

KOONTZ LAKE REGIONAL SEWER DISTRICT

P.O. Box 204
Walkerton, IN 46574

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

August 20th, 2024

The August 20th, 2024 Annual meeting of the Board of Trustees of the Koontz Lake Regional Sewer District was held at 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: Mike McKenna, Jerry Weber, Kristy Wilsey, Heather Harty and Ron Armstead. Paul Warnke attended via telecom. Also present were Dan Fox of Astbury and Shelley Bell.

Mr. Jarnecke asked the Board if there were any additions or corrections with respect to the adoption of the August 20th, 2024 Agenda as previously published. Mr. McKenna made the motion to accept the agenda as published, Ms. Wilsey seconded, and upon vote, the Board unanimously approved the Agenda.

Next on the Agenda was the reading of the June 18th, 2024 Minutes. (Note: There was no Board Meeting in July as there were widespread power outages in the area.) Ms. Harty made the motion to accept the Minutes as presented, Ms. Wilsey seconded, and upon vote, the Board unanimously approved.

The first item of the Annual Meeting was the President's Annual Report. Mr. Jarnecke opened the meeting by thanking all the Board Members for their work and contributions during the previous year.

Mr. Jarnecke thanked JPR and Astbury for their services with a special acknowledgement for the work Dan Fox of Astbury does for the District, including some holidays and Sundays to keep our customers connections working well.

Mr. Jarnecke said Kenny Jones of JPR is incredibly thorough and gives great guidance to the District. He also thanked Jennifer Ransbottom of JPR and the entire JPR team for their contributions to our District.

Mr. Jarnecke thanked Selge and Haskins for their willingness to show up when needed, including Sunday afternoons, to handle emergency needs.

Mr. Jarnecke told the Board the District is in a strong financial position. The Board has been controlling expenses thoughtfully and doing well at it. We have a good plan to provide our District quality services.

Mr. Jarnecke thanked Mr. McKenna for his work as the Treasurer and all the work it includes.

Mr. Jarnecke said he wants to start planning financially for needs of the aging sewer system to handle repairs and improvements and replacements going forward.

Next was the Treasurer's Annual Report.

The Treasurer delivered the Annual Treasurer's Report as follows:

Treasurer's Annual Report on next page following:

Koontz Lake Regional Sewer District

P.O. Box 204

Walkerton, IN 46574

ANNUAL TREASURERS REPORT

Report Period: July 1, 2023 to June 30, 2024

Finances

July 1, 2023 Starting Bank Balance		
Checking		\$302,728
Certificates of Deposit		\$1,032,037
STARTING CASH BALANCE (JULY 1, 2023)		\$1,334,765
TOTAL REVENUES	(July 2023 - June 2024)	\$794,623
TOTAL EXPENDITURES	(July 2023 - June 2024)	\$736,430
ENDING CASH BALANCE (JUNE 30, 2024)		\$1,392,958
June 30, 2024 Ending Bank Balance		
Checking		\$269,620
Certificates of Deposit		\$1,123,338
Balance		\$1,392,958

Fund Balances

Operating Fund	\$100,000
Principal & Interest Reserve	\$125,000
Debt Service Reserve	\$250,000
Capital Improvement Reserve	\$917,958
Total Funds	\$1,392,958

Items of Note

The 2024 Business Plan (for January through June) shows the following:

- Revenues are at 52% of projection
- Expenses are at 63% of projection.
- Operating Ratio is 0.97

There are a couple of significant expenditures included in these figures that had not been budgeted. Swan Lake Lift Station repair was \$46K and Manhole Lift Ring installation was \$22K. If we exclude these extraordinary and one-time expenditures from the business plan, we have a Operating Ratio of 1.16

Customer Accounts Receivable certified in lien stand at 2.0% of annual projected revenue which is a very comfortable level.

Using 2023 operational experience, Swan Lake rates were adjusted in April as provided by ordinance.

The District will be facing challenges with a transition to Baker-Tilley for accounting services and a new billing service as yet to be identified, but overall, it is the Treasurers opinion that the District remains on firm financial ground.

I hereby certify the above to be true and correct.

Michael B. McKenna, Treasurer
August 15, 2024

Mr. McKenna told the Board that the District has added \$60,000 to savings for capital improvement projects. He added that the District is in good financial footing.

Ms. Harty made the motion to accept the Treasurer's Annual Report as presented, Ms. Wilsey seconded and upon polled vote, the Board unanimously approved.

Mr. Armstead noted that John German, a former Board Member, passed away this past weekend. Mr. McKenna will write up a recognition memorial for the KLRSD website.

Next was the Nomination of Officers. Mr. Jarnecke had sent out nominations electronically ahead of the meeting. Mr. Jarnecke had sent out his plan to offer the following candidate slate, with the invitation for additional/other nominations.

President – Jeff Jarnecke
Vice-President – Jerry Weber
Secretary – Kristy Wilsey
Treasurer - Mike McKenna (through 12/31/24)
Treasurer – Heather Harty (1/1/25 until next Annual Meeting in 2025)

There being no other nominations, Mr. Armstead made the motion to accept the nominees as per the above list, Ms. Wilsey seconded, and upon polled vote, the Board unanimously approved all nominations.

The officers for the next 12 months for the KLRSD are:

President – Jeff Jarnecke
Vice-President – Jerry Weber
Secretary – Kristy Wilsey
Treasurer - Mike McKenna (through 12/31/24)
Treasurer – Heather Harty (1/1/25 until next Annual Meeting in 2025)

With this, Mr. Jarnecke closed the 2024 Annual Meeting and opened the Regular Meeting.

The Regular Meeting of the Koontz Lake Regional Sewer District Board of Trustees began approximately 5:45 CST.

First, the meeting turned to Monthly Reports.

The Nominating Committee had nothing to report.

Next was the Treasurer's Report:

KOONTZ LAKE REGIONAL SEWER DISTRICT		
TREASURERS REPORT	Page 1 of 1	August 20, 2024
CASH		
1 st Source Bank Checking Account		
Balance as of June 30, 2024:		\$269,620.15
Checks, withdrawals, debits		-\$20,914.57
Service charges		-\$55.71
Deposits and credits		\$60,680.39
Interest earned		\$72.66
Statement balance as of July 31, 2024:		\$309,402.92
Checks written but not cleared		\$0.00
Available balance in checking:		<u>\$309,402.92</u>
Certificates of Deposit:		<u>\$1,129,011.88</u>
Total funds		\$1,438,414.80
RECEIVABLES		
Reported by JPR as of 7/31/2024		<u>\$36,481.85</u> (see Note 1)
CLAIMS		
The following invoices and claims are presented:		
NIPSCO	CWP gas	\$141.87 *1
NIPSCO	CWP electric	\$5,334.22 *1
NIPSCO	OB gas & electric	\$136.84 *1
NIPSCO	CS grinder electric	\$694.91 *1
Republic Svcs	sludge hauling	\$7,363.09 *1
Brightspeed (CenturyLink)	Phone Svc	\$222.37 *1
Marshall County REMC	SLR electric	\$313.00 *1
Astbury Water Tech	Operater services	*3
Jones Petrie	billing and engineering	*4
Bill.com	check writing svc	\$115.70
Astbury Water Tech	operator svc	\$27,515.93 *2
JPR	billing & engineering	\$37,325.76 *2
Personnel Partners	staffing services	\$740.25
Selective Ins	crime policy	150.00
Markin	cleaning svc	33.83
1st Source	Account Service Fee	55.71 *1
Emmence Impact	web services	\$0.00
Starke County	ditch tax	\$0.00
Mike McKenna	claim	\$0.00
Jerry Weber	claim - supplies	\$0.00
Jessie Markin	cleaning services	\$0.00
	Total claims	<u>\$80,143.48</u>
* Footnotes to Claims:		
*1	Preapproved for automatic payment.	
*2	Debit Card	
*3	Contract services plus SLR services, numerous service calls and repairs.	
*4	Contract services.	
Note 1: Receivable aging:	Current	\$6,884.14
	30 days	\$4,129.32
	60 days	\$1,919.41
	90+	\$9,288.54
	Lien	\$14,260.44
	Total	\$36,481.85
		2.0% (percent of annual revenue)
Note 2: The Treasurer recommends approval to pay all claims listed above.		

Mr. McKenna told the Board that working with Baker Tilley is very beneficial. Rob Barr and his assistant, Reagan are easy to reach and work with. He noted they still need to work together for fine tuning on the Business Plan (Budget).

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

Please Note: Last Month's (July) meeting was cancelled due to widespread power outages throughout the area, so the Board invoked the ordinance for the President to approve items to be paid.

Mr. McKenna made the motion to ratify the items to be paid that would have been presented at the July 16, 2024 meeting. Ms. Harty and Mr. Armstead seconded simultaneously and upon polled vote, the Board unanimously approved.

There was nothing to report by Asset Management.

For JPR Billing, Mr. Jarnecke said he has started working with Jennifer Ransbottom to find out how to address different things such as liens.

There was no discussion on the JPR Engineering report.

Next was discussion of the Astbury Report. Mr. Fox had scrapped 12 pumps and gave the money received from the scrapper to Mr. McKenna. Mr. Fox also told the Board he is getting more employees.

Mr. Fox asked the Board if they are ready to approve the purchase of more pumps. He added that 60 – 70% of calls are from the original pumps put in at the beginning days of the Sewer. Mr. Fox also said he is noting which lids will need attention before winter to avoid plow damage.

Mr. Jarnecke said that after Labor Day, Astbury and Selge will be contacted to submit bids to deal with the lids.

Mr. Fox told the Board that the grinder station at 11279 Pottawatomie has had issues with water seeping into the station around the inverts. They have tried using some expanding sealer by pumping it down around the invert, but it appears that they are leaking again. A major upgrade to this station is needed. This station has a drivable lid on it and is way below the water table. He said the grinder may need to be moved and may need ejector pumps.

Mr. McKenna said we should get JPR involved and Mr. Fox agreed. Mr. Warnke will get together with Mr. Fox and look into doing so. Mr. Warnke suggested the District could then put in 2 E-1 pumps.

Mr. Fox reported there were not many call outs for grinder service/repair, however there have been 6 call outs for electric wires to grinder stations being damaged by fiber boring crews. One included in this

list was discovered after a call from a customer stating that the sewer line was not draining from their house while the other 5 were called in by the boring contractor.

The damage at 11157 Circle Drive was marked and should be billable to the boring contractor.

Mr. Jarnecke suggested putting all wire issues due to the boring contractor together to send to the boring contractor to see if they will pay for these charges. Mr. McKenna will summarize all boring related charges and create an invoice for the boring contractor.

Mr. Jones, of JPR, sent a complaint to NIPSCO for wires coming from poles not being marked. Every time sewer lines are marked, the electric supplying them needs to also be marked.

Mr. McKenna asked if we still have wet wells. Mr. Fox replied that they do have them in stock at Covalen in Indianapolis.

Mr. Fox said they have been monitoring Swan Lake and believe there may be an air pocket somewhere in the force main, possibly at a highpoint with no relief valve. He believes someone should see if there's any variation in the line that may need an added ARV once we know where we need to put it. Mr. Warnke said he would work with Mr. Fox on this situation.

The System Manager reported that Mr. Weber did a good job around the building. He told the Board that some pumps are still needing to be worked on. Mr. Jarnecke added that pumps not being worked on is a staffing issue.

The Building Manager reported that the major power failure last month because of the storm caused a Security call. Mr. McKenna said he will need to identify a new Building Manager.

Mr. Jarnecke told the Board the Administration Building will again be used as a polling place for the November elections.

For Contract Management, Mr. McKenna told the Board he had just renewed insurance policies and that they had only went up a few dollars each.

Mr. Jarnecke said he will get out Key Control questionnaires next month.

There was nothing to report by P & P.

There was nothing to report for Records Management.

Astbury has proposed a flat rate of \$24,000 per year for locate services. This is calculated as 20 hours per month at \$100 per hour and also includes service lines. If the District is under this, the credit will go to the following year. A check or credit on other Astbury work is another option.

Mr. Jarneck said the District must give JPR a 90 day notice if/when it changes to another vendor. Mr. Armstead made the motion to accept the proposal from Astbury, asking for a long form agreement with Mr. Jarnecke's negotiations, Ms. Harty seconded the motion and upon polled vote, the Board unanimously approved.

Mr. Jarnecke discussed the Billing Services proposal by MuniBilling. He said he does not feel the District should go forward with them as they will not be willing to go by the State of Indiana law and instead would use North Carolina laws. He added that the agreement would automatically increase each year.

Mr. McKenna noted that under Indiana Code, the District cannot pay late charges and that service cannot be suspended for reasons of late or non-payments. He also noted we have a special billing structure and agreement with Swan Lake.

Mr. McKenna said a Lien/Delinquency process needs to be spelled out.

Mr. Jarnecke told the Board he will look into other options he is aware of. The Board agreed to suspend action with MuniBilling.

The Board will go over better language for application of refunds.

There was nothing to be discussed for New Business.

There was nothing to be discussed for Old Business.

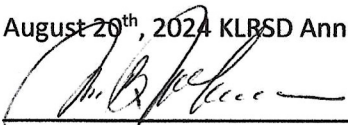
There was no correspondence.

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


There being no further business to come before the Board, Mr. McKenna motioned for the meeting to be adjourned, Ms. Harty seconded, and upon vote, the Board unanimously approved. The August 20th, 2024 Annual Meeting of the Koontz Lake Regional Sewer District Board of Trustees was adjourned3

Respectfully submitted by Shelley K. Bell, KLRSD Bookkeeper

August 20th, 2024 KLRSD Annual Board Meeting Minutes approved by:



Michael McKenna




Gerald Weber



Ronald Armstead


Heather Harty



Kristy Wilsey



Paul Warnke



Jeff Jarnecke