

MONTGOMERY COUNTY REGIONAL WATER & SEWER DISTRICT
6/12/2024 Board Meeting Minutes
Montgomery County Government Center
1580 Constitution Row - Suite E
Crawfordsville, IN 47933

The Montgomery County Regional Water & Sewer District met in session on Wednesday, June 12th, 2024 at 4:00pm. The meeting was conducted at the Montgomery County Government Center in Crawfordsville, Indiana.

Board members present were: Chairman Dan Guard, Jake Bohlander, Greg Morrison, David Reeves; (Treasurer, Joyce Grimble absent)

Also present: Tom Astbury - Astbury Water Technologies; Chris Kellner - BCS Management; Dan Taylor - Taylor, Minnette, Schneider, and Clutter P.C., Amy Moore - VS Engineering

I. Call to Order - Chairman Dan Guard called the meeting to order at 4:01pm. Quorum present.

II. Management & Administration:

A. Minutes & Board Meeting Schedule

Minutes for 5/8/2024 were provided by BCS Management for Board approval. *Jake Bohlander motioned to approve the minutes from 5/8/2024. David Reeves seconded. Motion passed 4-0.*

B. Administrative Report - BCS Management

- i. Chris Kellner shared operating results showing a year-to-date current net surplus of over \$26,621 with a \$4,985 surplus this past month. The District is in an improving operational fund balance position with nearly 3x regular operating claims in the bank. Kellner recommended that the separate Capital Fund bank account should be opened soon and the RSD focus savings there for long-term sustainability. Dan Taylor recommends 12 months of operational reserves based on his experience with other Districts.
- ii. BCS submitted claims of \$3,156.67 for the Incentive Program (63% of approved \$5,000 budget) underway. 64 letters with brochures sent in May; only 5 returned undeliverable (92% hit rate) and BCS will investigate. The mailer campaign likely contributed to the 30% website traffic increase.
- iii. Per Jake Bohlander's request last meeting, Kellner shared some statistics on other connection campaigns BCS has led. They range from 25% to 90% with new construction and enforcement increasing effectiveness. Because this is not a new sewer/extension and voluntary, the 10% expectation is reasonable (4-6 new connections).
- iv. Lana Beregszazi, Amy Cating, and Dan Guard completed the SBOA Audit exit conference May 23rd. A Corrective Action Plan initiated June 2nd to set a Materiality Threshold and Capital Asset Policy for the District. BCS is preparing those policies and the CAP updates for the July meeting. Dan Taylor recommended a \$0 Materiality Threshold to trigger an incident report to the SBOA for any instance of variance, loss, shortages, or theft of cash or other assets.
- v. Dan Guard affirmed his continued effort to work with Marc Bonwell and other County officials to advocate for a checklist item or required information sharing about the RSD when new construction projects develop in or near the service area.

- vi. One new connection is in process (secondary residential) and VS Engineering is in process with Landstar onsite facilities inspection.

C. Maintenance Report - Astbury Water Technologies

- i. Tom Astbury reported the WWTP ("Plant") handled peak flow last month of ~55,000 gallons per day. The ammonia and E. coli exceedances found in lab testing were resolved after the Programmable Logic Controllers (PLC) issue was fixed.
- ii. Astbury made two funding requests for maintenance needs:
 - B. \$5,500 to have Fluid Waste Services clean out half of the lift stations where debris had built up.
 - C. \$10,071.51 to have Aqua-Aerobic Systems deliver needed WWTP parts/materials (decant valve, cordsets, linear actuator) in the next few months.

Motion to approve funds requested totaling \$15,571.51 for Astbury to complete the above maintenance made by Jake Bolhander. Second by David Reeves. No further discussion. Motion passed 4-0.

III. Project Updates:

None

IV. New Business

None

V. Old Business

A. Improved Connection Agreement - Taylor, Minnette, Schneider & Clutter, P.C.

A working draft was sent by email today for BCS review and comment. A finalized draft should be ready by the July board meeting to be approved. This agreement includes details about the Voluntary Sewer Connection Incentive Program running through December 31, 2024. The new agreement shall reserve more rights for the District and provide more guidance to property owners with an emphasis on connection timeline.

B. Legal recourse for damages to Nucor Rd sewer main - Taylor, Minnette, Schneider & Clutter, P.C.

In December 2023, Winhoven Pipeline LLC damaged the sewer main along Nucor Rd in several spots. Astbury responded immediately and followed proper remediation procedures. BCS made a claim with USIC / 811, the locator who may have incorrectly marked the underground line. USIC officially denied fault. BCS also contacted Winhoven and followed up to get their official response at the end of April. Winhoven does not claim fault, providing evidence the line was mislocated. Last meeting, Tyler Nichols recommended the District authorize initiation of litigation with both parties to recover all damages.

Dan Taylor informed the Board that a suit has been filed with both parties for negligence. They have 30 days to file a response then a pre-trial conference will be scheduled. Dan Taylor noted that in tort cases like this no legal fees can be recovered; therefore, Dan Taylor will work to expedite the process and encouraged the Board to take a deal via mediation, balancing the recovered amount with the accruing legal fees.

C. Rate Study Updated Scenarios - Nichole Franklin, Peters Franklin LTD

Last meeting, Niki Franklin shared her study findings on an immediate, 2-year, and 3-year phase in scenarios for the needed rate increase. The increase would raise rates from \$77 per EDU per month to \$98, a 27% increase.

Kellner reminded the Board that the proposed rate increase requires a 60-day public response period (advertise, hold hearing, take response) before going into effect regardless of the scenario chosen (see minutes from last meeting). Kellner noted a rate increase less than 5% does not require the full public response procedures. David Reeves asked about any limits on the frequency for an under 5% rate increase. BCS will investigate that question. Dan Taylor emphasized that regardless of the size of the rate increase, the public can appeal formally. However, given his experience, as long as the Board decides based on the math - i.e. financial sustainability of the District per the Peters Franklin LTD report - the risk of a rate increase being overturned is very low. Dan Guard stated he prefers following the full public response procedure to be as open and transparent as possible. Dan Guard declared the Board would vote in July on the rate increase plan.

Greg Morrison brought up the Nucor Steel and Tempur-Sealy expansions happening soon as possible new connections providing increased revenue to the District. Tom Astbury shared the construction activity may be increasing sewage influent now. Dan Taylor stated the crews have their own out houses. Amy Moore commented on the potential location of the sewer connections with the system. Dan Taylor shared the history of how he and Lana had solicited Nucor to increase connection to the RSD system; however, they have so far decided to deal with much of their wastewater onsite per their engineers' recommendations because of the economics / business case (especially startup fees/cost). The Board asked BCS to investigate when the last EDU assessment was completed for Nucor and Tempur-Sealy (e.g. employee headcount) for next meeting.

VI. Treasurer's Report

A. Operating Fund Bank Balance = \$84,381.68 | Grinder Pump Maintenance Fund Balance = \$15,952.13 | Capital Fund Balance = \$4,500.00

Due to the absence of Treasurer Joyce Grimble, BCS's Chris Kellner confirmed the exact breakdown of the balances by fund.

B. Account Payable Claims = \$41,658.90

Jake Bohlander motioned to approve a claim payment as presented. Greg Morrison seconded. No further discussion. Motion passed 4-0.

VII. Adjournment

Having no other business to come before the Board, Dan Guard moved to adjourn. David Reeves seconded. Motion passed 4-0.

Meeting adjourned at 5:00pm.

Submitted by Chris Kellner - BCS Management

Approved this _____ day of June, 2024.



Dan Guard, President