



BOARD OF TRUSTEES MEETING

Monday, October 12, 2009 @ 7:00 P.M.

Minutes

ROLL CALL

Present: President Ron Houck, Vice President Marilyn Anderson, Secretary Eric Hand, Treasurer Michael McDonald, Ron Hagan, Jane Merrill, Sam Mishelow, Courtney Schaafsma, Greg Starleaf, Legal Counsel Anne Poindexter, and Utility Director Andrew Williams. The audience sheet is attached.

PUBLIC HEARING FOR SPRINGMILL STREAMS RATE ORDINANCE

Mr. Houck opened the Public Hearing for Ordinance 09-14-09. Springmill Streams resident Ms. Sue Dillon, 507 Cornwall Ct, introduced the 11 member committee that researched this sewer project on behalf of Springmill Streams residents: Jim Adams, Sylvia Nagy, Elizabeth Mitchell, Jane Linderman, Scot Baxter, Deb Sawyer, Jake Moelk, Greg Starleaf, Sue Westermeier, and Jim and Sue Dillon.

A brief presentation was given by Jim Adams, 2704 Devon Lane. Sue Dillon then read a letter from one homeowner listing the negative aspects of this sewer project. Scot Baxter, 12676 Devon Lane, discussed the handout given to the Board members listing residents' requested changes.

In her research of other municipalities, Sue Dillon noted there were 5 - 30 year finance plans ranging from 3 to 7%; incentive plans were commonly offered for early hookup; there were surprisingly no mandatory hookups required in any of the projects that were researched.

Ms. Dillon stated that one thing all of these have in common is flexibility and there are no cookie-cutter projects; each project had different arrangements based on the unique set of conditions that were taken into consideration in determining the ultimate agreements with the homeowners. All of the utilities recognized that these projects placed a financial burden on the homeowners and efforts were made to find ways to help ease that burden.

Based on these facts and also that there are residents in Springmill Streams facing financial difficulties, the residents request the following changes to the terms in Ordinance 09-14-09:

1. Reduce the interest rate for financing the connection fee, the application fee, and local sewer charges to a more reasonable level.
2. Extend the 90-day payment term for these charges to 180 days to allow residents to save the money required for the initial payment.
3. Eliminate the mandatory sewer hookup which is currently stated not to exceed 5 years unless a septic system fails, and this would be consistent with present practices throughout Hamilton County as the research indicated.
4. Provide incentive for early sewer hookup. Ms. Dillon spoke with IDEM, the Hamilton County Health Dept, Hamilton Southeastern Utilities, and the Directors of Noblesville, Carmel, Westfield, and Fishers.

Ms. Dillon continued that a good Board must always ask if the decision being considered will set a precedent. If by approving the Springmill Streams residents' requests means that your Board will be setting a precedent for being more flexible and sensitive to

the financial burden placed on the homeowners, than it is time to set that precedent and you should all be proud for your decision.

Ms. Anderson spoke about the “left behind” subdivisions where sewer systems were put in around them, and missed certain areas. The Master Plan we are presently reviewing is addressing this issue. She believes the Board needs to make a philosophical decision regarding not only what is fair to the system and our rate payers, but are we aiming to facilitate these leftover areas coming into the system, or are we going to hold to the same type of rules we have had in the past which makes it harder for these “left behind” areas. Ms. Anderson would like to further review the residents’ requests.

Mr. McDonald appreciates the request for flexibility and the concern for precedent since it impacts the next subdivision and next group of people. If the subdivision and not the District is making the decision to hookup, we would expect to recoup the costs and expect everyone to hookup within that 5 year period of time.

Mr. Hagan asked for clarification on the 90 day payment. Mr. Houck then addressed the residents’ issues. He discussed the 10% incentive the District pays on behalf of every homeowner. We have to look at the impact this will have on the District.

Ms. Dillon then spoke further about mandatory hookups. IDEM has general rules, but Hamilton County has stricter rules. Westfield has a 70% petition rate with a mandated hookup. Others have a 60% petition rate with no mandatory hookup; only when the septic system fails. She stated that our policy is out of sync with the other utilities in the county.

Mr. Hand explained that mandatory hookup sounds harsh, but it does bring a time period for a neighborhood to reach closure. The longer a situation goes, the more potential friction could exist among neighbors due to earlier hookup; others will delay as long as possible and never do it if they have that option. All of this also affects land values.

Mr. Hagan said that we are a “pay as you go” District; we do not have unlimited resources and operate from a cash flow basis. Again, we need to see what impact the HOA’s requests will have on the District.

A motion was made by Ms. Anderson to table Ordinance 09-14-09 Springmill Streams until next month’s Board meeting, and was seconded by Ms. Merrill. Mr. Hartman stated that the bid hold for this project will expire November 18, 2009. The motion was unanimously approved.

The next Budget & Finance Committee meeting is October 23rd @ 7:30 A.M. It is likely that some residents of Springmill Streams will be in the audience. The District will check on the availability of this room for the Budget & Finance meeting. Mr. Houck closed the public hearing.

The Board members took a break to allow the residents of Springmill Streams to leave the room.

APPROVAL OF MINUTES

Regarding the September 14, 2009 Board Meeting Minutes, Ms. Anderson would like the first paragraph of Page 3, 3rd sentence to read: “After determining circumstances warranted a refund for these two requests, a motion was made by Mr. McDonald to refund the I&I sewer surcharge of \$20 to the two new customers . . .”.

A motion was made by Mr. Hagan to approve the amended September 14, 2009 Board Meeting Minutes, and was seconded by Mr. Mishelow. The motion was unanimously approved.

A motion was made by Ms. Anderson to approve the September 22, 2009 Special Board Meeting Minutes, and was seconded by Ms. Merrill. The motion was unanimously approved.

ATTORNEY'S REPORTS

Project Updates

Mrs. Poindexter stated that she has temporarily set aside the issue of the residents in Holaday Hills & Dales, as well as 116th Street and Shelborne that have failed to respond to notices to pay construction fees. She received the title searches last week and more than half of these residents have a prior lien filed by the City of Carmel for non-payment of connection and others fees for the water in those projects. Mrs. Poindexter will need to determine the priority of charges between the District and Carmel. She will report further on this at next month's Board meeting.

Report of Pending Litigation

Mrs. Poindexter updated the Board regarding the pending litigation against Walter Coe, 10905 Crooked Stick Lane. There were two actions against this property, one by the District, and one by the mortgage company. The two actions have finally been consolidated. The mortgage company's attorney told Mrs. Poindexter that it would take him a considerable amount of time to get through the chain of approvals to get the funds to pay for connection at this property. He made the suggestion that the District foreclose and offer it for sale via sheriff sale, and if there is another bidder, the District will get paid first. If the bank takes it back, they will pay the District, but will not connect. The non-connection will only be allowed so long as the home is unoccupied and the decree which would be recorded against the property would include verbiage that there is an obligation to connect within 90 days of occupancy. Mrs. Poindexter recommends the Board consider the mortgage attorney's suggestion instead of spending any additional money on litigation for this case.

A motion was made by Ms. Merrill to approve the District entering into an agreed consent to judgment with the mortgage company so that the property could be foreclosed in the action where both sides are pending now, but that if the mortgage company is the successful bidder at the sheriff sale, they will not be required to connect; in fact, no buyer will be required to connect until there is 90 days of occupancy of the dwelling. The motion was seconded by Ms. Anderson, and was unanimously approved.

UTILITY DIRECTOR'S REPORT

Director's Report and Selected Statistics

Mr. Williams encouraged the Board to attend the upcoming IRSDA Conference on November 2, 2009 at the Ritz Charles. Registration forms were included in the Board members' packets.

Mr. Williams spoke about the sewer backup last month at Crooked Stick Golf Club House. Even though we reported the overflow to IDEM, it was a private overflow and is not reflected on the statistics report. Ms. Nieto will re-inspect the grease traps to ensure the County Club is in compliance with our ordinances.

Regarding the March 17th IDEM inspection, Mr. Williams included in the Board members' packets, the violation letter from IDEM and his letter back to IDEM addressing each

violation. Mr. Houck would like to amend the 1st sentence in the 2nd paragraph of the Director's Report to read: "One of the two large pumps at Station #1 had a catastrophic failure on Thursday, September 15th."

Mr. Williams asked the Board to schedule a meeting to discuss the Master Plan. The majority of the Board will be available to attend on Monday, October 26, 2009 at 6:00 P.M. Dinner will be provided. Mr. Williams will send reminders to the Board as it gets closer to the date.

COMMITTEE REPORTS

BUDGET & FINANCE COMMITTEE

Mrs. Poindexter and Mr. Williams met last week with Carmel's utility director and their attorney. A partial response was received today from Carmel, but not yet reviewed by the negotiating team. The Board discussed the impact of 1.75 mgd daily capacity versus 1.75 mgd monthly capacity. The Carmel treatment agreement will be discussed at the next Budget & Finance Committee meeting.

Mr. Hagan asked for clarification of particular comments made by some of the residents in Springmill Streams during the Public Hearing. He asked if the other municipalities mentioned are using bonds to finance construction fees, whereas the District is using cash. Mr. Hagan would also like to know the financial impact of their request #2 to extend the term of payment from 90 days to 180 days; on request #1 to reduce the interest rate; also on request #3 to eliminate the mandatory sewer hookup. Again, this issue will be discussed further at the next Budget & Finance Committee meeting.

PERSONNEL & BENEFITS COMMITTEE

The 2010 Holiday Schedule was discussed at the committee level. A motion was made by Mr. Hand to approve the 2010 Holiday Schedule as proposed and was seconded by Mr. Mishelow. The motion was unanimously approved.

CAPITAL & CONSTRUCTION COMMITTEE

A motion was made by Ms. Anderson to approve the dedication of Springwood Subdivision and waive the Maintenance Bond requirement, and seconded by Ms. Merrill. The motion was unanimously approved.

The 2nd reading of Rate Ordinance 09-14-09, Springmill Streams low pressure sewer project, has been tabled until next month's Board meeting.

The award of Springmill Streams low pressure sewer project to Atlas Excavating has also been tabled until next month's Board meeting.

There presently is not a working odor unit at Lift Station #2 located at Springmill Road and 106th Street. Staff is recommending a Purafil odor scrubber for \$37,300 with installation estimated at \$15,000. A motion was made by Ms. Anderson to approve the purchase of a Purafil odor scrubber for \$37,300 for Lift Station #2, and was seconded by Mr. Hagan. The motion was unanimously approved.

Pump #4 at Lift Station #1 failed two weeks ago and was sent to ITT for a repair cost estimate. If the impeller was expedited, the pump could be back in service in 4 to 5 weeks. Mr. Williams received verbal approval from the Board President Mr. Houck to notify ITT to proceed with the repair of the pump and to expedite the impeller. A motion was made by Ms. Anderson to authorize the signing of the agreement to repair pump #4 at Lift Station #1 in

the amount of \$27,900, and was seconded by Mr. Mishelow. The motion was unanimously approved.

At Lift Station #8, the District hired Strand Associates to evaluate what could be done to prevent wet weather overflows. Strand recommended installing a gas powered backup pump sized as large as the transmission pipe will allow. The C&C Committee agreed that the pump should be in place before spring rains begin next year. A motion was made by Ms. Anderson to approve the addition of this \$180,000 project to the capital budget and approve the \$20,000 contract with Strand Associates. The motion was seconded by Mr. Hagan, and was unanimously approved.

OLD BUSINESS

Mr. Houck asked about Mr. Holden's inspection of the plant and suggestions for operation, and in particular if Mr. Holden looked at the headworks. Mr. Williams responded that Mr. Holden has not yet submitted his report on his findings.

Mr. Williams stated that Ms. Ritz and Mr. Marshall are researching the costs of manhole raising and cleaning sewers to determine which is more cost effective for the District. This information will be given to the Budget & Finance Committee.

NEW BUSINESS

Claims Docket

A motion was made by Mr. Mishelow to approve the claims docket, and was seconded by Mr. Hand. Mr. Houck questioned the three vendors used for sewer sampling. Mr. Williams will check with Mr. Watkins for clarification. The motion was unanimously approved.

ADJOURN

A motion was made by Ms. Anderson to adjourn, and was seconded by Mr. Hagan. The motion was unanimously approved. The meeting adjourned at 8:40 P.M.

Respectfully submitted,

Andrew Williams, Utility Director

Eric Hand, Secretary

Ronald Houck, President

Accept the Meeting Minutes:

___ as Presented

___ as Amended