

WELLS COUNTY REGIONAL SEWER DISTRICT BOARD MEETING MINUTES

January 25, 2021

Board members present:

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

Nate Rumschlag, County Engineer
Mark Burry, Attorney Miller, Burry & Brown
Jeff Rowe, Baker Tilly (via zoom meeting)

Call to Order

Mike called the meeting to order with the pledge and prayer by Andy.

Approval of Minutes

The board discussed the minutes from the first meeting and decided that they would prefer to make some revisions and tabled any approval of the minutes until the next meeting in February.

Introduction of Rate Analysis

Board discussed the potential connections along 350 North and how they were going to contact the residents in the area before the upcoming rate hearing.

Jeff Rowe called into the meeting using zoom and reviewed the rate study for the board. The total project costs are \$7,295,000.

Jeff then reviewed the flow calculations and treatment numbers and assumptions used in the report. Jeff pointed out that the board should not expect to pay as much if any at all for capital expenses in the first few years. The board should plan to bank these funds initially while the project would still be under warranty.

Bruce asked if bad debt is factored into the budget?

Mark commented that early operations should help the budget and the board can always file leans for those fees regularly.

Leon, so if we add more customers will this affect the rate proposed in your report?

Jeff, Yes, as you add users it may lower the relative overhead rates. The rates could be reduced, but the capital costs and funding long term will control the rates for the district.

The rate was increased over what was planned, but this was due to our estimation that 18 potential customers may qualify for exceptions. Because this will be submitted to SRF the more conservative numbers will be the best option.

Jeff commented that he can accept revisions and commitments for connections from residents up to the day of the rate hearing on February 15th.

Choice One took design types and user design flow with assumed daily flow for users to estimate the flow for customers and the treatment costs from the district to Bluffton.

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Andy asked about the flow numbers for the churches in Liberty Center and Murray. Both seem to be the same but have two different churches in Liberty. Nate commented that he would ask Ryan to review and respond.

Jeff finished the review of the calculations for the board.

Attorney Comments

Mark passed around Ordinance 2021-01 for the board. Mark introduced the rate ordinance and the Andy made a motion to introduce the rate ordinance. Motion was 2nd by LA Brown. Motion carried 5-0.

Jeff reviewed the rate at \$101.65/month per EDU. The usage charge is \$86.35 and debt service is \$15.30 for the total. The interim rate for period of April through construction period. Estimated to end in January of 2022. The interim rate is calculated at \$35/month.

Board asked what is substantial completion? Nate responded that that is often understood as when the district can make use of the project. The system is operational with minor issues to be resolved.

Jeff reviewed Section 4 and this is pulled directly from the City of Bluffton Sewer code. The sewage limits are set by the City and surcharges are levied against those dumping illegal contaminants into their waste. These rules are necessary to protect the district from potential fines from the City of Bluffton. Board questioned how this could be enforced. Nate responded that the burden would be upon the district to prove the origin of the contamination to assess fines.

Jeff pointed out that tap fees for customers is not part of the original project so first customers save the most on their connection.

Jeff reviewed section 6 and the late fees provisions.

Jeff reviewed section 7 which requires that the board perform regular rate studies.

Jeff then covered that there is legislation for municipalities may have utility bills in tenant's names. Board discussion was to plan for all RSD bills to be in the landlord names to protect from losses.

Mark requested that the board make a motion to table ordinance 2021-01. Motion by Leon to table ordinance 2021-01 until the public hearing. Motion 2nd by Bruce. Motion carried 5-0.

Board Comments

BCS needs to send their property owner's list to Mark Burry.

Mark reviewed with the board that there are provisions in the rate ordinance for the board of trustees to waive tap fees if the property owner requesting the tap offers something of value to the district. Be that easements, line extensions, etc. These waivers are open to residents in the future and will allow the district to promote growth and work with development.

Public Comments

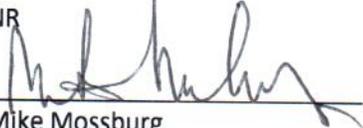
No public comments were presented.

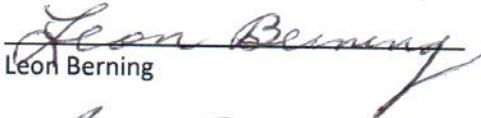
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Motion to adjourn – Andy, motion 2nd by Bruce. Meeting adjourned. 5-0

Next meeting is a special meeting scheduled for February 8th at the regular time.

NR


Mike Mossburg


Leon Berning


Andy Stoller


Lewis A. Brown


Bruce Stinson