

**LAGRANGE COUNTY REGIONAL UTILITY DISTRICT
BOARD MEETING MINUTES
OCTOBER 1, 2018**

The LaGrange County Regional Utility District Board met in a Public Hearing on **Monday**, October 1, **2018** at 6:00 P.M., Lakeland High School Auditorium located at 0825 E 075 N, LaGrange, Indiana.

MEETING ATTENDANCE:

BOARD MEMBERS:

ROLL CALL

Patrick Wiltshire, President
Denny Davis, Secretary/Treasurer
Kathy Wonderly
Phil Malone

ABSENT Nancy Teagarden, Vice President

EX-OFFICIO MEMBERS:

ROLL CALL

ABSENT Terry Martin, County Commissioner

GENERAL MANAGER: Adam Sams

DISTRICT ADMINISTRATOR: Jeanette Combs

ADVISORS:

Steve Henschen, Jones Petrie Rafinski
Ken Jones, Jones Petrie Rafinski
Jeff Rowe, Umbaugh & Associates
Penny Price, Umbaugh & Associates
Andrew Boxberger, Carson LLP

The hearing was called to order by Patrick Wiltshire at 6:00 P.M.

Patrick Wiltshire welcomed everyone, made introductions and shared the objectives and layout of the hearing.

Jeff Rowe presented and discussed the proposed rates for the Region C Wastewater Project Service area, how they rates were arrived at and the financing packages for the project.

The hearing was opened to questions.

Kara Howard - 7125 N 050 W – What is the ratio of what the residents are going to pay vs. the Toll Plaza.

Jeff Rowe said he would get her answer shortly and get back to her.

Steve Foster Cook – 3185 E 700 N – The public was told at easement signing workshops that the construction rate would be half of the full rate. He asked if they need to sign new “waivers”, and for those who have not signed is there still time.

Patrick Wiltshire explained that half rate was an estimate at that time and new easement does not need to be signed. For those who have not signed there is still time to do that.

Jeff Rowe addressed Kara Howards question and stated that the overall cost that the Toll Plaza pays on an annual basis is 36%, close to one third. In terms of dollars that would be \$345,735 per year.

Kara Howard – If the Toll Plaza is the reason you are doing this in the first place, why are they not paying a higher ratio.

Patrick Wiltshire – The Toll Plaza is not the only reason we are doing this project. This is the 4th attempt at this project in the last 40 years, but the first time that we have been able to arrive at a reasonable rate and a financing package.

Jerome Keller – 3215 E 0695 N – I just did the math and its \$864 per year and I hang out there a few days a year, but I figured it will cost \$43.20 for each time I flush but I believe it’s a good deal for the lakes and I’m not afraid to pay it.

Arlene White – 502 Defiance Street – Do you have any plans do the water? Why didn’t you do water while you are doing the sewer? Do you plan to do water in the future?

Patrick Wiltshire – The state of Indiana has had a program in place for many years and they are much more accommodative to a community without sewer and water. They want to see sewer first and then water. Doing them at the same time isn’t practical. It would be way more complicated and expensive. We have no plan to do water, but the District would be open to discussing it.

Kathy Cossairt – 3026 E 700 N – How will you divide the debt to know that the residents receive the grant money, not the toll plaza.

Patrick Wiltshire – stated the Toll Plaza is paying their share of any shared lines, and all of the cost of lines ran only to the plaza. The Toll Plaza will be tied to a contract for payment for the duration of the loan.

Andrea Thomason – 201 Williams Street – are the rates given as examples in the presentation only sewage rates or water and sewage rates together.

Patrick Wiltshire – The rates presented in the slides are only sewage rates.

Fred Miller – 6460 N 325 E – Does anyone know what the cost is to actually hook up.

Adam Sams – The construction business is busy now and the quotes we have heard recently have been higher than what we have seen in the past. I don't want to guess because it is a site-specific situation. Ball park could be \$2000 - \$6000.

Fred Miller – Do you have to take the old tank out?

Adam Sams – Crush it and fill it pea stone, sand or something similar. Talk to me after and we can talk more specifically about that.

Patrick Wiltshire – We would like to keep questions relatable to the rates, that what this hearing is for. Other questions can be addressed in another way.

John Osborne – 680 E SR 120 – Is the \$72 locked in for 35 years?

Patrick Wiltshire – No. Operating and Administrative costs will increase over time, but the District has been effective to hold those increase to 2%-3% per year.

Doug Cossairt – 3026 E 700 – We are only there 6 months per year. Is it fair that I have to pay it and use it? Also, I know they have sewage meters.

Patrick Wiltshire – Yes there are sewage meters. In some cases, the District has meters, for users like campgrounds. We also use meters to measure the purchased treatment the district pays for. The system was built for maximum capacity, not the average. The only way metering would work if everyone were metered and that isn't feasible.

Nicole Burgess – 506 Third Street – You said you have an agreement with the Toll Plaza, so they are locked in, however we are not. What kind of rate increases are they going to have.

Patrick Wiltshire – The Toll Plaza is locked in as a customer for 35 years, but their rates are not locked in. The District will revisit the rates for operating costs and if their flow goes up. They are metered for water use for tracking purpose.

Nicole Burgess – In 35 years the Toll Plaza is no longer a customer what then.

Patrick Wiltshire – It shouldn't be an issue. The debt should be paid and costs should go down.

Frank Herbis – 6625 N 270 E – I am representing the Lake Association. There were exemptions from connection.

Andrew Boxberger – There are two types of exemptions. One is for a new septic system. Everyone should have received a letter notifying them of these exemptions. The other is a large parcel exemption. Both have to meet certain criteria.

Frank Herbis – So it is dependent upon the Health Department to approve that exemption?

Andrew Boxberger – The new septic exemption is unique in that you can go to the health department, but if they don't comply then you can get your own inspection done. The large parcel exemption does depend on the Health Department.

Anthony Hahn – 7215 N 050 E – How is it cost effective to run sewer down a road with just 3 or 4 houses?

Patrick Wiltshire – A collection pipe running off of a main line is not significant especially if you have all the waste water from the toll plaza feeding down the same line. I can't answer engineering questions about water. All of the benefits we are getting on this project were not made available to us on the water side. I know Howe has talked about water in the past and were advised at one time to incorporate but was rejected to do the expense.

Fred Miller – How safe is the water coming out of the sewer?

Patrick Wiltshire – Our experience is that in all cases water going to the river or streams is cleaner than the water that is already in there.

Jamie - 602 Defiance Street – We have a 4-tier septic system that never needs emptied. Do we have to tap in to the new system?

Patrick Wiltshire – by law if you are within 300 feet yes you will have to connect. How old is your system?

Jamie – late 1800's.

Patrick Wiltshire – I would suggest you meet with Adam Sams to discuss your unique situation.

Jamie – What if the plaza closes in one year?

Patrick Wiltshire – It's built, it's open. If they closed it would not affect our operation because we have special provisions in our agreement.

Tina Stemen – 6855 N 270 E – Are there any additional taxes and fees on top of the \$72 rate?

Patrick Wiltshire – The only fees are convenience fee if you pay via credit card, or if you pay late and receive a late fee.

Tina Stemen – Do you have a total number of residents that will be connected to the system?

Tina Stemen – How do you pay the bill?

Patrick Wiltshire – We have auto pay, you can pay with check, cash, credit and or debit card.

Fred Miller – Can you pay 6 months in advance?

Patrick Wiltshire – Yes.

Tina Stemen – Do you also know how many businesses will be connected?

Jeff Rowe – Roughly 400 Residential, about 40%. The other 60% is nonresidential including the toll plaza.

John Osborne – What if you have trouble with your pump or tank?

Patrick Wiltshire – The pump is owned, maintained and replaced by the District.

Doug Cossairt – Is Fawn River Crossing connecting?

Patrick Wiltshire – No, most of them already are connected and have waste treated by Sturgis which has a 20-year contract.

Doug Cossairt – Can you do the connection yourself?

Adam Sams – Yes you can. Get with us and we can go over the pipe you need to use and what we look for during inspections.

Jacob Schwartz – 504 Wayne Street – How do we know where our easement is going to be located?

Andrew Boxberger – You have the opportunity to go over your property with District staff and engineers to locate where your grinder needs to be.

Steve Henschen – We have had a series of meetings. You can contact Adam and if he needs he can get us involved we can. The easement is usually located over the improvement, which should be a 15' wide easement centered over the service lateral. Where it is installed it would be a 15' wide easement over it. We sent questionnaires about the location of septic systems and we tried to use those to place the pump in a place that makes sense for everyone.

Cynthia Dekay – 409 Williams Street – I live by my sister. Can we share a grinder?

Steve Henschen – We do share as many as possible.

Fred Miller – What happens to the solids?

Adam Sams – One plant we use biosolids which would go to a farmer’s field. Our other plants use a liquid sludge, it’s more like a cake. You don’t have to pay for the water to be transported.

Harvey Stidham – 708 Third Street – When does the interim rate start?

Andrew Boxberger – When the financing is closed, and the contract is issued which will likely be in mid-November, so December will be the first interim rate billing.

Kara Howard – Will these numbers look the same if a lot of people don’t sign an easement?

Patrick Wiltshire – No. If someone doesn’t give an easement the cost of that connection will lower the grant money, not the loan.

Frank Herbis – You anticipate full rate to start in December of 2019?

Steve Henschen – Yes, approximately.

Frank Herbis – How can people connect in the winter?

Andrew Boxberger – One of the factors is that the district has to pay the debt regardless if connections are made.

Frank Herbis – I understand the reason, but I don’t understand the logic. What are you going to do with a system that has nothing flowing through it for 3 months?

Patrick Wiltshire? – One thing we had to do to get the advantageous finance package is keep a short time line. Normally a connection is required to be made within 90 day, but that can be extended. Another thing is that contractors aren’t normally as busy that time of year.

Dennis Davis – One thing you can do hook up your line before you crush your tank. You don’t have to wait till it’s cold.

Jerry Handshoe – 802 Fourth Street – What if you are waiting for a contractor?
How long do you have?

Patrick Wiltshire – That hasn’t been determined but we can always consider situations.

Kathy Cossairt – My parents own a business in Howe, when will you let them know what their rates will be? And also, how is the electricity going to be factored in?

Patrick Wiltshire – the District supplies the electricity.

Jeanette Combs – It depends on the type of business as to how that rate is determined.

Andrew Boxberger – They will get a questionnaire to get their information about their business to help determine their rate.

Frank Herbis – What is construction goes longer than expected?

Steve Henschen – The contract has specific deadlines and what we call liquidated damages clause that will charge the contractor so much per day until it is complete. There could also be allowable time extensions should there be a circumstance that would make it a reasonable request.

Frank Herbis – What if they have an issue that would increase cost?

Jeff Rowe – There is a 3% contingency for those types of things.

John Osborne – What about apartments and hotels/motels are not at capacity all the time? How does that rate accommodate that?

Jeff Rowe – With residential it works a little differently. You are billed per unit, not occupancy. A business could be based on employees or other criteria.

Andrew Boxberger – All these rates are based on state guidelines and estimated usage.

Candice Trapp - 3010 E 700 N – How did you arrive at 267 units for the Toll Plaza?

Steve Henschen – We started with estimated use per a residential household. From there we had detailed records that indicated how many gallons per day they had been producing, 25,000-30,000 per day. So it's just a calculation. The number that we are using is based on them producing 40,000 gallons per day.

Anthony Hahn – How did you determine that each household uses 150 gallons per day?

Steve Henschen – We have kept records with the District for years with about 3000 customers. We measure the flow and divide it by the number of connections and get an average of 150 gallons per day.

Unknown – Will there be a Senior Citizen discount?

Patrick Wiltshire – No, there are no provisions for that.

David Burgess – 506 Third Street – Why is there a user rate in the interim rate?

Jeff Rowe – There are costs that were identified, some administrative, some insurance, etc.

Andrews – 103 Williams Street – Why did you decide to this when you did. It doesn't make sense to go into 17 million in debit for 200 customers.

Patrick Wiltshire – the Debit is roughly 12.5 million for non-toll plaza customers.

Andrews – Is there a problem with the water?

Patrick Wiltshire – Yes

Andrews – Then why don't you run water?

Patrick Wiltshire – I have already answered that question.

Andrews – Them what made you decide to do this.

Patrick Wiltshire – Wastewater in the area has been a goal of LaGrange County for many years but could never get the financing needed.

Andrews – 90% of the people don't want this.

Patrick Wiltshire – We are finding that is not a true number based on the signed easements.

Andrews – They only sign the easement because you say if they don't they are going to have to pay \$10,000+ in the future.

Patrick Wiltshire – that could be.

Fred Miller – Why didn't this come up to a public vote?

Patrick Wiltshire – The state law that governs how these systems get built and the decision made does not allow this to be decided by referendum.

Donna Knowlton - 604 Fourth Street – Is the monthly rate based on 100% participation? If other don't connect can it change the monthly rate for the rest of us?

Jeff Rowe – We took into account a contingency for those who do not connect.

Kathy Cossairt – The Toll Plaza, the rate they are going to pay now, that's it? For 365 years?

Patrick Wiltshire – we have a water contract for 20years, for sewer it will be 35 years. It is not one unified rate. Their rate can be adjusted if their flow is more than expected.

A comment period was opened.

John Osborne – Does this increase your property value?

Patrick Wiltshire adjourned the hearing at 7:40 p.m. thanking everyone for their comments and questions. Patrick stated that the Board will meet immediately following to consider the rate ordinance and bond ordinance.

Respectfully Submitted,

Jeanette Combs
Recording Secretary