

**Blue Lake Conservancy District
Meeting Minutes
February 3, 2020**

The February 3, 2020, meeting of the BLCD was called to order by President Lisa Waterman at 7:10 pm. Also present were directors Darlene Ramus, Jim Davis, Vince Simmers and Don Greve; counsel Andrew Grossnickle, Maintenance Supervisor (MS) Rick Hamilton, Finance Clerk (FC) Sue Hamilton, along with Freeholders James Burris, Dave Hall, Lisa and Ira Listenberger, Mary Davis Wyne, Ken Garrison, and Don and Gerry XXXXXXXX CPA Couple.

First item of discussion was the **approval of the January meeting minutes**. Vince Simmers motioned to accept the minutes, Greve seconded, motion passed.

November minutes are still needing to be approved.

Treasurer's report – Treasurer Ramus presented the Accounts Payable Register detailing 21 items totaling \$30,966.81, notables included \$7,423.19 to the Town of Churubusco for sewage processing, two payments to I & M at \$1,374.29 and \$447.48 along with \$296.36 to NE REMC to operate our lift stations. This also included \$3,704.80 to MDI for new pumps. It was also noted that \$8,537.32 was paid to municipal consultants Baker Tilly for the Rate Study associated with the fee increase from the Town of Churubusco. Motion to approve the accounts payable register made by Davis, seconded by Simmers. Register accepted as presented.

Treasurer Ramus also noted we had an opening checking account balance of \$69,830.32, received \$41,937.27 in customer receipts, allocating the \$30,966.81 in outgoing checks, leaves a checking account balance of \$180,800.78. With a Certificate of Deposit valued at \$101,633.81, the BLCD has a cash position/current funds is \$282,434.59. Monthly Recap report was approved by Simmers, seconded by Greve. Report accepted as presented.

Treasurer Ramus then noted the application of expenses to the 2020 Budget. Waterman stated that a better measure for the 2020 budget would be to compare it to last years completed budget. Waterman then relayed several notable changes to the budget including insurance savings, slightly higher bond payment (based on the established amortization schedule), substantial expected increase to the Town of Churubusco for sewage processing from approximately \$68K to \$96k, payments to consultants \$7600 (including the State Board of Accounts which Waterman mentioned may not be necessary) along with the board approved budget of \$10,000 to pursue resolution of I & I (Infiltration and inflows). Motion to accept the Budget from Davis, Seconded by Simmers, motion passed.

MS Hamilton then presented his monthly report. Highlights included the major rain that impacted the BLCD and the filing of IDEM reports due to a pump malfunction on 500E. Basin was overflowing and MS Hamilton got the matter under control.

Waterman asked that anytime there is an IDEM issues, that should get special notation on any report prepared by MS Hamilton.

Greve interrupted MS Hamilton and relayed that there were Freeholders present who wanted to address matters relating to their pumps and being billed for replacement. Rusty Burris stated that he received a bill for \$900, his 50% portion of a pump replacement. He relayed that, in his opinion, the BLCD should just cover it. Waterman stated that the Board was looking into issues regarding pump failure due to misuse and we had to all care for the system we have. MS Hamilton relayed that there have been several issues with this shared pump including finding a mop and cloth (possibly baby wipes) clogging the pump. On detailed reports from 6/1/19 – 12/31/19, Roberts (adjoining property

owner) and Burris' had two lock ups. MS Hamilton relayed that the Champion pump was replaced about two years ago, (2/21/18).

Waterman relayed that this pump replacement is part of a larger question associated with the cost of upkeep of our system. Burris continued to ask various questions but maintains he has been at his property for 29 years and feels being tied to a temporary renter isn't fair to them. He professes they put nothing in the toilet other than natural waste. Burris stated that he thought the system acted like a septic tank, and MS Hamilton strongly disagreed and said it does NOT operate as a septic. Instead, the system immediately grinds the solids and creates the liquid waste. She asked if Burris had paid for any other pumps and he stated he had paid for none during the lifetime of the system.


Director Davis put forth a motion that the board would take the matter under advisement, not charge Burris late fees or other charges for the cost of the pump during this time period. Greve seconded. Motion passed.

MS Hamilton continued with his report. Pump inventory is appropriate. Director Davis asked about 500N and the distinction for Lakeview Farms. Greve voiced concern about the way MS Hamilton is paid for penalties and other external work. Waterman asked Greve to make note of various questions so that when the contract is reviewed, appropriate provisions/changes can be made/noted. Motion made by Ramus, seconded by Greve to accept the MS report. Report/motion accepted.

Waterman asked Freeholders to detail why they attended. Ken Garrison was present to ask about why he didn't have any more payment coupons and what the impact of the Churubusco Rate increase was. Waterman relayed the Rate Study was going on and figures being finalized. A public meeting will be held on March 10th at 6pm to discuss the matter. She also relayed the Annual Meeting would be coming up on February 22, 2020, for the initial introduction of the rate ordinance.

Garrison also asked if it was possible to stop paying for an empty lot and to have adjustments for seasonal usage. He said he would never build on the empty lot, but it was possible his family might later. Garrison said he had talked with some other sewage districts and there was a waiver/statement that would be signed to state that he would never build on it. Grossnickle said guiding documents state that if the system is connected, then payment is required. Garrison said some consideration should be made for this type of situation but Grossnickle countered that oversight required for seasonal users would be substantial. Garrison said if property owners were metered, the issue would be resolved. Waterman stated we are not on a metered system and the cost to become one would be cost prohibitive.

Greve explained that every Freeholder pays a portion of the bond indebtedness along with a cost of processing sewage. It was not possible to turn off sewage processing for an empty lot nor to adjust for seasonal users given the way the BLCD was originally created and currently operates.

Mary Davis Wyne presented documentation about the potential for Davis Campground to go to metered usage within the BLCD. Waterman asked that she send the presented information to the board electronically. Wyne relayed her dissatisfaction with the monthly fee assessed to them. She also said there are pumps that are ~~the~~ basins that should be taken care of by the BLCD. MS Hamilton questioned her about it and disagreed. Hamilton said their gravity pumps are managed by them and the BLCD responsibility starts at the basins. 

Director Davis then asked to speak as the Davis Campground owner (versus a board member) and relayed certain aspects of their previous understanding about who was responsible for what. Simmers relayed that several other people have put in systems and had to pay for their installation. Waterman relayed that there is too much history for the Board to make a quick decision on responsibility. Waterman stated that Campgrounds are specifically distinguished within the Indiana statute and have the right to change from meter to flat billing. Wyne said they might be open to having a flat rate but they are not okay with continuing to pay their current rate.

The next item for discussion was **the lease from MS Hamilton**. Discussion ensued about the need for insurance. Waterman stated she would ask our insurance representative for the appropriateness and would relay to Grossnickle to put in or take out per Star Financial Insurance/Mark Coonrod's instruction and as would be acceptable to MS Hamilton.

Director Davis, and sister Mary Davis Wyne, asked that a subcommittee be formed, with Davis along with Freeholder Wyne, to review the pump usage and maintenance reports. Waterman asked that Grossnickle review the possibility of non-board members to serve the BLCD on standing or special committees. Davis and Wyne created a report detailing pump replacements around the BLCD, which showed problem areas. Davis will be tying station numbers to pumps to ensure we are uniquely identifying each area. Davis volunteered to go around the BLCD as we create a numbering system. The board will be reviewing this report more closely to determine future action.

Freeholder Burris then asked if there was a way to offer "insurance" for pump failure. For example, a freeholder would pay "something" like \$10 per month for an insurance policy to cover a pump failure. Waterman said she would check with Coonrod to determine if it was a possibility as many in attendance thought this would be beneficial.

No other Freeholders present required additional or specific question/answers.

Moving through the agenda, **the I & I Status update was reviewed**. Davis relayed that he has spoken with Mike Geiger of IronClad. Geiger said Bentonite was a usable 5 – 10 year fix, but not necessarily a permanent fix. Discussion ensued regarding the use of bentonite versus a permanent mechanical fitting, similar as relayed previously by Simmers. MS Hamilton suggests use of Bentonite in the smaller, rather inaccessible, areas. Waterman clarified, that these "inaccessible" "tight" areas are in reference to a potential significant disruption to landscaping/household areas versus other areas around the lake where the basins are more open. A bag of bentonite is put into the hole and no further caulking is required, per MS Hamilton.

Davis suggested that using the bentonite on a few and then coming back in one year to determine their success. Then to do some of the mechanical pieces, previously presented, in the more open areas as they know a mechanical fix will not fail.

Mechanical fixtures were presented/displayed from Crane, cast iron, and another made from composite. All agreed this would be a much better and permanent fix. Both are also quite different than that previously presented by Simmers. Hamilton relayed that not all of the basins were the same and having a few different options available would be beneficial. Waterman clarified that the use of mechanical fixtures would be a permanent fix and the bentonite would be somewhat permanent, but that MS Hamilton, and Directors Davis and Simmers are now in agreement that a multi-pronged approach is appropriate.

Waterman suggested that all parties, Directors Davis and Simmers, meet up with MS Hamilton, and determine appropriate strategy for the areas previously designated, but she asked that we have MEASURABLE results. MS Hamilton said that success will be measured by NO ALARMS going off after substantial rains. *Waterman asked who will document what is done, what remedy, and ensure that any area fixed is appropriately documented for future reference with date and routinely inspect on a monthly/periodic basis.*

Feasibility Study – Waterman reported that Henschen of Jones Petrie Rapinsky, our engineers, are nearing completion of the Feasibility Study. He will be in the area this week. Substantial discussion ensued about the report Davis created about pump replacements would be integral to our prospective planning for the BLCD. Waterman detailed the review of electrical reports she did last year and said all of the pieces are related.

Grossnickle relayed that with this information, the Freeholder can be held responsible for the pump replacement along with penalties. Waterman noted the BLCD spends about \$45,000 annually on pump replacements. Grossnickle also relayed fines associated with hooking up down spouts, geothermal systems, etc., can be as high as \$2500 /day and with this detailed information, the BLCD will be in a better position to have require payment from the responsible Freeholder.

Davis and Wyne created a procedure to handle and document pump failures, requiring the taking of pictures and other written documentation detailing debris, activity, correction, etc. *A written procedure was presented for board review. It also included a changing penalty structure for recurrent issues.*

It was noted that any time there is an issue with a pump, pictures and documentation should be completed. Davis suggested that such documentation would allow the Board to review and determine when a Freeholder should be held liable for the cost of pump replacement and/or notifying the Freeholder of inappropriate pump use and their future potential liability. Although a formal motion was not required for a procedural change, all board members were in agreement that this change is necessary and helpful. *Board members should review the procedure closely for the next meeting.*

New Business – State Board of Accounts (SBOA) – Waterman asked FC Hamilton to discuss the report that was received back in March. Waterman relayed that with the Rate Study and our consultants reviewing our finances, we were unclear on our status and have hired Grawcock Consulting to bring our financials up to date. FC Hamilton said she thought everything was fine. Big deal out of the State Board of Accounts was to validate our statement of financial condition. The Board will be going through this SBOA report closely at a subsequent meeting.

A resolution 2020 -01 was then presented to replace FC Hamilton. Waterman asking that the requirement for repeated reading of the resolution be suspended. Greve motioned for suspension of the reading, seconded by Simmers. Waterman then read the Resolution 2020-01 to replace FC Hamilton with Grawcock Consulting for \$2500 monthly, as the Administrative and Financial Clerk for 90 days, unless there is a subsequent approval. Greve made a motion to accept, Davis seconded. All members voted to pass Resolution 2020-01.

Waterman then explained the notice letter to FC Hamilton and relayed she would be paid for the last 90 days of her contract and that the BLCD expected full cooperation through this 90 day period. The board then discussed operational issues during the 90 day period including the post office, phone, and banking arrangements.

Waterman mentioned that FC Hamilton has been diligent in being at the BLCD office on a daily basis, but that it really isn't necessary given limited Freeholder interaction. Grawcock Consulting are planning to be in the office at least 2 days

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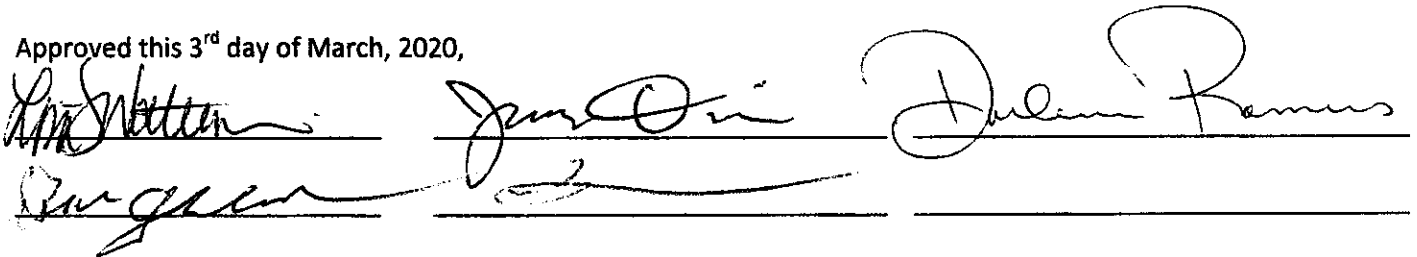
per week. New hours will be posted. With limited cash payments, Freeholders can insert payments into the drop box. Waterman relayed we do NOT want to accept cash for payments.

Davis mentioned that he received a bill for his damaged hand that occurred with the office move. Waterman said Rep Coonrod from Star Insurance said it would be covered and she would submit for reimbursement.

There being no further business before the Board, Davis motioned for adjournment, seconded by Simmers. Motion passed. Meeting adjourned at 9:45 pm.

Respectfully submitted, Lisa Waterman

Approved this 3rd day of March, 2020,

The image shows three handwritten signatures on a line. The first signature is 'Lisa Waterman', the second is 'James Davis', and the third is 'Duleen Ramus'. There are also some scribbles below the first two signatures.