

Allen Water District

3230 North Cole Street

Lima, Ohio 45801

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"Addressing the water needs of the Community"

January 8, 2020 Board Meeting Minutes

There was an Allen Water District (AWD) board meeting held on **Wednesday, January 8, 2019 at 5:00 p.m.** in the Training Center of the Allen County Sanitary Engineering Department office located at 3230 North Cole Street, Lima, Ohio.

The agenda was as follows:

1. Roll Call
2. Pledge of Allegiance
3. Additions, Changes, or Corrections to Agenda
4. Approval of AWD minutes – December 4, 2019 and December 19, 2019
5. Clerk of Board Report
6. Committee Reports
7. Attorney's Report
8. Treasurer's Report
9. CPA Report
10. Old Business
11. New Business
12. Board Comments
13. Public Forum
14. Executive Session
15. Adjournment

A quorum being present, Mr. Lucas brought the meeting to order at 5:05 p.m. and proceeded with the agenda.

1. ROLL CALL

Dr. Biery - Absent

Mr. Lucas

Mr. Miller

Mr. Kayatin

Mr. Kessen

Mr. Gosnell

Mr. Hartley - Absent

Member At Large

Member At Large

American Twp Representative

County Representative

Perry Twp Representative

Shawnee Twp Representative

Bath Twp Representative

STAFF

Rex Huffman – District Attorney
Kim Stiles – Clerk of the Board
Mary Mathews – Office Assistant

PUBLIC

None

2. PLEDGE OF ALLEGIANCE

3. ADDITIONS, CHANGES OR CORRECTIONS TO AGENDA – None

4. APPROVAL OF MINUTES

Mr. Miller made a motion to approve the December 4, 2019 & December 19, 2019 minutes. Second by Mr. Kessen. Motion carried 4-0.

5. CLERK OF BOARD REPORT

Ms. Mathews stated that there had been **4 connection inquiries** since last month's meeting:

- John Walker inquired about obtaining a permit for his home located at 5540 E. Hanthorn Road. The property is located along the SE Regional waterline and has a \$6,300 voluntary assessment.
- Ohio Trades inquired about permit fees for 3639 E. Bluelick Road, which is the former Magnam Trucking site and is schedule to become an Ohio Cat Sales and Service facility. The site is currently served by a 1" meter although there are plans for a new 4" meter and maybe a new, larger service line.

Mr. Kessen asked if a utility site plan and architectural plans would be required for a permit to connect or only if the permit requested a larger meter or new service line. Ms. Mathews replied that the utility site plans and architectural plans would most likely be required before any permit would be issued by the District.

Mr. Lucas asked if the property already has water service or had water service when Magnam Trucking was open. Ms. Mathews replied that she believed the property had water service when the previous business was open but wasn't sure about the property's current status. Ms. Stiles added that previous permits for service would have been based off of ESFUs and that the District wants to assure that any future permits reflect accurate ESFU counts.

- Angela Clark inquired about obtaining a permit for her home, located at 4225 E. Hanthorn Road. Her property is on the SE Regional waterline and has a voluntary assessment of \$6,300.
- Kody LaPoint inquired about obtaining public water for a parcel on N. Dixie Hwy where he intends to build a single family home. The property is fronted by a District line extended with the

Dixie Hwy Extension project by the developer. The property is not within District territory. The standard CPF of \$500 would be charged and Mr. LaPoint would not be billed as a District customer.

Ms. Mathews stated **5 capital permits** were issued since last month's meeting:

- Mosser Construction obtained a permit for the AEP project at 3280 N. Cole St. This waterline was part of the Cole Street Extension Project and the standard CPF of \$500 per ESFU applies. The site will consist of an office building, assembly hall and a warehouse. In total, the site requires a water usage of 6.825 user equivalents resulting in a CPF of \$3,412.50 (\$500 x 6.825).
- Samuel Crish obtained a permit for 6390 Bellefontaine Road. This was a no-charge, reissued permit as a previous permit for this property had expired. The home is located on the SE Regional waterline and the assessment of \$6,300 is already being paid on the property taxes.
- Carl Pugin obtained a permit for 1582 Chancellor Drive located within the Country Aire subdivision. The Standard CPF of \$500 was charged.
- Jason Miller obtained a permit for 6398 Sugar Creek Road. The home is fronted by a County waterline, Village at Sugar Creek yet lines within District territory. A no-charge permit was issued and Mr. Miller will be bill as a District customer.
- Quality Tom Wellman of Wellman Services obtained a permit for 3532 Weldon Drive for a single family home being built. The parcel is located within the Camden Ridge subdivision and the waterline was put in by the developer. The standard CPF of \$500 was charged.

Ms. Mathews stated there were **no extension inquiries** since last month's meeting.

Board Packet Format - Ms. Mathews asked the Board about their preferences for electronic or paper Board Packets. Most of the surveyed members preferred the paper format.

Board Meeting Time – Ms. Stiles inquired on the Board's opinion on changing the time of the monthly meetings from 5 p.m. to 4 p.m. Several members were in favor of the time change although 4 p.m. did conflict with scheduled meetings for one member and the District's attorney. Mr. Miller also noted that a 4 p.m. Board Meeting time would result in needing to change the time for the Audit and Finance meetings.

Mr. Huffman suggested changing the meeting time to the early afternoon, during the District's current hours of operations. This idea was received favorably. Mr. Kayatin noted the need to check the Training Room's schedule for possible conflicts. The topic was tabled to next month's meeting to gather the opinions of all the Board members.

By-laws, Policies and Procedures – Operational Policies and Procedures are being worked on.

Ms. Stiles presented the Board with several possible ideas to consider as a CPF Policy is developed. Options includes offering an installment plan for permits that exceed a certain dollar amount. One

method would require property owners to make a cash payment, in an amount equal to what others on the waterline have paid since the line was completed, and then allow the remainder to be assessed to their real estate taxes. She added that the Board would also need to consider whether interest would be due on the "catch-up" payment. A second option would be to allow a simple installment plan based on a specific number of years and assessed to the property owner's taxes. An installment plan would include a carrying charge, to be determined, and the fees associated with recording the agreement to the property and a two percent Auditor's fee to assess on taxes.

In discussion, Ms. Stiles and Mr. Kessen noted the need to create a uniform policy that can be applied equally. Mr. Huffman stated the need to secure any type of installment plan through the process of assessment. Mr. Kayatin felt that an installment plan should only be available to new homes built along a voluntary route and not to existing homes.

Mr. Huffman asked about the policy for property owners who want to connect after the assessment period has ended and the project loan has been paid. Ms. Stiles responded that an additional policy would need to be developed for those specific situations but that currently, homeowners are charged the standard Capital Permit Fee. Mr. Kayatin noted the need to address the Capital Permit Fee due to differences in how capital projects and assessed projects are funded. Mr. Huffman noted the potential to base a CPF on a property's front footage after a project's debt has been retired. Mr. Kayatin and Mr. Kessen felt that a front footage change may be problematic due to differences in property sizes but both agreed for the need for a CPF regardless of a waterline's debt status. Discussions included the potential need to re-evaluate and possibly change the standard CPF amount in the future.

In regards to waterlines with a voluntary connection, Mr. Kayatin believes that new homes should be subject to the standard CPF after the project debt has been paid and homes existing during the construction of a waterline project should be subject to the original assessment. Mr. Kessen suggested a CPF equal to half the original assessment for homes originally in the waterline project area. Mr. Lucas inquired the Board's opinion on a CPF for existing homes that never connected and have changed ownership. Mr. Kayatin replied that he felt the full assessment should be applied because the home existed during the construction of the waterline. He reiterated that the current CPF was intended to spur development and that it should only apply to newly constructed homes once the waterline's debt is retired.

Mr. Gosnell inquired about the potential for changing the CPF. Mr. Kayatin replied that the intention was to wait five years and re-evaluate. Ms. Stiles noted that the CPF was lowered in July of 2018. Mr. Kayatin suggested the potential development of a policy to address the differences in capital projects and assessed projects. Mr. Gosnell asked if an addition to a single family home, for example, extra bedrooms, makes a difference to the Capital Permit Fee and Mr. Kayatin replied no, all single family homes are evaluated equally. He noted that businesses are evaluated differently and based on estimated usage.

Mr. Kessen asked if the SE Regional waterline was the District's only waterline with voluntary assessments. Mr. Lucas replied no. Mr. Kessen then inquired as to how a homeowner on other District waterlines with voluntary assessments have been charged after the assessments have

expired. Mr. Kayatin replied that in those situations, the property owner has typically been changed the standard CPF but that the process hasn't been standardized.

Mr. Huffman was asked how other 6119 Districts address the issue of Capital Permit Fees and he noted that some districts charge a tap fee and a front footage fee and typically allow assessments to be applied to property taxes. Mr. Kayatin noted that the purpose of lowering the CPF in 2018 was to spur development and should only be applied to subdivisions and not applicable to other circumstances. Mr. Lucas inquired about the policy concerning developers who purchase multiple permits with plans to build a subdivision but don't use them all. Mr. Kayatin explained that when unused permits expire, property owners or the developer then need to obtain a new permit subject to any rate increases although developers have been offered multi-year deals. Ms. Stiles noted that most permits expire after 1 year. Mr. Huffman asked if developers pay a main-line tap fee and Mr. Kayatin replied no, the only fee is the CPF. Mr. Huffman noted that developers pay both fees in certain districts. Mr. Kessen responded that the lack of a main-line tap fee might be a missed opportunity worth looking into further. Mr. Kayatin replied that part of the reason for not implementing a main-line tap fee was because developers aren't the only entities to tap the main line leading to difficulty in applying the fee evenly.

Ms. Stiles noted two recent inquiries, both on the SE Regional waterline and requested direction from the Board on how to proceed while the CPF Policy is being developed. Mr. Kayatin said the current CPF is \$6,300 with the option of a five year installment plan, including a carrying charge, assessed to the property taxes.

Ms. Stiles noted one addition inquiry for a property adjacent to the SE Regional waterline wishing to connect. The property is not currently fronted by the waterline. Mr. Kayatin stated the property would require a main line extension due to the proximity of neighboring homes and wouldn't be eligible for a 1" service line. Mr. Huffman suggested contacting neighboring homeowners to see if there is interest in developing a project. Mr. Kayatin agreed and stated that a voluntary mainline extension could be researched if there is interest on the part of the inquiring property owner and/or neighboring property owners. Mr. Kessen inquired on the reason why a 1" service line wouldn't be appropriate in this situation and Mr. Kayatin explained that if neighboring parcels also requested a 1" service line for their homes, the area would then have "spider lines" which are best avoided.

Contracts and Agreements

MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-001 TO AUTHORIZE DR. JOHN BIERY, CHAIR, TO ENTER INTO AN AGREEMENT WITH MR. REX HUFFMAN OF SPITLER HUFFMAN, LLP FOR LEGAL SERVICES COMMENCING JANUARY 2, 2020 FOR A PERIOD OF TWELVE MONTHS. Second by Mr. Kayatin. Roll Call: Dr. Biery – absent, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – absent, Mr. Kessen - yes.

MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-002 TO ACCEPT BHM CPA GROUP, INC.'S 2020 LETTER OF ENGAGEMENT TO PREPARE BASIC FINANCIAL STATEMENTS, PROVIDE ACCOUNTING AND FINANCIAL REPORTING EXPERTISE.

PROVIDE ASSISTANCE WITH VARIOUS BUDGETARY AND ACCOUNTING ISSUES AND PARTICIPATE IN QUARTERLY MEETINGS WITH THE AUDIT AND FINANCE COMMITTEE. Second by Mr. Kessen. Roll Call: Dr. Biery – absent, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – absent, Mr. Kessen - yes.

Assignment Assumption

- Commissioners passed resolution 991-19 on December 19th to make application to the Allen Water District for inclusion of County Territory within the District. Commissioners firm on wanting four County appointments to the AWD Board of Trustees.
- Special AWD Board Meeting held December 19th, 2019 at 2 p.m. where Board of Trustees passed Resolution 19-035 accepting the County's application for inclusion of County territory within the Allen Water District.
- Mr. Huffman will continue to work with Ms. Campbell of the County Prosecutor's Office to iron out any issues within the Assignment and Assumption Agreement.

MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-003 TO AUTHORIZE THE FILING OF A PETITION IN THE ALLEN COUNTY COURT OF COMMON PLEAS TO CHANGE THE BOARD STRUCTURE AND APPOINTMENT PROCESS. Second by Mr. Kessen. Roll Call: Dr. Biery – absent, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – absent, Mr. Kessen - yes.

Mr. Huffman encouraged Board members to attend Township meetings to keep them informed of the changes being made to the Board of Trustees and the District's territory. Ms. Stiles asked Mr. Huffman if he expected the Board of Commissioners to pass the Assignment and Assumption Agreement soon and he responded that the Commissioners have requested a few changes to the wording of the Agreement but that he didn't expect them to wait too long before signing.

Projects

East Regional

- a) The preliminary design phase is nearing completion and the District has received a good working set of 30% alignment drawings. The District's Project Committee will review on January 14th at 9 a.m. and forward to Village representatives/fire departments to review as well. In an effort to adhere to our timeline, 10 days will be afforded for the District and Villages to provide comment to the engineer regarding the drawings. The Villages should be prepared to review the documents and provide any comment in a timely fashion. The Villages should inform the District of the name/e-mail of the person(s) they would like the plans sent to if it is not the current Village Representative. A meeting will be scheduled with Prime once they have received comments regarding the plans.

Mr. Kayatin and Mr. Huffman recommended forwarding the drawings to the Township Councils of Auglaize and Jackson, the City of Lima and Allen County, in addition to the Village Councils of Harrod and Lafayette and the fire departments.

- b) The Intergovernmental Agreement between the District, Harrod, Lafayette, City and County may be revised due to a few clarifications being requested by USDA. Mr. Huffman stated that the current Intergovernmental Agreement is appropriate and he will get more information regarding the possible USDA/CDBG conflict of ownership wording.
- c) A draft Resolution to Proceed for consideration at the District's February Board Meeting will be sent to both Villages to review. This is considered one of the "off ramps" where either Village could potentially withdraw from the Project. Mr. Kayatin recommended that representatives from the District attend Harrod and Lafayette's next Village Council meeting to answer any questions. Both Villages have their meetings are February 6th, 2019 and the District would request feedback from the Village Councils by February 12th, 2019, when the District holds its next Board Meeting. Mr. Kayatin also suggested sending letters to each Village's Attorney and meeting with each Village's Representative prior to February 6th, 2019.
- d) The District will need to consider advancing money to the project as well as collecting other contributions soon (County/City) in order to keep paying the engineering. The potential of a resolution to transfer \$200,000 to the Capital Outlay account was discussed in the Audit and Finance meeting. Mr. Kayatin raised concerns over the specifics of repayment concerning transfers and advances. Ms. Stiles explained that the District's Accountant, Mr. Rennick stated that transfers are acceptable for 6119 organizations. Mr. Kayatin believed an issue might be raised with the State Auditor because Allen County is the District's Fiscal Agent.

MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-007 TO APPROVE THE ADVANCE OF TWO HUNDRED THOUSAND DOLLARS (\$200,000) IN EXCESS MONIES FROM THE DEBT SERVICE FUND 8750 TO THE EXTERNAL CAPITAL OUTLAY FUND (8753) FOR THE EAST REGIONAL WATERLINE IMPROVEMENT PROJECT. Second by Mr. Lucas. Roll Call: Dr. Biery – absent, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – absent, Mr. Kessen - yes.

- e) Ohio Public Works Commission Loans - Notification of Disbursement Method will need checked that the Village may need to seek reimbursement and a corresponding Resolution will need passed by Council to approve this.
- f) A second meeting date to review current CDBG requirements will most likely be scheduled in late winter/early spring. The District will utilize this meeting to secure any easements that have not yet been secured as this is a crucial step in order to be able to bid the project. This meeting will count as one of our meeting requirements with CDBG and will most likely be held at Allen East School. The District will apply for the CDBG grants (\$750k for each Village) once the PTI has been obtained. The goal is to submit our application to CDBG in July 2020 and be among the first applicants.

- g) The RLF board previously approved \$150,000 in grant for this project. The District has amended the request to \$150,000 for each Village for a total of \$300,000 in RLF money and the RLF Board seems receptive to this request due to an excess of money in the RLF fund that needs to be spent down.
- h) The District will continue to work with USDA to complete our “Items Needed for Closing” and appreciate the cooperation of the Villages.

Master Plan Study (Node Map) – A draft Table of Contents has been sent to the City of Lima to ensure the District and City are on the same page. We are awaiting a response from the City. Ms. Stiles will schedule a meeting with Mr. Caprella due to lack of response.

Feasibility Study for Gomer – The Project Committee will meet to review this study on January 14th at 9 a.m.

Statement of Qualifications – Eleven firms submitted their Statement of Qualifications. These will be evaluated on January 10th at 1 p.m. by Mr. Miller, Mr. Kayatin and Mr. Hartley.

6. COMMITTEE REPORTS

Audit and Finance (Mr. Miller) – Completed with Treasurer’s Report.

By-laws, Policies and Procedures (Covered by Ms. Stiles in the Clerk of Board Report)

Contracts and Agreements Committee (Covered by Ms. Stiles in the Clerk of Board Report)

Projects Committee (Covered by Ms. Stiles in the Clerk of the Board Report)

- 7. **ATTORNEY’S REPORT** – Mr. Huffman noted that the Petition to Change the Board Structure and Appointment Process will increase the number needed for quorum from four members to five.

8. TREASURER’S REPORT

Revenue and Expense Reports for December 2019 (Month-to-Date and Year-to-Date) for funds 8750, 8751, 8752 and 8753 presented. A Revenue and Expense Report will be provided when transactions occur within the previous month for any fund. Current cash balance total for all AWD funds as of 12/3/19 is \$1,396,284.34. The cash balance totals for each fund as of 11/30/2019:

8750 Project Debt Service – \$772,180.38	8753 External Capital Reserve – \$13,881.82
8751 Operating Fund – \$440,474.12	8754 USDA Debt Reserve – \$0
8752 Internal Capital Reserve – \$169,748.02	8755 USDA Reserve – \$0

MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-004 TO APPROVE THE SUPPLEMENTAL REQUEST TO INCREASE THE APPROPRIATION “DEBT SERVICE – SWEGER/FRAUNFELTER” AND “DEBT SERVICE – KING/DIXIE” FOR THE 2019 BUDGET BY TWO HUNDRED AND FORTY DOLLARS. Second by Mr. Gosnell. Roll Call: Dr. Biery –

absent, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – absent, Mr. Kessen - yes.

MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-005 TO APPROVE THE SUPPLEMENTAL REQUEST TO INCREASE THE APPROPRIATION FOR VARIOUS REVENUE ACCOUNTS IN FUNDS 8750, 8751 AND 8752 FOR THE 2019 BUDGET BY SIXTY-EIGHT THOUSAND NINE HUNDRED NINETY-SEVEN DOLLARS AND FIFTY-TWO CENTS.

Second by Mr. Kayatin. Roll Call: Dr. Biery – absent, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – absent, Mr. Kessen - yes.

MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-006 TO APPROVE THE SUPPLEMENTAL REQUEST TO INCREASE THE APPROPRIATION “SERVICES – CONSULTING” FOR THE 2020 BUDGET BY TWO HUNDRED DOLLARS.

Second by Mr. Kessen. Roll Call: Dr. Biery – absent, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – absent, Mr. Kessen - yes.

Audit and Finance Committee meeting held immediately prior to this meeting. The following items were discussed.

- East Regional – USDA Requirements and possibility of District advancing money to cover engineering expenses. No other contributions will be received until the District adopts a Resolution to Proceed.
- OWDA December payment has been made.
- The Finance Committee has approved investing a portion of the District’s savings in short term interest-bearing products. CPIM training approved for Mr. Miller and Ms. Stiles.

MOTION MADE BY MR. MILLER TO HAVE MR. MILLER AND MS. STILES ATTEND CPIM ANNUAL TRAINING AND FOR PAYMENT OF RELATED CERTIFICATE FEES.

Second by Mr. Gosnell. Motion carried 5-0.

Mr. Kayatin asked if the District was intending to develop an Investment Policy. Mr. Huffman agreed on the need to have a policy. Mr. Miller affirmed the intention to develop a policy after the training has been completed.

MOTION MADE BY MR. MILLER TO APPROVE DECEMBER 2019 TREASURER’S REPORT.

Second by Mr. Lucas. Motion carried 5-0.

9. **CPA REPORT** – Nothing to report.

10. **OLD BUSINESS** – Nothing to report.

11. **NEW BUSINESS** – Mr. Kayatin updated the Board on improvements to the Sanitary Engineer’s building. The tables in the Training Center are being replaced. The current tables are being sold on GovDeals.com. Various cabinets will be listed on the website. The main bathrooms are being

expanded and will be compliant with ADA requirements. Improvements are also being made to correct water leaks along the windows and to repair the exterior stucco.

12. **BOARD MEMBER COMMENTS:** None

13. **PUBLIC FORUM:** None

14. **EXECUTIVE SESSION:** None

15. **ADJOURNMENT:** Motion for adjournment made by Mr. Gosnell at 6:54 p.m. Seconded by Mr. Miller. Motion carried 5-0.

ATTESTED:

 _____ 2/11/2020
Chairman Date

 _____ 2/12/2020
Secretary Date