



BOARD OF TRUSTEE MEETING

Monday, November 13, 2017 @ 7:00 P.M.

Memorandum

ROLL CALL

Present: Board President Marilyn Anderson, Secretary Michael McDonald, Treasurer Jane Merrill, Members Carl Mills, Barb Lamb, Eric Hand, Steve Pittman and Chuck Ford. Also in attendance: Utility Director Andrew Williams and Legal Counsel Anne Poindexter.

Public Hearing

Ms. Anderson opened the Public Hearing by reading, "Ordinance number 10-09-2017 An ordinance to pay for the cost of the local sewers serving 11062, 11054, 11040, 11024, 10998, 10966, 10958, 10946, 10938, 10926, 1004 Spring Mill Lane and 10675 Spring Mill Road in Hamilton County Indiana and other matters connected there with."

Ms. Anderson had a card from Mr. Johnson and asked him to go to the podium and give his name and address.

Lauren Johnson, 11040 Spring Mill Lane: In May or June Ryan Hartman from the District went to his property and helped him find where the lateral spur would be located on his property where it could run between trees instead of through trees. He asked Mr. Hartman what the costs would be associated with running the line and connecting into the sewer system. Mr. Hartman told him that would be handled between the sewer contractor and the property owner. Six months later he finds out that he will be asked to pay \$3100 with 2.5% commencing on January 1, 2020, as well as paying for the use which will be a monthly bill. He would like to know what the \$3100 is being used for. He feels that the number is arbitrary because he will be paying for the use and Clay Township Regional Waste District is not doing the construction and installation. That work has already been done and paid for through Gradex. He would like for the Board to vote down the proposed resolution. He does not believe that the \$3100 charge is fair and reasonable. Gradex did not install an erosion control fence which is mandatory. That caused him to end up with large amounts of silt, mud and debris to wash to the south end of his property. He received a letter that implied if he didn't get it cleaned up that the County would come out and rip up his trees and build a trench. Which was upsetting to him because the contract with Gradex wasn't enforced to the letter of the law because all projects should have an erosion control fence. He doesn't feel that it should be his responsibility to bear the cost of that clean up. He asked what the \$3100 fee is used for. He has paid taxes for 20 years.

Marilyn Anderson asked if there was anyone else in attendance from the public that would like to speak.

Travis Bonwell, 11024 Spring Mill Lane: He spoke with the Hamilton County Health Department and was advised that any septic field that is past its useful life cannot be repaired or replaced. He was advised by Mr. Hartman that Clay Township Regional Waste District as well as the City of Carmel does not force connections anymore. He feels like this is a forced connection. He would like to connect at some point and pay a usage fee, but forcing a connection because he cannot obtain a repair permit is how it feels. He asked the Board to vote down the assessment. He agreed with Mr. Johnson that the fee seems to be arbitrary. He has also incurred some damage on his property with the construction of the sewer lines. He lost several trees.

District Comments

Drew Williams stated that the District does not collect any tax dollars, it is a user based entity. As sewers are run into existing neighborhoods, the District takes the cost of the project and divides it by the number of residence in that neighborhood to pay for that project. Laterals were installed for each of the properties off the main. The \$3100 reflects the additional costs that were incurred to install the service to each of the properties. The interceptor is paid for with interceptor funds which are paid through development and growth of the community. With regards to the user fee, the District's rates are composed of a base charge of \$12.81 per month and a use fee of \$2.73 per 1000 gallons. This is the lowest rate in Central Indiana, tied with Fishers. The monthly bill for a residence that uses 7000 gallons a month (the industry standard) is \$31.92 per month. The District no longer requires connection to the sewer system because people with functioning existing septic systems didn't need to abandon those systems and hook up to the sewer. The 2.5% annual increase comes from the District carrying the cost until the connection is made and the connection fees are paid. Homes within 300' of a sewer line are required to connect to the sewer if their septic system goes bad. It is easier to provide service to each property with a lateral that they can get to so if there is a failed septic system they won't have to run the line up to 300' to be able to connect. It can take six months to a year to get the sewer constructed. If someone is pumping their septic tank every couple of week for a few hundred dollars a time, it gets expensive by the time the sewer can be installed.

Mr. Merkle stated that the \$3100 is off the bid tabulation payout. The project in question was recently completed. Projects that serve a certain number of homes the cost is divided among all the homeowners. In this case this was a \$1.1million project with 14 lateral stubs extended to properties. The interceptor is intended to serve many thousands of customers further north so a handful of residence paying for that line would not be a reasonable expectation. The \$3100 was the direct cost to the District to put in the fittings and lateral stubs to service those properties. Mr. Merkle has met with Mr. Johnson regarding the issues at his property. Gradex was asked several times to make corrections and do some cleanup work on his property. Wes was under the impression that the corrections had been made. However, it sounds like from what was previously said by Mr. Johnson that they were not. Wes will contact Gradex about the outstanding issues. He noted that there is a county legal drain that runs between his property and Mr. Bonwell's property, so cleanup work can be done but the ditch cannot be regraded without the County's involvement.

Ms. Anderson clarified that the cost associated with the ordinance is the cost for the connections that the residence will be able to make to the main pipe. She asked Wes to explain again what the \$3100 covers.

Mr. Merkle said that the \$3100 is the cost charged to the District for each lateral stub that Gradex installed. The lines are currently installed. Homeowners would need to extend the lateral from their property line up to their house to connect.

Jane Merrill asked if the homeowner could pay the \$3100 now and not incur the 2.5% carrying fee?

Mr. Merkle confirmed that the 2.5% carrying fee would not be charged if the \$3100 is paid now.

Steve Pittman asked if the rule at the Health Department that wouldn't allow Travis to keep his septic system has anything to do with the District or is it just a decision made by the Health Department?

Mr. Merkle stated that is a rule from the Health Department.

Mr. Williams said that State Code states that within 300' you are supposed to connect to the sewer if it is available.

Mr. Pitman asked if they are only requiring people to connect if their septic system goes bad.

Drew Williams confirmed that residents are only required to connect if their septic system goes bad and the Health Department does not allow a repair.

Mr. Pittman asked Mr. Bonwell if his septic system has gone bad.

Mr. Bonwell stated that the life of a septic system roughly 30-32 years. These properties fall within that range. Most of the properties are deep so if they fail they are forced to bear the cost of connecting and pay the \$3100 fee plus three other fees that are not disclosed.

Mr. Merkle said that the District is looking at doing a low-pressure project in the rest of the neighborhood. The backs of these properties abut Spring Mill Road. The rest of the project would have low pressure mains run along the streets of the neighborhoods. The cost to those homeowners will be \$3000-\$4000 per property to connect to the low-pressure sewers. Adding a grinder system would be an additional cost to the homeowner associated with connection. The project is out for permitting. When the permits come back it will go out for bids, then they will have actual numbers to consider whether to go forward with the project.

Ms. Anderson said that she understands the concern of the property owners is that they are not sure what the other costs are and part of the reason it isn't specified is if they take 10 years to hook up, the costs won't be the same. She asked what a ballpark

is for the total cost to connect an individual home would pay in this ordinance if they did it in the next several months.

Mr. Merkle did not have the tabulation for that on hand. He offered to share it with property owners after the meeting.

Mr. Williams said that the District won't know the construction costs that the homeowner will incur. But they could share the District's fees.

Mr. Merkle stated that construction costs for a gravity lateral would be from \$5000-\$10000 depending on the site and where the septic is located on the site.

Mr. Williams asked Mr. Merkle to explain what the current interceptor fee and EDU fees are.

Mr. Merkle stated that the interceptor fee is \$4075 per acre, this helps put the interceptor into the ground. The EDU fee is currently \$1818 which goes toward buying more capacity at the waste water plant.

Mr. Bonwell asked what the inspection fee is.

Mr. Williams said the inspection fee is \$150. The reason those dollar amounts are not listed in the ordinance is because they can change over time, they are not fixed amounts.

Mike Sharp, 10958 Spring Mill Lane: Mr. Sharp stated that he was told there would be an additional cost for existing septic tanks to be crushed and filled with sand or some other medium. That would be an additional cost to the homeowners. Is there a waiver to fill them with sand rather than crushing it? Some decks or paver patios are over the septic tanks now.

Mr. Williams said that would be a question for the Health Department. They have allowed in the past for them to be filled with an inert material that would prevent it from caving in if it is underneath a structure.

Mr. Johnson asked to confirm that the EDU fee is \$1818, and the interceptor fee is a connection fee?

Mr. Williams said that essentially yes, it is to help pay for the sewer main that was constructed to service the area.

Mr. Johnson said that brings the total connection fee to around \$7500 plus the EDU. So almost \$10,000.

Mr. Williams confirmed that those calculations were correct for those that owned an acre of land.

Ms. Anderson stated that concerned property owners can contract Drew and Wes at the sewer district with further questions. The Board is aware that septic's have a life span and it will go bad but not everyone's will go bad at the same time. This is the policy so individual homeowners aren't fighting amongst themselves if one person needs the sewers to come through before another person does. You are not forced to connect when it is put in, but it is available when you are ready.

Mr. Pittman Stated that as a real estate developer, sanitary sewer systems are a great thing to help your property values when it comes time to sell. Long term this will be a good thing for your property. Right now, it doesn't feel that way because many of the costs are incurred upfront.

Ms. Anderson stated that this policy provides the best safety net for when your septic system fails. The District only charges the actual cost incurred to run the line. It has always been their policy that they don't make customers who have already paid their fair share pay to get others connected. Everyplace has to pay its own cost.

Chuck Ford stated that it is State regulations through the Department of Health that says when the older septic systems are no longer doing their jobs that new septic systems cannot be installed or repaired.

Mr. Williams clarified that according to the Health Department, if a septic field goes bad typically they cannot be put back in the same location. You would need to take up another part of the yard to have a new one installed. Or there must be a mound system added. The last resident that came through in this situation had a quote of \$35,000 for a mound system.

Mr. Ford stated that to have a new septic installed it would cost property owners \$10,000 to \$12,000 to install if the current one failed and closer to \$35,000 to \$40,000 if a mound system is needed. The alternative is adding the sewer line for around \$10,000 you will be able to connect when your system fails.

Ms. Anderson closed the Public Hearing.

On a Motion made by Ms. Lamb to move agenda item "8.c.i. Second reading of Ordinance 10-19-2017" before item 4 on the Agenda and seconded by Ms. Merrill. The motion was approved unanimously.

CAPITAL & CONSTRUCTION COMMITTEE

Second Reading of Ordinance 10-09-2017 an Ordinance to pay for the costs of local sewers serving 11062, 11054, 11040, 11024, 10998, 10966, 10958, 10946, 10938, 1026, 10904 Spring Mill Lane and 10675 Spring Mill Road in Hamilton County Indiana and other matters connected there with.

Ms. Anderson stated that this item has been thoroughly discussed and asked if there was a motion for the Board.

Mr. Shaver asked as a point of order if they are required to vote on the ordinance at this time.

Mrs. Poindexter clarified that the item is eligible to be voted on if the Board wishes to. She stated that you can vote on an item at the second reading, but items cannot be voted on at a first reading.

A Motion was made by Mr. Ford to approve Ordinance 10-09-2017 and seconded by Ms. Merrill.

Board Discussion

Mr. Shaver asked if he understands correctly that it will cost \$25,000 to connect. The answer was yes it could be \$25,000. He asked for more discussion on the matter before the Board votes on it.

Ms. Anderson asked for clarification on his question.

Mr. Shaver stated that he is concerned about the cost with this project. He feels that \$25,000 could be too much of a hardship for residents.

Ms. Anderson asked for additional questions or comments. There were none. She stated that there is a motion and second before the Board. She called for a vote.

Ms. Merrill at this point there are no costs today. It will only cost the customers when they connect. Which could be more or less than \$25,000 depending on when they decide to connect to the sewer system.

A property owner, who did not identify himself, said that he is pro-development and pro-sewer systems. Their properties have incurred some unexpected damages with the project as well, removal of trees as well as the contractor not cleaning up soot and debris from the installation. He stated that not all the costs were disclosed to him upfront and he feels like it is unfair to learn about the extra costs he will have to incur as well as the cleanup of his property.

Ms. Anderson stated that the District can take away from this discussion that they need to do a better job of explaining all the costs to the homeowners at the beginning of the projects, and make sure that homeowners understand the totality of the project rather than finding out at the end. Unfortunately, to reduce those costs, someone would have to pay them because they are actual costs associated with the construction. The District doesn't make a profit on the project. She does not believe that the Board Members would agree to eat those costs from now on.

Mr. Pittman asked if trees were removed from the homeowner's property or were the trees that were removed in the road right-of-way.

The property owner stated that the trees were on their property line with limbs extending into the right-of-way were scalped the entire length of the neighborhood. They relied on the trees for privacy for their neighborhood. Now they feel exposed.

Mr. Merkle said that there was some tree trimming involved with this project. Before the District was out there, IPL or Duke has some transmission lines high up in the air. They trimmed the trees first as well as the City of Carmel. All the utilities had a share in trimming and reducing the trees in that location along the right-of-way.

Ms. Anderson called for a vote on the issue. The motion was approved by a vote of 8-1. Mr. Shaver was opposed.

Ms. Anderson indicated that they would now proceed with the rest of the agenda.

It was pointed out at there was another person in the audience that wished to speak. Beverly Hale 10917 College Place Drive has lived in her home for 17 years. Her sewage bill has increased from \$10 a month to well over \$30 a month. Her home size has decreased. Her mom has recently moved into the neighborhood and has a home that is three times larger than Ms. Hales' home. Her home is non-metered, and her mother's home is metered. She asked for clarification as to why her fees are higher than her mother's fees when she lives in a smaller home.

Mr. Williams explained that the District's Rate Ordinance with regards to homes that are not metered is based off the State of Indiana's industry standard of 7000 gallons of usage in a house per month. \$12.81 of her bill is the base charge, \$2.73/gallon X 7000 gallons gets the bill to \$31.92. If her home was metered the District could charge her for the exact usage of the home. She has the option of having a meter added to her well.

Ms. Lamb asked if a meter can be installed at her property so that she can be billed for her exact usage each month.

Mr. Williams said the property owner has the option of installing a meter. That would include the cost of the meter, installation and charges for it to be read each month.

Ms. Lamb asked if the cost to install a meter at Ms. Hale's property would be substantial enough that it would take a long time to make up the difference if she did receive a lower rate per month.

Mr. Williams confirmed that it is correct. The Board will be looking at the rate structure for 2018. There have been 5% increases on the base charge and the use charge over the last five years.

Ms. Lamb asked how many homes serviced by the district are not metered.

Mr. Williams sated that he could provide the Committee with those numbers at their next meeting.

Eric Hand clarified that a home has a water meter if they are connected to a water line, but not if they are using a well system. He asked if there is anyone serviced by the District that is on a well and has installed their own meter.

Mr. Williams stated that some commercial projects have done that in the past.

Mr. Hand stated that the Board needs to consider entertaining if they want to allow property owners to install a water meter and if it is cost effective to the property owner to pay for that cost as well as the meter reading costs going forward.

Mr. Williams suggested that the District could look at the number of restroom facilities and kitchens in the home and compare like properties to see what they are consuming.

Ms. Anderson suggested that this issue be looked at through the Budget & Finance Committee. She asked the property owner to leave her name and address with the Director of the District so that there can be follow up with her after it is discussed.

Mr. Mills suggested, and it was decided that the District would have an answer for the property owner in 90 days.

APPROVAL OF MEMORANDUM

A Motion to approve the meeting memorandum from October 9, 2017 was made by Ms. Merrill and seconded by Mr. Mills. The motion was approved unanimously.

APPROVAL OF CLAIMS DOCKET

Ms. Sheeks presented an update to the packet she provided to Board. The District received a pay application for the 106th Street Force Main Project after the packets were mailed to the board members. The bill is for \$245,693.33. On the main docket there is a pay application to Gradex for the Spring Mill Project which was \$218,83.09. The flow sent to Carmel is \$76,580.70 and a payment to GRW for \$68,000 for various projects.

Mr. Shaver asked how much the Union Township Study portion of the payment to GRW was.

Ms. Sheeks stated that it was \$24,560

Mr. Shaver asked if he understood correctly that there is a claim for jeans.

Ms. Sheeks stated that the District provides \$300 a year for jeans and safety boots for plant workers.

Mr. Mills asked what would be done about Gradex in light of the comments about the Spring Mill Road Project.

Ms. Sheeks stated that the check will not be released until the proper corrections are made.

Anne Poindexter stated that the District Staff does not have the authority to hold a payment once it has been approved by the Board, so the amount owed to Gradex should be removed from the claims docket before it is approved.

On a Motion made by Ms. Merrell to approve the Claims Docket minus the check to Gradex Construction for \$491,001.91 and seconded by Mr. Pittman. The motion was approved unanimously.

On a Motion made by Mr. Pittman to pay \$209,833.09 and hold back \$10,000 from the Gradex payment to be released when the work and punch list items are completed and approved by Engineer Mr. Merkle and seconded by Ms. Merrell. The motion was approved unanimously.

On a Motion made by Mr. Mills to approve \$245,693.39 to be paid and seconded by Mr. McDonald, the Motion was approved unanimously.

ATTORNEY'S REPORTS

Legal Counsel had nothing to report.

UTILITY DIRECTOR'S REPORT

Mr. Williams stated that the employee Thanksgiving pitch-in lunch will be held on Monday November 20, 2017. He invited the Board to attend. Projects have slowed down with the weather changing. He asked the Board if they had any comments or questions regarding the monthly newsletter they received.

Ms. Anderson stated that she likes the new policy that if a rental property is 60 days past due the District is also notifying the property owners to collect payment without having to file a lien.

Mr. Shaver asked that the peak flow that goes to the Carmel plant be added to the spreadsheet provided.

BUDGET & FINANCE COMMITTEE

Ms. Merrill there are no action items.

PERSONNEL & BENEFITS COMMITTEE

On a Motion made by Ms. Lamb to approve the 2018 Holiday Schedule and seconded by Mr. Ford, the Motion was approved unanimously.

OLD BUSINESS

Mr. Williams stated that the District must petition IDEM to change the District's name. On a Motion made by Ms. Merrill to approve the petition and seconded by Mr. Hand, the Motion was approved unanimously.

NEW BUSINESS

Mr. Williams stated that he had received some questions about the Conflict of Interest forms the Board completes each year. He asked Mrs. Poindexter to prepare a presentation on this subject. Mrs. Poindexter handed out packets to the Board members. There was a discussion regarding State Statute 3544.1-1-4. Mrs. Poindexter explained that the Board Members are prohibited from knowingly or intentionally having a pecuniary interest in or deriving a profit from a contract or

purchase connected with an action by the governmental entity. A violation of this Statute is a Felony. She discussed the importance of updating the Conflict of Interest Disclosures each board member fills out and has on file. The forms may need to be updated more than once per year. Mrs. Poindexter went into more details and definitions and answered the Board's questions.

Mr. McDonald asked if there are any updates regarding violation notices that were received from IDEM last month.

Mr. Williams stated that the District responded to the violation notices about the plant. He provided the response to the Board Members. There were a couple mechanical failures. The District will not hear back from IDEM unless there is a problem with the response that was given.

ADJOURN

On a Motion made by Ms. Lamb to adjourn the meeting and seconded by Mr. Ford, the Motion was approved unanimously.

Meeting Adjourned

The next Board of Trustees Meeting is scheduled for Monday, December 11, 2017 at 7:00 p.m.

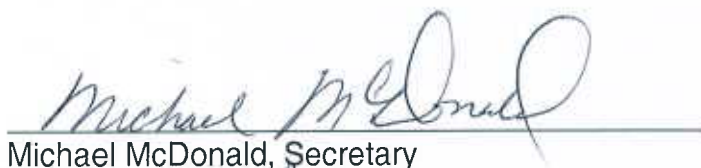
Respectfully submitted,



Andrew Williams
Utility Director

Approved:

_____ as Presented
_____ as Amended



Michael McDonald, Secretary



Marilyn Anderson, President