

# KOONTZ LAKE REGIONAL SEWER DISTRICT

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P.O. Box 204  
Walkerton, IN 46574

## MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES OF KOONTZ LAKE REGIONAL SEWER DISTRICT

November 19th, 2019

The November 19th, 2019 Regular meeting of the Board of Trustees of the Koontz Lake Regional Sewer District was held at approximately 5:30 p.m., local central time, at the KLRSD Administrative Building, 10625 East Prairie Avenue, Walkerton, Indiana 46574. The meeting was called to order by James Jackson. Other board members present were: Ron Armstead, Kristy Wilsey, and Dan Pisarek. Mike McKenna and Jerry Weber attended via teleconference. Mr. Paul Warnke was unable to attend. Also present was Shelley Bell.

Mr. Jackson asked the Board if there were any additions or corrections with respect to the adoption of the November 19th, 2019 Agenda. Mr. Armstead made the motion to approve the agenda as presented, Ms. Wilsey seconded, and upon vote, the Board unanimously approved.

Next, Mr. Jackson asked if there were any additions or corrections to the October 15th, 2019 KLRSD Board Meeting Minutes. Mr. Pisarek made the motion to approve the Minutes as presented, Ms. Wilsey seconded, and upon vote, the Board unanimously approved.

Reporting for the Nominations Committee, Mr. McKenna informed the Board that Mr. Armstead has been reappointed for four more years.

Next, Mr. McKenna presented the Treasurer's Report.

Treasurer's Report follows on next page:

# KOONTZ LAKE REGIONAL SEWER DISTRICT

TREASURERS REPORT

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November 19, 2019

**CASH**

1 <sup>st</sup> Source Bank Checking Account	
Balance as of September 30, 2019:	\$197,965.38
Checks, withdrawals, debits	-\$24,356.81
Service charges	-\$36.77
Deposits and credits	\$60,775.26
Interest earned	\$41.97
Statement balance as of October 31, 2019:	\$234,389.03
Checks written but not cleared	-\$2,051.96
Available balance in checking:	<u>\$232,337.07</u>
Certificates of Deposit:	<u>\$929,671.45</u>
<b>Total funds</b>	<b>\$1,162,008.52</b>

**RECEIVABLES**

Reported by JPR as of 11/19/2019: \$103,531.85 (see Note 1)

**CLAIMS**

The following invoices and claims are presented:

NIPSCO	CWP electric	\$4,123.46 *1
NIPSCO	CWP gas	\$64.13 *1
NIPSCO	CS grinder electric	\$1,715.34 *1
NIPSCO	OB gas & electric	\$144.39 *1
Republic Svcs	sludge hauling	\$1,316.99 *1
CenturyLink	Phone Svc	\$199.00 *1
Marshall County REMC	SLR electric	\$199.00 *1
Astbury Water Tech	Operater services	\$18,833.84 *2
Jones Petrie	billing services	\$4,244.31 *3
Jones Petrie	locate services	\$1,020.00 *3
Jones Petrie	engineering	\$3,149.65 *3
Jones Petrie	inspection services	\$807.50 *3
Jones Petrie	reimbursables	\$18.40 *3
Personnel Partners	staffing services	\$630.38
Shelley Bell	bookkeeping expenses	\$27.48
Jerry Weber	claim	\$24.99
Peggy Shively	office cleaning	\$25.00
McKenna	claim	\$636.92
IUPPS	locate svc	\$253.65
Cincinatti Ins	insurance package	\$505.00
	<b>Total claims</b>	<u><b>\$37,939.43</b></u>

\* Footnotes to Claims:

- \*1 Preapproved for automatic payment.
- \*2 Contract services plus SLR services plus numerous call-outs and grinder repairs.
- \*3 Contract services.

<b>Note 1: Receivable aging:</b>	Current	\$38,524.83	
	30 days	\$5,730.69	
	60 days	\$3,758.54	
	90+	\$20,138.26	
	Lien	\$35,379.53	5.5% (percent of annual revenue)
	Total	<u>\$103,531.85</u>	

**Note 2:** The Treasurer recommends approval to pay all claims listed above.

12/15/19

Mr. McKenna noted that the Lien Total of \$35,379.53 is an unremarkable 5%.

Mr. Armstead made the motion to accept the Treasurer's Report as presented, Mr. Pisarek seconded, and upon vote, the Board unanimously approved.

Mr. McKenna also told the Board that JPR had some delays because the new software had difficulty with the liens.

Next was discussion of the Proposed Budget for 2020 which Mr. McKenna had sent to the Board Members. He reminded Board Members that the budget is a "best guess" for the year of 2020. There were some items such as Collection System maintenance and materials, Computer system at CWP, and other unexpected charges for 2019 that may not recur next year.

Mr. Armstead made the motion to accept the Proposed Budget for 2020 as presented, Mr. Pisarek seconded, and upon vote, the Board unanimously approved.

Mr. McKenna said that by policy, the District should aim for \$250,000 in the checking account. He also told the Board that he transferred a CD from 1<sup>st</sup> Source to 1<sup>st</sup> Federal Bank at 1.91% for 5 years.

Mr. McKenna said the ratios in the Budget Revenues and expenditures are getting close to equality. He suggested the following:

- 1) Looking into lowering expenses
- 2) Looking into raising rates

Mr. McKenna believes the District needs a rate study and possible rate increase around 10%. He will begin working on this in May. He talked to the R-CAP representative, who feels Mr. McKenna could do the study himself, rather than spend the money on an outside accountant.

Mr. Jackson came up with much the same numbers and agreed the District needs to get back to a 1.25% operating ratio. He also feels Mr. McKenna can do the rate study and has offered his assistance. He would prefer to use an accountant in a verification mode.

Mr. McKenna said that even though our operating ratio is getting close to unity, he feels we need to put away money for grinder station failures in years 7, 8, and 9. It might cost \$1 million to replace approximately 500 grinders.

Mr. McKenna said Astbury is doing a good job of maintaining grinders. He added that the District may not need a 1.25% operating ratio, and feels the District is in a very good financial position.

Mr. Armstead suggested buying more grinders instead of putting more money in CDs. Mr. Dan Fox, of Astbury, feels we're in good shape, but if we buy them, we need to put them into service. All grinders have been in the ground at least once. The length of service for a grinder depends on usage and things like coffee grounds and sand. Stators get replaced most at approximately \$300 each.

Mr. McKenna added that the District has not had any warranty claims on the grinders.

Mr. McKenna told the Board that if we need a rate increase, we will need to re-write the rate ordinance, which is something that should be done anyway. He feels additional focus on liens and how often properties can be placed on lien should be included.

Both Kenny Jones and Dan Fox feel our system is old enough we should pay attention to grease traps and recommend addressing this better in our ordinance, including inspections, penalty for non-maintenance, and such.

Mr. McKenna said he will follow through with this in the spring.

There was nothing to report by Asset Management.

JPR Billing was discussed. Mr. Armstead said some of his neighbors have complained about the new bills and lack of return envelopes, plus they were received later. Mr. McKenna said this was the first month with the new software, which did not create envelopes. JPR is working on getting this straightened out.

Mr. Jackson said he does not care for the new bill format. Mr. McKenna said we have a right to have a format the way we want it, and suggested Mr. Jackson come up with a suggested format.

There was no discussion on the Astbury Report.

The System Manager reported everything looks good.

The Building Manager also reported everything looks good.

There was no report on Contracts Management.

Key Control had nothing to report.

For the P&P Committee, Mr. McKenna reported he had sent out thumb drives with updates to the Board members.

The discussion regarding Adoption of Revised Board Meetings was not needed, and therefore there was no discussion.

There were no members of the public present at the meeting who wished to speak.

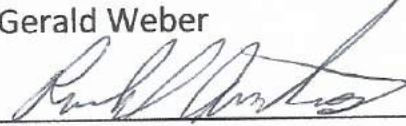
There being no further business to come before the Board, Mr. Armstead motioned for the meeting to be adjourned, Mr. Pisarek seconded, and the November 19<sup>th</sup>, 2019 Regular Meeting of the Koontz Lake Regional Sewer District Board of Trustees was adjourned at approximately 6:15 p.m. local Central Time.

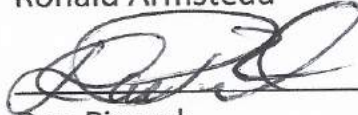
**The next KLRSD Board Meeting is the Regular Board Meeting scheduled for December 17th, 2019 to begin at 5:30 pm CST.**

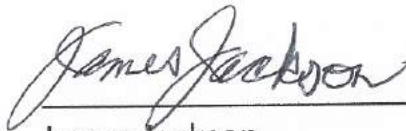
Respectfully submitted by Shelley K. Bell, KLRSD Bookkeeper

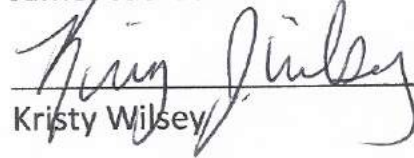
November 19<sup>th</sup>, 2019 Regular Board Meeting Minutes approved by:

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Michael McKenna

\_\_\_\_\_  
Gerald Weber  


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Ronald Armstead  
  
\_\_\_\_\_  
Dan Pisarek

  
\_\_\_\_\_  
James Jackson

  
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Kristy Wilsey

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Paul Warnke  
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