

WELLS COUNTY REGIONAL SEWER DISTRICT BOARD MEETING MINUTES

February 18, 2020

Board members present:

Mike Mossburg
Leon Berning
L.A. Brown
Bruce Stinson
Andy Stoller

Nate Rumschlag, County Engineer
Lana Beregszazi, BCS Management
Mark Burry, Miller Burry & Brown

Call to Order

Mike called the meeting to order with a prayer and pledge.

Approval of Minutes

L.A. motioned that the board approve the minutes. Motion was seconded by Bruce. Board approved motion 5-0.

Presentation of Bluffton Treatment Agreement

Mike turned the meeting over to Mark Burry to review the proposed treatment agreement with the City of Bluffton. The City has asked to provide sewer service to areas around the City and the map was reviewed by Mark. The City is asking that as part of the treatment agreement the district turn over the homes near the golf course in the Country Club Estates addition.

Mark reviewed the language in the proposed agreement with Bluffton and changes in the scope of the RSD project as a result. The change includes a reduction of ERU from an estimated 219 down to about 90 customers. This will impact financing options for the district and what loan to grant amounts would work for the district. The change in scope was the result of comments from the new administration in Bluffton and were voiced during the recent Board of Works meeting. The RSD board will need to have a larger portion of the grant funds to compensate for the higher cost per customer resulting from the change.

Baker Tilley established rates following an investigation of the Bluffton Costs. Rates will be composed of three pieces.

1. Flat Monthly Service Charge of \$0.58/month per EDU approximately \$52.20
2. Treatment Rate \$2.87/1000 gallons of flow to Bluffton
3. Capacity Buy in fee
 - a. 1% of the north interceptor project = \$25,250
 - b. \$330/ERU for existing capital = \$29,700Total = \$54,950

With those costs as the RSD adds customers the flat monthly service charge would increase at \$0.58/connection and the district will need to consider a tap fee to cover the \$330/ERU

Mark then continued to review the draft treatment agreement. The Master agreement leaves open the ability for additional service areas to be connected to Bluffton.

Lana – Can you get built in capacity established?

Mark – You can try, but the City can refuse.

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Andy – How elastic is the agreement?

Mark – For every new customer the buy in fee is \$330 + \$0.58/month

Andy – So future homes know and can connection.

Mark – Possibilities for your rate ordinance is to identify waivers of the tap fee when potential customers offer the board items that could be considered valuable such as easements, main extensions for other customers, etc. This will allow you as much flexibility as possible in the future.

Leon – What exemptions could these people in the prospective area request?

Mark – Statute allows property owners to petition the Health Department for determination and the board will set the schedule for the requests. Time frame is a maximum 10-year initial exemption from the date of construction with 2 5-year extensions.

Leon – How does the City establish the non-city resident rate?

Mark – their rate consultant would assist them with that.

Mike – What do you think of the proposed agreement Vicki?

Vicki Perry (RCAP) – Having not seen the numbers before now they seem to be below average.

Payment of Claims / Reconciliation of Claims

Nate had no claims to present for the month. No vote was taken by the board. Ledger balance is \$6,182.

BCS Management

Mike opened the floor to Lana Beregszazi.

Lana commented that she felt that she had to object to the service area changes. The board needs to look at the out of City areas map the City presented to the board with the agreement. The board needs to consider these options for itself.

Mike – is the service area fixed around the entire City? Is this a proposed no-go area within the red?

Nate – Not necessarily, the area shown is their starting point for discussion. The rates and area for the current Murray project were firm points for this agreement.

Lana then reviewed her proposed 2021 billing budget spreadsheet. To show the impacts she presented the balances with and without the River Terrace homes and Country club estates.

Lana outlined the estimated costs for operations., fixed costs, flow-based costs and estimated cash available for debt service.

Lana updated her spreadsheet with different customer numbers and expense rates to demonstrate for the board the impacts of changes in the EDU count.

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Nate – As you review this you mentioned that if you add Craigville or Liberty Center to this the project is in the black is that correct?

Lana – Both push the project into having an estimated surplus using these expenses. With both Ossian and Murray and the new treatment rate show a shortfall.

Lana then was asked to review the agreement with Ossian. Ossian wanted a new draft agreement and they wanted to review and have more informational meetings with Lana.

Board Comments

Mike asked how the discussion of rates were going?

Lana commented that the current graduated rate structure of Ossian is not workable at this time.

Lana said that she is holding off on pursuing additional areas at this time.

Nate – Lana could you check that we may be able to add up to 50 homes along the route to Craigville which would significantly change your balance.

LA Brown – What can the RSD board do? Does the board have the right to force people to connect without proof?

Lana – absolutely yes. You have that right.

Lana then reviewed her project schedule steps for phase 1.

Lana then mentioned that she has meetings scheduled with both Poneto and Uniondale on their sewer systems.

Leon – What is the purpose of the Uniondale/Poneto meetings?

Lana – just to get information about their systems and open dialogue.

Ryan Lefeld commented that he has spoken with Shelly Love about the SRF comments to the project PER and that revisions are waiting for the final treatment agreement as areas within the PER are subject to revision.

Attorney Comments

No further comments. Mark has the county council meeting on his schedule.

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Public Comments

No public comments were offered.

Motion to adjourn – Leon, motion 2nd by Bruce. Meeting adjourned. 5-0

Next meeting was rescheduled for March 17th at the regular time.

NR

Mike Mossburg

Leon Berning

Andy Stoller

Lewis A. Brown

Bruce Stinson