

# Allen Water District

3230 North Cole Street

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*"Addressing the water needs of the Community"*

## July 8, 2020 Board Meeting Minutes

There was an Allen Water District (AWD) board meeting held on **Wednesday, July 8, 2020 at 2:00 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 – June 10, 2020
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, Dr. Biery brought the meeting to order at 2:03 p.m. and proceeded with the agenda.

### 1. ROLL CALL

Dr. Biery

Mr. Lucas

Mr. Miller

Mr. Kayatin

Mr. Kessen

Mr. Gosnell - absent

Mr. Hartley

Member At Large

Member At Large

American Twp Representative

County Representative

Perry Twp Representative

Shawnee Twp Representative

Bath Twp Representative

## **STAFF**

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 June 10, 2020 minutes. Second by Mr. Kessen. Motion carried 6-0.

## **5. CLERK OF BOARD REPORT**

Ms. Mathews stated that there had been **2 connection inquiries** since last month's meeting:

- Tony Nichols inquired about water service for 3333 Yoakam Road, a parcel he is considering for purchase to build a single family home. This parcel is fronted by the Shawnee I Waterline and the CPF for this parcel would be \$7,250 (\$3,500 per ESFU + \$25/ 150 ff (\$3,750)).
- Ryan Klickman inquired about obtaining public water for a single family home located at 360 Schooler Road. This property is located along the Southeast Regional I Waterline and the CPF is \$6,300 per ESFU.

Ms. Mathews stated that there had been **2 capital permits** issued since last month's meeting:

- Jessica Compton obtained a permit for a lot on Wonderlick Road (46-0403-01-043.000) where a single family home will be built. This parcel is fronted by a County waterline within the District so a no-charge permit was issued with a notation that this will be a District Customer.
- Homes by Josh Doyle obtained a permit for a single family home being constructed at 148 N. Fraunfelter Road on the Sweger/Fraunfelter Waterline. Front footage charges are currently being paid by a property tax assessment resulting in a CPF of \$3,200 for 1 ESFU.

Ms. Mathews stated that there had been **no extension inquiries** since last month's meeting.

## **Potential Projects**

- **Shawnee/Hume Road Extension** – The Board decided during the May 2020 Board meeting to research a potential waterline project to connect an existing District waterline along Shawnee Road in the Applewood Subdivision to an existing County waterline on Hume Road near the Shawnee Oaks Subdivision and possibly west along Hume Road to the intersection of St. Matthews Drive. There are approximately 40-50 potential customers located along the route. The

District has reached out to Kohli & Kaliher to inquire about previous plans for this area from a previous project. Mr. Strahley was able to find these plans and stated that they were hand drawn so drawing preparation and land surveying would be required to get them up to date. A rough estimate has been received with the land surveying estimated at \$14,400 for one side of the road and \$20,000 for civil design and permitting. Interest letter to be mailed after District assumes County waterlines.

- **Wapak/Breese Road Extension** – In June of 2020 the Board decided mail an Interest letter to homeowners along a proposed waterline route which would connect two existing District lines along S. Wapak Road and W. Breese Road in Shawnee Township. Letters were mailed on June 23<sup>rd</sup>, 2020 with responses requested by July 13<sup>th</sup>, 2020. The District's website has been updated to include information and a map of the area. Ms. Mathews stated that to date approximately a third of the surveys had been returned with approximately 25% of homeowners interested in receiving additional information.

Additionally, a revised proposal for design services and construction estimate has been received from Access Engineering with 12" PVC used on S. Wapak Rd. Approval given by City of Lima. The revised estimate is \$660,000 for the overall project cost. There are approximately 35-40 potential customers that could be served by this project.

#### **Improvements/Changes/Upcoming Events**

- The District Manager will be unable to attend the August 12<sup>th</sup> Board Meeting. The Board considered the option of moving the meeting date or having Ms. Stiles call in to give her report.

**MOTION MADE BY MR. KAYATIN TO CHANGE THE DATE OF THE AUGUST 2020 BOARD OF TRUSTEES' MEETING FROM AUGUST 12, 2020 TO AUGUST 5, 2020.** Second by Mr. Hartley. Motion carried 6-0.

- The Board of Trustees' Annual Cookout is normally held in August. Mr. Kayatin suggested waiting until September this year to provide an opportunity for newly appointed Board members to attend. The Board agreed to move the Annual Cookout to September.
- The November Board meeting falls on November 11<sup>th</sup>. The office is closed that day in observance of Veteran's Day. The Board considered moving the meeting to November 4<sup>th</sup> or November 18<sup>th</sup>.

**MOTION MADE BY MR. MILLER TO CHANGE THE DATE OF THE NOVEMBER 2020 BOARD OF TRUSTEES' MEETING FROM NOVEMBER 11, 2020 TO NOVEMBER 4, 2020.** Second by Mr. Hartley. Motion carried 6-0.

- Ms. Stiles noted that the meeting room at Casa Lu Al has been reserved for the Board of Trustees' December 9<sup>th</sup> meeting.

**By-laws, Policies and Procedures** – Nothing to report.

## **Contracts and Agreements**

### **Assignment Assumption**

- Mr. Huffman, Dr. Biery and Ms. Stiles attended the Commissioner Meeting on June 25<sup>th</sup>. Resolution passed by Commissioners on the same date to authorize the Assignment and Assumption Agreement effective September 1, 2020. The Commissioners have requested a short bio on all current board members to aid in their decision for their three additional board appointments. The Lima news ran an article covering this agreement.

**MOTION MADE BY MR. KAYATIN TO APPROVE RESOLUTION #20-014 TO AUTHORIZE CHAIR, DR. JOHN BIERY, TO SIGN AND ENTER INTO AN ASSIGNMENT AND ASSUMPTION AGREEMENT WITH THE BOARD OF COUNTY COMMISSIONERS, ALLEN COUNTY, OHIO.** Second by Mr. Hartley. Roll Call: Dr. Biery – yes, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – absent, Mr. Hartley – yes, Mr. Kessen - yes.

Mr. Miller asked for clarification on who would be financially responsible for potential repairs to the County waterlines from September 1<sup>st</sup>, 2020 and the first of the year when County customers will start to pay the District fee. Mr. Kayatin replied that the County currently have funds set aside for waterline repairs and, if needed, these funds could be utilized. Mr. Kayatin noted that for the first five years of the agreement revenue received from County customers will have 15% allotted to O & M and the remaining 85% kept in a separate fund which can be used for repairs after the first of the year. Mr. Lucas asked if the District's current customers would see a reduction in their fees due to the increased revenue from the County's customers. Ms. Stiles replied that initially the fee applied to the District's customers wouldn't change but that the long term goal is for District's fee to lower and for District and County customers to pay the same fee monthly.

- District will work with Sanitary Engineer's Office to plan for notification of County customers. Mr. Huffman has suggested sending a notice now with a positive description of what has occurred and the reason for the District assuming the County lines and another notice sent closer to January giving notice of the fee. The District will also work with ACSE's office regarding the transition of the permitting process as well as other aspects of the Agreement. (Inventory of lines, etc.)

## **Projects**

### **East Regional**

- a) 90% drawings for Contract A have been submitted to Ohio EPA and plan approval has been received. 90% plans for Contract B were received on June 25<sup>th</sup> with comment requested back by July 3<sup>rd</sup>. Contract B will be submitted on OEPA this week.

- b) Contract C (the tank and fire line for the school) was received on July 1<sup>st</sup> with comment due back to Prime by July 8<sup>th</sup>. The stand pipe is currently in the plans but Prime has a teleconference with Phoenix Tank this week to discuss the elevated tank versus the stand pipe. They will put together the pros/cons of each option as well as the cost difference and present to the District for a final decision.

Allen East would like its name on the standpipe/tank. The Board is considering placing the District's name on the standpipe/tank as well. Ms. Stiles noted that it would be a great way to get the District's name out in the community but noted that it might need to be addressed later if the Board were to ever change the District's name. Mr. Kayatin acknowledged the possibility of a name change and suggested leaving a space to add the District's name at a later time. Mr. Hartley felt it was important to have the District's name on the standpipe/tower, even if it had to be changed at a later date. Mr. Kayatin replied that there was plenty of time to consider the options as this would be completed towards the end of the project. He suggested the Board reconsider the topic after the decision was made as to whether the final structure was going to be a standpipe or an elevated tank. The Board agreed to discuss the topic at a later date.

- c) Easement packets are being prepared and mailed out as they are completed. Follow up phone calls will be made in an effort to expedite the easement acquisition process.
- d) The July Project Update has been sent to the representatives for the Villages of Harrod and Lafayette. Ms. Stiles has started sending this to the representatives for Auglaize and Jackson Townships as well. Ms. Stiles planned to attend the following meetings in the month of July to give an update:
- Lafayette's Council meeting on July 9<sup>th</sup>
  - Auglaize Township Trustee meeting on July 20<sup>th</sup>
  - Jackson Township Trustee meeting on July 21<sup>st</sup>

Mr. Kayatin asked if Ms. Stiles was still meeting with the Village Reps from Harrod and Lafayette and Ms. Stiles replied that due to concerns and restrictions related to Covid-19 communication with the Village Reps has primarily been via email/phone but that she hoped by attending these meetings everyone would be kept up to date.

- e) CDBG Funding – After much discussion, our second meeting requirement for CDBG has been met by our June 26<sup>th</sup>, 2019 Informational Meeting with the Villages. We will still hold a pre-construction meeting to provide more information to residents. The District is working closely with RCAP to prepare the CDBG grant applications (\$750k for each Village). The goal is to submit our application this month. The Allen County Commissioners passed resolutions last month authorizing their Board Present to make application with CDBG (RPIG) for grants for each Village, Harrod and Lafayette.
- f) The Intergovernmental Agreement has now been signed by all parties and a copy of the signed Agreement has been sent to all parties as well. The County's contribution of \$150,000 has been received.
- g) An amendment to the EJCDC with Prime has been provided due to the increase in the amount of easements necessary to complete the project as well as the fact the project is being

broken up into three contracts to bid. Previous resolutions 18-025 and 19-023 have given our Chair the authority to sign any documents necessary to proceed with this project.

- h) Crop Damage Policy – Ms. Stiles presented the Board with the District’s current Crop Damage Policy for review. The current policy calls for an amount of \$400/acre for crops damaged during construction with a decreasing percentage for soil damage over the following four years. Mr. Kayatin stated that he favored a policy that provided damages for only the year of actual construction but did acknowledge that the current policy did take into account for compaction to the soil by providing payment for subsequent years. Mr. Kessen also favored a single year policy. Ms. Stiles suggested the need to reach a consensus given the current time frame for the East Regional Project and easement acquisition. Mr. Kayatin suggested the matter be addressed by the project committee.

**MOTION MADE BY MR. KAYATIN TO HAVE THE PROJECT COMMITTEE REVIEW AND REVISE THE CROP DAMAGE POLICY.** Second by Mr. Hartley. Motion carried 6-0.

Ms. Stiles also inquired on how the Board wanted to handle the matter of trees which may need to be removed during the construction of the waterline as the District does not have a policy on the topic. Mr. Kessen suggested the issue be addressed on a case by case basis by providing a replacement tree at another location on the property and/or financial compensation. Mr. Hartley stated that the project engineers have made efforts to avoid the removal of large trees along the route and stated that the removal of smaller trees can be compensated during the easement negotiation process. Mr. Kayatin agreed that the issue should be addressed with property owners on an individual basis but noted that the District is not under any obligation to replace trees which are in the road right-of-way. Mr. Lucas inquired on the possibility of transplanting a tree to another location on the property and Mr. Kayatin replied that it is not usually feasible due to the tree’s size but it may be possible with bushes. Ms. Stiles inquired on who the District should contact for tree replacement and Mr. Kayatin replied that ACSE has used Spieles Nurseries in the past.

- i) Property owner at 7265 Faulkner Road inquired about the possibility of connecting to the East Regional Waterline. Ms. Stiles stated that there are potentially three properties which could be served by a waterline extension. Mr. Kayatin suggested the District contact the property owners to see if the other property owners are interested in connecting. He added that the project could be amended to include an extension. Mr. Hartley expressed concern that amending the project may potentially delay the current schedule and suggested addressing a waterline extension after the East Regional Project is completed. Mr. Kayatin also noted that any change orders would need to be approved by USDA and suggested tabling the matter of a waterline extension until after the project is bid, at which time a change order may be considered.

**Master Plan Study (Node Map)** – The District is working on drafting the remainder of the RFP.

**Feasibility Study for Gomer** – The project committee has determined that option 6 is preferred. The District will coordinate this effort and option considerations with Regional Planning and AEDG for

potential future growth forecasts. Moving forward, a Source and Use will continue to be worked on and a meeting will be set up with RCAP.

**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** – Nothing to report.

**8. TREASURER’S REPORT**

Revenue and Expense Reports for June 2020 (Month-to-Date and Year-to-Date) for funds 8750, 8751, 8752 and 8753 presented. Current cash balance total for all AWD funds as of 6/30/20 is \$1,537,184.62. Here are the cash balance totals for each fund as of 6/30/2020:

8750 Project Debt Service - \$430,283.97

8753 External Capital Reserve - \$481,400.65

8751 Operating Fund - \$453,320.98

8754 USDA Debt Reserve - \$0

8752 Internal Capital Reserve - \$172,179.02

8755 USDA Reserve - \$0

**MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-015 TO APPROVE THE REQUEST TO CREATE AN ADDITIONAL FUND, 8756 – COUNTY RESERVE FUND, WITHIN MUNIS, IN ORDER TO TRACK A PORTION OF THE COUNTY DISTRICT FEES FOR THE INITIAL TERM OF THE ASSIGNMENT AND ASSUMPTION AGREEMENT WITH THE BOARD OF COUNTY COMMISSIONERS, ALLEN COUNTY, OHIO.** Second by Mr. Kayatin. Roll Call: Dr. Biery – yes, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – absent, Mr. Hartley – yes, Mr. Kessen - yes.

At least eighty-five percent of the County District fee will be deposited into this fund and utilized for future repair/replacement of aging County infrastructure, participation in looping projects that contribute to the overall strength of the system, see money for future County projects and/or debt service payment(s) on capital projects that benefit the entire system.

Mr. Kayatin asked when the County’s District fees would start to be placed in this fund and Mr. Miller replied that fund would start to be receive revenue after the City’s January 2020 billing cycle. Mr. Hartley asked if the fund will have a cap and Ms. Stiles stated that the fund does not have a cap and added that because this fund will be used to the repair and replacement of County waterlines in addition to new projects in the County, she doesn’t expect the fund to have an excess of money. Mr. Miller added that the Board can vote to add a cap to the fund at a later date.

Mr. Hartley inquired on how much of the fund will be used as a “rainy day” fund for repairs and Ms. Stiles replied that the whole fund can be used as a “rainy day” fund, if needed. Mr. Hartley then expressed concern that if the Board uses the fund to construct new waterline projects there may not be enough left for an emergency. He suggested a separate, designated fund for emergency repairs or a

minimum required balance in the current fund to assure adequate means to pay for an emergency repair. To avoid the potential of emergency repairs, Mr. Kayatin suggested the project committee should start monitoring the current infrastructure within the County and develop plans to repair/replace waterlines before a failure and using the County Reserve Fund to pay for those projects. Ms. Stiles noted that the balance of the new fund will be presented to the Board as part of the monthly Treasurer's Report as are the balance of all funds currently and any concerns of the fund balance can also be addressed by the finance committee.

Mr. Miller noted that the preliminary budget includes the salaries and benefits for the new County appointed Board of Trustee seats. He inquired of the Board an appropriate start date for the new trustees. He expressed concern that the District may be paying salaries and benefits for the new appointees for several months without benefit of the County's District fees which will not be received by the District until after the start of 2021.

**MOTION MADE BY MR. KAYATIN TO PAY SALARY AND BENEFITS TO NEW BOARD MEMBERS ONCE THEY BEGIN TO ATTEND BOARD OF TRUSTEES' MEEETINGS.**

Second by Mr. Kessen.

Mr. Hartley noted that the Assignment and Assumption agreement has a start date of September 1, 2020 and suggested payments should begin after that day, when the new Board members start to attend meetings. Both Mr. Kayatin and Mr. Hartley noted that while new Board members can be appointed now, it's unlikely the County Commissioners will appoint someone before September. Ms. Stiles noted the Board of Trustees' currently has nine seats although two are vacant at this time.

**MOTION TO AMEND PREVIOUS MOTION TO STIPULATE THAT SALARIES AND BENEFITS WILL GO INTO EFFECT SEPTEMBER 1, 2020, WHEN NEW BOARD MEMBERS ATTEND BOARD OF TRUSTEES' MEETINGS.** Second by Mr. Kayatin. Motion carried 6-0.

**MOTION MADE BY MR. MILLER TO APPROVE RESOLUTION #20-016 TO APPROVE THE TWO THOUSAND TWENTY-ONE PRELIMINARY BUDGET AS PRESENTED BY MERLE MILLER, TREASURER.** Second by Mr. Kessen. Roll Call: Dr. Biery – yes, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – absent, Mr. Hartley – yes, Mr. Kessen - yes.

Mr. Kayatin inquired if the preliminary budget included the monies expected to be received from the County's District fees. Mr. Miller replied that the 15% for O & M have been accounted for but the 85% County Reserve fund was not included as the Assignment and Assumption agreement had not been signed at the time the preliminary budget was prepared. Mr. Kayatin noted that the preliminary budget may need to be updated now that the Assignment and Assumption agreement has been signed and the County Reserve Fund has been created and Mr. Miller confirmed that the final budget will include the County Reserve Fund.

**MOTION MADE BY MR. MILLER TO APPROVE JULY 2020 TREASURER'S REPORT.** Second by Mr. Hartley. Motion carried 6-0.



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

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

11. **NEW BUSINESS** – Nothing to report.

12. **BOARD MEMBER COMMENTS:** Mr. Kayatin suggested the project committee begin to plan for the replacement of aging County waterlines in the Indian Brook and Highland Greens Subdivisions now that the Assignment and Assumption agreement has been signed. He also suggested the Shawnee/Hume waterline project as a way to showcase the new collaboration between the District and the County and the benefits to the District's new customers. He also suggested the project committee develop five and ten year plans for upcoming projects.

Mr. Kayatin also noted the importance of Township representatives attending their Township's meetings in an effort to keep everyone informed on current and upcoming changes and projects.

13. **PUBLIC FORUM:** None

14. **EXECUTIVE SESSION:** None

15. **ADJOURNMENT:** Motion for adjournment made by Mr. Kayatin at 3:42 p.m. Seconded by Mr. Kessen. Motion carried 6-0.

ATTESTED:

 8/5/2020  
Chairman Date

 8/5/2020  
Secretary Date