

KOONTZ LAKE REGIONAL SEWER DISTRICT

P.O. Box 204
Walkerton, IN 46574

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

March 15th, 2022

The March 15th, 2022 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 Jeff Jarnecke. Other board members present were: Kristy Wilsey, Paul Warnke and Ron Armstead. Also present was Shelley Bell. Board Member Mike McKenna attended by teleconference.

Mr. Jarnecke asked if there were any additions or corrections to the March 15th, 2022 Agenda. There being no additions or corrections, Mr. Warnke made the motion to approve the Agenda as posted, Mr. Armstead seconded and upon vote, the Board unanimously approved.

Next, Mr. Jarnecke asked if there were any additions or corrections to the January 18th, 2022 KLRSD Board Meeting Minutes. Mr. Warnke made the motion to approve the Minutes as presented, Mr. Armstead seconded, and upon vote, the Board unanimously approved.

There was no Nominations Committee report.

Next, the Treasurer's Report was present by Mr. McKenna.

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TREASURERS REPORT

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CASH

1 st Source Bank Checking Account			
Balance as of January 31, 2021:		\$384,650.45	
Checks, withdrawals, debits		-\$134,191.18	
Service charges		-\$28.35	
Deposits and credits		\$61,038.50	
Interest earned		\$20.63	
Statement balance as of February 28, 2022:		\$311,490.05	
Checks written but not cleared		-\$49,664.15	
Available balance in checking:		<u>\$261,825.90</u>	
Certificates of Deposit:		<u>\$1,005,868.21</u>	
Total funds		\$1,267,694.11	

RECEIVABLES

Reported by JPR as of 2/11/2022 \$103,307.72 (see Note 1)

CLAIMS

The following invoices and claims are presented:

NIPSCO	CWP gas	\$125.98	*1
NIPSCO	CWP electric	\$4,600.41	*1
NIPSCO	OB gas & electric	\$214.31	*1
NIPSCO	CS grinder electric	\$1,473.69	*1
Republic Svcs	sludge hauling	\$0.00	*1
CenturyLink	Phone Svc	\$206.47	*1
Marshall County REMC	SLR electric	\$256.00	*1
Astbury Water Tech	Operator services	\$9,331.90	*3
Jones Petrie	billing services	\$3,500.00	*4
Jones Petrie	locate services	\$1,360.00	*4
Jones Petrie	engineering	\$93.75	*4
Jones Petrie	inspection services	\$500.00	*4
Jones Petrie	PIR partial payment	\$244.50	*4
Personnel Partners	staffing services	\$615.00	
Shelley Bell	bookkeeping expenses	\$27.48	
CertaSite	fire extinguisher inspection	\$135.25	
Lawrence Lawn	snow removal	\$675.00	
D Rausch	refund	\$55.02	
M McKenna	claim	\$136.41	
	Total claims	<u>\$23,551.17</u>	

*** Footnotes to Claims:**

- *1 Preapproved for automatic payment.
- *2 Debit Card
- *3 Contract services plus SLR services, numerous service calls and repairs.
- *4 Two months of contract services.

Note 1: Receivable aging:	Current	\$45,573.33	
	30 days	\$2,660.57	
	60 days	\$1,543.28	
	90+	\$16,205.50	
	Lien	\$37,325.04	5.8% (percent of annual revenue)
	Total	\$103,307.72	

Note 2: The Treasurer recommends approval to pay all claims listed above.
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Mr. McKenna directed the attending Board Members to please sign the February AP Register with Mr. Jarnecke using the original date and the other Board Members using today's date to ratify.

Mr. Jarnecke asked about the 11 grinder core units for \$23,317 under materials and supplies purchased in February 2022. He requested a note be put in the Budget regarding the grinder expenses.

Mr. Warnke mentioned the Fiscal 2021 operating ratio of 1.14 to 1.17. Mr. McKenna told the Board that the District is operating in the black and reminded them that we should look at the possibility of raising revenue either this year or next. He feels that if we don't get grants to help us with operations and materials expenses, we will definitely need to look at raising monthly rates.

There being no questions or discussion regarding the Treasurer's Report, Mr. Armstead made the motion to accept the Treasurer's Report as presented, Mr. Warnke seconded, and upon vote, the Board unanimously approved.

Mr. McKenna informed the Board that Steve Carter called. He was the District's original rate consultant and advisor concerning borrowing funds and bonds. Mr. Carter had said the District may have the opportunity to refinance the USDA loan and save approximately ½ percent. This would save the District over \$400,00 over the next 28 years. Mr. Carter will put together a proposal and once Mr. McKenna hears from him, the Board can discuss it.

There was nothing to report by the Asset Management.

There was no discussion regarding JPR's report. Mr. McKenna noted that the District needs to get something from Mr. Kenny Jones at JPR to file for grant funding. Mr. Warnke said he would speak to Mr. Jones to see where they're at and get back to the other Board Members by email.

There was no Astbury Report. Mr. Tom Astbury, in Indianapolis, is working on a solution to save on sludge hauling costs. Mr. Astbury had also informed the Board they are capable of doing customer billing, but the District currently has a contract with JPR for these services.

Mr. Warnke asked "Didn't JPR ask for some upfront money for their new billing system?" and Mr. McKenna told him that they did, but the cost was spread across the year.

The System Manager said things were getting crowded due to foreign pumps waiting to be worked on or in process of being worked on.

The Building Manager reported the building was not cleaned this month. The Board was reminded that 4-H, Lions Club, and Koontz Lake Conservancy all use our building. The KL Conservancy has requested to move their meetings from Wednesday to Tuesdays. Mr. McKenna had informed them that would be fine.

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The Website Manager said things are going well and that a few things have been updated recently. Mr. Warnke said the website has a professional look. Ms. Wilsey said the company that provides our website reviewed several things with her.

The Compliance Manager said things are ok and people are agreeing to the rules.

For Contract Administration there was nothing to report, however it was noted that the Astbury contract will need to be looked at within the next couple of months.

There was nothing to report by Key Administrator.

There was no P & P report

There was no Records Management report.

There was nothing to discuss under Old Business.

Next was New Business. The Board briefly discussed some of the beach issues and the Conservancy. Mr. Jarnecke also reminded the Board that April 9th was the Annual Koontz Lake Clean-up day.

Next, the Board discussed JPR's PIR. Mr. Jarnecke said he has asked in writing for JPR's strategies with grinder replacements but that JPR's plan was a \$1.2 million expense. He wondered how much we could get from other sources than SWIF as we are looking at \$2 million for grinder replacements, upgrades, and upkeep to the system. He would like to get more options for funding. Mr. Jarnecke said he would contact Kenny Jones at JPR.

Mr. McKenna said that if JPR does not get the grant work done, he will not be happy with them and that this is a major issue. Mr. Jarnecke said he and Mr. McKenna should talk to Mr. Jones at JPR.

Mr. McKenna requested Mr. Warnke let Mr. Jones know that the Board is not happy with the way things regarding the grant have been moving so slowly and seem to have to be put off.

Mr. Armstead asked if the Board could do a rate increase without a study. Mr. McKenna said that the District would need to publish what they do and sell it to the public. By having an official rate study performed, it can give a better understanding of why the District needs the rate increase.

Mr. Armstead suggested rounding the current charge of \$55.02 to \$56.00 a month.

Mr. McKenna said that if we get a rate study, it will look at what we will need for the next 10 then 20 years to keep our District solvent without needing to borrow additional funds.

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Mr. McKenna added that currently, we have enough money to replace all grinders once, but not the following 8 years, which is the average life expectancy of grinders.

Mr. Jarnecke said the Board will do everything possible to keep the rate flat as long as they can.

There being no further business to come before the Board, Mr. Armstead motioned for the meeting to be adjourned, Ms. Wilsey seconded, and the March 15th, 2022 Regular Meeting of the Koontz Lake Regional Sewer District Board of Trustees was adjourned at approximately 6:12 p.m. local Central Time.

Respectfully submitted by Shelley K. Bell, KLRSD Bookkeeper

March 15th, 2022 Regular Board Meeting Minutes approved by:

Michael McKenna

Kristy Wilsey

Gerald Weber

Paul Warnke

Ronald Armstead

Jeff Jarnecke

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