussion ensued about the appropriate timing to disconnect. The stated resolution, as presented, stipulates disconnection occurs after three months of non-payment. Grossnickle stated this is the "nuclear" option, which means no payment, no service. Period.

Ramus expressed concern that three months was too short of a period to take such dramatic measure. Waterman relayed that utility companies usually work in this fashion given the associated expenditures occurring on an on-going basis with continued services rendered. MS Hamilton stated that the discussion of a disconnection policy had prompted many people to pay up their utility bills to current status. FC Grawcock agreed that many payments had been received since the discussion of a disconnection policy/resolution had begun.

Discussion turned to other methods currently employed by the BLCD to remedy nonpayment. FC Grawcock relayed that when utility payments are not made and the balance reaches approximately \$300, a lien is placed against the property. This lien is then typically satisfied by payment of property taxes in the subsequent period occurring in May or November. He also noted that the lien must be placed about two months prior to the tax bill due date to ensure it is placed on the tax bill and appropriately assessed. Actual payment to the BLCD then occurs in the subsequent weeks/month following the property tax payment date.

Waterman then responded, given timing of the property tax bill, that in fact, a Freeholder could possibly make no payments for up to 9 months given the current remedy of lien placement. Discussion ensued. Waterman suggested that given the lengthy time of potential lien process that a suggested change to the Disconnection Resolution detail that if payment is not made via property tax payment/assessment, that the disconnection occur within 14 days of the property tax collection date.

Given the concerns expressed by the directors, including Director Simmers in absentia, voting on the resolution was tabled until the next meeting.

Waterman moved to I & I Work updates. MS Hamilton relayed he felt the I & I work done thus far had helped but that IronClad would be too busy to help in the next few months. He suggested he had reached out to Rusty Stockert of Stockert Septic who has the capability, machinery, and knowledge to assist. As he relayed, doing the I & I work in the dry months of the summer is optimal. The next locations needing attention are on Sheldon Road as most of the work done on Harrold Road and Harrold Place is now complete.

Waterman relayed that previous conversation with Engineer Henschen referenced his readiness to create a meeting(s) with high head pump manufacturers. High head pumps are warranted, per Henschen, in certain areas of the BLCD in order to enhance efficiency within the system. Previously, Directors Davis and Simmers, along with MS Hamilton, were expected to be present at the meetings to review pump appropriateness within our system. With the resignation of Davis, Waterman asked Directors Ramus and Greve if either of them would be willing to help with the review. Director Greve agreed and Waterman relayed she would forward contact information of the parties to Henschen so he could reach out and get the meetings set up.

Waterman then moved to the agenda item "Procedure for Pump Failure" and asked MS Hamilton and others if this procedure had been completed and documented. She then asked if we had an electronic copy of the report. FC Grawcock was unsure if he had an electronic copy of the procedure. Waterman said she would review email and/or request the electronic copy from previous Director Davis, who had created the procedure. Hamilton said he has been documenting pump failures for many years, but this format worked well. Pictures are taken and downloaded and printed and attached to the reports and files kept in the BLCD office.

This item is considered complete and can be removed from the agenda.

Discussion then turned to the Town of Churubusco Capacity issues. Waterman relayed that she and Director Simmers had attended the Town of Churubusco Town Council meeting held on May 6, 2020, and that the Town acted as though they were aware of reserve capacity requirements. Waterman reported she told the Council that legal counsel Grossnickle would be requesting formalization of this reserve capacity through written documentation/verification in the coming weeks.

Further, given the BLCD's attempts to remedy the I & I issues which plague most sewer operations, that it would be beneficial to have daily readings of flows from the BLCD into the Town's processing systems. At the meeting, Council President Pepple said he would check with Bob Gray, Sewage Treatment Plant operator for the Town, and let us know possibly by Pepple attending one of our BLCD meetings. Waterman reported that until today, June 1, 2020, there had been very limited to no communication from Pepple after several text messages. Waterman relayed that Pepple had relayed he could not attend the meeting due to personnel issues arising at the Town, but that Hamilton had full access to the daily flow reports and that he had spoken with Gray who was willing to help Hamilton obtain the required information.

Waterman relayed that the use of this flow data would be most beneficial in electronic format so that it could be manipulated and compared to other electronic data in a spreadsheet. She requested that MS Hamilton work with FC Grawcock to obtain and retain the information electronically in a format that was usable versus printed reports. Both agreed to work together.

FC Grawcock then produced a bill for \$100 to calibrate the meter measuring flow to the Town of Churubusco, which is actually owned by the Town. MS Hamilton suggested that the information we obtain from the system is extremely beneficial and would be costly, and suggested our paying the bill was minimal and should be done. The directors agreed and authorized payment of the \$100 calibration bill, which is an annual charge.

Waterman again confirmed the urgency of obtaining the daily flow measures with Ramus suggesting data be obtained from January 2020 (at least) to now as a starting point. Hamilton agreed and said he would obtain.

Moving to NEW BUSINESS, Waterman turned to Counsel Grossnickle regarding the Use Ordinance and Rate Ordinance Administrative changes. The Rate ordinance, as previously relayed in these minutes, was passed unanimously regarding the change to the 1st of the month and late fees. Grossnickle reported the only required change on the Use Ordinance that he noted was the New Tap fee, currently at \$150, while the Rate Ordinance shows \$2000. The Directors present asked that the matter be remedied and all directors agreed to review the Use Ordinance for any other required changes, prior to passing an amended Use Ordinance.

The Board Vacancy created by Jim Davis' resignation was previously discussed within these minutes. All directors were asked to think of persons who may serve. Several names were proposed with Waterman relaying the vacancy represents Area 1, which is the northwest side of the lake. Waterman stated she would contact past director Davis to obtain certain BLCD records including a USB drive provided by JPR Engineering representing pump identifications, along with electronic files of the pump failure procedures

The last item on the agenda is CRZ Billing, which came out of discussion from the previous month's meeting. Grossnickle represented that the payment of pumps, with appropriate documentation could be remedied through taking CRZ to court for payment. MS Hamilton said he had documentation that shown approximately \$12,000 worth of pumps had been expended over the course of the last 4 years and that CRZ had not paid. Waterman suggested that the BLCD formulate totals from these reports, with the MS Hamilton and FC Grawcock working together, and once completed, she would contact CRZ for payment, prior to pursuing court remedy.

Waterman asked why payment had not been made before. MS Hamilton stated, with confirmation from Counsel Grossnickle, that Zeigler would attend meetings, get angry, and then previous Boards and Finance Clerk would not pursue payment. Waterman asked if Zeigler had ever paid and MS Hamilton said he recalled payments starting on approximately \$4100 of pump costs, but that payments had stopped.

Waterman asked Director Ramus and Finance Clerk Grawcock if they could work together to determine the appropriate value of pump failures based on documentary evidence within the CRZ file. Both agreed to work toward creating an amount due with pursuit of financial remedy from Zeigler.

Waterman relayed that having pump costs of about \$45,000 annually was not acceptable for the BLCD and that Freeholders would need to pay for damaged pumps due to misuse. All of the CRZ pump failures appear to be associated with misuse including debris of tampons, hand/baby wipes, and a mop head being found.

There being no further business put before the board, motion for adjournment made by Greve, seconded by Ramus. Meeting adjourned at 10:07 pm.

Respectfully submitted,

Lisa L Waterman

Approved this 6th day of July, 2020, by the Blue Lake Conservancy District Board of Directors,







