

Allen Water District

3230 North Cole Street

Lima, Ohio 45801

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"Addressing the water needs of the Community"

November 13, 2019 Board Meeting Minutes

There was an Allen Water District (AWD) board meeting held on **Wednesday, November 13, 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 – October 9, 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 – Assignment Assumption Draft Agreement with County
12. Board Comments
13. Public Forum
14. Executive Session
15. Adjournment

A quorum being present, Dr. Biery brought the meeting to order at 4:56 p.m. and proceeded with the agenda.

1. ROLL CALL

Dr. Biery

Mr. Lucas

Mr. Miller

Mr. Kayatin

Mr. Kessen - Absent

Mr. Gosnell

Mr. Hartley

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 October 9, 2019 minutes. Second by Mr. Hartley. Motion carried 6-0.

5. CLERK OF BOARD REPORT

Ms. Mathews stated that there had been **1 connection inquiry** since last month's meeting:

- Stephen Sheidler inquired about obtaining water for his home at 4455 Hanthorn Road. This waterline was put in with the Southeast Regional Project and the assessment to connect is \$6,300. He has asked if the assessment can be applied to his property taxes.

MOTION MADE BY MR. KAYATIN TO ALLOW MR. SHEIDLER TO CONNECT TO THE SOUTHEAST REGIONAL WATERLINE UPON PAYMENT OF PRINCIPAL AND INTEREST TO DATE AND TO PLACE THE REMAINING ASSESSMENT UPON HIS PROPERTY TAXES. Second by Mr. Hartley. Motion carried 6-0.

Ms. Mathews noted that the District doesn't currently have a policy to address connection inquiries from property owners who wish to connect to a waterline after a project has ended when the assessments haven't been paid. Mr. Gosnell thought that requests made after the end of the project, when the property hadn't been assessed, couldn't be applied to property taxes and instead required a full cash payment to connect. Mr. Kayatin replied that taxes can be assessed if the property owner signs a Waiver and Consent form and that presently each request has been handled individually. He suggested that the Board consider developing an Installment Plan Policy to set standards and procedures for future requests.

Mr. Hartley asked if there should be a time limit for allowing requests and Mr. Kayatin replied that there could be, but it should be specifically outlined in the policy. Questions of how long, how much, or under what types of circumstances can be determined by the policy, which would be added to the District's current operational policy book.

Mr. Kayatin feels that the key to developing an installment plan policy is to determine the standard at which a customer is afforded the opportunity. Should the policy be open to anyone or should it be income based? If it is income based, what type of verifying documentation will be required? Should the District policy be similar to CDBG's policy on income verification?

He requested that Ms. Stiles and Ms. Mathews develop a lists of considerations for further discussion including emergency situations, time frames, income factors, project costs, whether the project is still paying off debt, etc.

Mr. Huffman asked what the potential downside would be to allowing customers the ability to have their assessments applied to their property taxes, aside from the increase in record keeping.

Ms. Stiles replied that she didn't feel there were any other downsides and added that the by allowing customers the option of paying their assessments in installments it allows the District to potentially gain more customers. Mr. Huffman agreed, noting that anytime a voluntary assessment is paid, it contributes towards the payment of the District's debt.

Mr. Kayatin noted there are several potential situations where this policy could apply including projects with voluntary assessments, projects with mandatory assessments that include vacant parcels, and property owners who want to connect after the period of voluntary connection has expired.

Mr. Hartley asked if customers are charged past interest, when they are allowed to connect years after a voluntary connection has expired. Ms. Stiles replied yes, they are required to make up any missed interest payments in addition to the required assessment. Mr. Kayatin agreed, adding that the remaining assessment is usually applied as installment payments lasting the length of the remaining debt service. Mr. Huffman asked what a potential customer is charged if he or she wants to connect after the debt has been fully paid. Mr. Kayatin replied that in those situations, the customer is charged the standard Capital Permit Fee. Mr. Huffman noted that could potentially result in very different prices being paid by customers along the same waterline to which Mr. Kayatin agreed and added that currently the timeline for switching to the standard Capital Permit Fee is determined by resolution and that they Board may need to look at addressing this issue as well.

Mr. Hartley inquired about NWWSD's policy. Mr. Huffman stated that customers are charged a system development fee in addition to a front footage fee and a tap fee. When asked if these charges are applied after an assessment period expires, Mr. Huffman replied yes, this standard policy replaces expired assessments and doesn't expire.

Mr. Kayatin noted that it's important for the Board to decide how it should handle requests made after an assessment period ends and may want to consider creating different policies depending on whether the waterline is put in on by a developer or by the District.

Mr. Gosnell suggested the Board continue discussions of an installment plan policy at a future meeting after Ms. Stiles and Ms. Mathews have the opportunity to compile a list of considerations.

Ms. Mathews stated that 4 capital permits were issued since last month's meeting:

- David Peters obtained permits for two vacant parcels on which he plans to build single family homes. 5913 Timberstone Drive is located in the Woodberry Creek Subdivision and 1566 Chancellor Drive is located within the Country Aire Estates Subdivision. Each permit was charged the standard CPF of \$500.
- Barbara Banks obtained an emergency permit for her home at 3377 E. Breese Road due to the well running dry. The property is served by the Southeast Regional waterline and the voluntary assessment of \$6,300 plus interest will be applied to the real estate taxes. A Waiver and Consent was signed by Dr. Biery, Mr. and Mrs. Banks and will be recorded to the parcel.

MOTION MADE BY MR. KAYATIN TO AUTHORIZE DR. BIERY, CHAIRMAN, TO SIGN A WAIVER AND CONSENT ALLOWING MR. AND MRS. BANKS TO CONNECT TO THE SOUTHEAST REGIONAL WATERLINE AND HAVE THE ASSESSMENT APPLIED TO THEIR TAXES. Second by Mr. Miller. Motion carried 6-0.

- Michael Luginbihl obtained a permit for his home at 4433 N. West Street served by the N. West St. waterline extension. Mr. Luginbihl has been paying the assessment of \$5,288.54 on his taxes and a no-charge permit was issued.

Ms. Mathews stated that there had been **1 waterline extension inquiry** since last month's meeting.

- Steve Kirkendall inquired about obtaining public water for his home at 2657 Cremean Road. He purchased the home in early 2019 and is unhappy with the current well system. The closest District line is approximately a mile and a half away on Poling Road. A very rough waterline extension estimate of \$600,000 was given and is not feasible at this time. Mr. Kirkendall was made aware of the potential costs and is considering other options.

December Board Meeting – The regular December Board Meeting will be held at Casa Lu Al on December 4th at 5 p.m. Spouses may attend.

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

Contracts and Agreements – Nothing to report.

Projects

East Regional

- a) The District met with Village Representatives to relay some revisions to the project schedule and discuss how to proceed. Main reasons for the schedule revisions are:
 - ✦ One reason for this delay is due to the overwhelming amount of CDBG applications received for this funding cycle. The plan is to be one of the first applications submitted for next cycle.
 - ✦ Another reason for the delay is engineering was previously slated to begin sooner but was delayed due to the District obtaining assurances from USDA regarding grant/loan funding prior to holding public meetings. Plans are estimated to be ready late winter/early spring.

The District requested and received feedback from Village Councils regarding informing property owners of the tentative schedule revision and both Villages requested the District send letters to property owners. The District also posted the revised schedule to our website: allenwaterdistrict.com. One benefit to the revised schedule is more time for potential users outside the Villages to choose to connect. This will also allow residents additional time to save for up-front costs associated with the waterline such as the City of Lima "tap" fee and the cost of the service line from the home to the road right-of-way.

Lafayette's Village Council has voiced concern over the potential for increased project costs due to the schedule delay. The only foreseeable increase may be due to cost increases related to construction occurring a year later than previously expected. The District is going to reach out to Prime AE to see if they can give us a revised cost estimate or if the current cost estimate is still good with the new schedule. Both Village

Councils have been reassured that the schedule change gives the project a better chance of receiving CDBG funding and without it, project costs will most assuredly rise.

In regards to the engineering fees related to East Regional, The District has nearly exhausted their contribution at this point and the Board needs to determine how they would like to move forward given the delays in funding and the revised tentative schedule. Would the Board like to pursue contributions from the City of Lima or Allen County at this time?

Mr. Huffman noted that funding from the City and County can't be distributed without a signed resolution, which has not been completed at this point. Interim financing may be available through OWDA and Ms. Stiles will begin to pursue this option.

Mr. Miller stated that the District may be able to provide interim funding themselves.

- b) 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 (\$750 for each Village) once the PTI has been obtained.
- c) The RLF Board previously approved \$150,000 in grant for this project. The District has amended the request to \$150,000 for each Village 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. We hope to find out soon if this increase request has been approved.
- d) PSI-Intertek will be completing the soil borings over the next month or so. Previously, it was stated that DLZ Corporation would be completing this work but that has changed. Prime AE will focus their layout/design work initially on areas that require easements as these can take some time to acquire. The District will meet with the Engineers again soon once they have a good working set of 30% alignment drawings. Village representatives will be notified if their attendance is requested.

Baty Road Waterline Extension (WTLW)

- a) WTLW has paid their cash portion of \$20,212 and the remaining \$20,211 has been certified to their real estate taxes effective 2020.

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. The District is awaiting a response from the City. Once a response is received, we will proceed with completing the Request for Proposal and meet with the City to review.

Feasibility Study for Gomer – Kohli & Kalisher hope to have this study completed near Thanksgiving.

Statement of Qualifications – An advertisement for SOQ’s was published in the October 18th and October 26th newspaper. Ms. Stiles reached out to several firms who’ve submitted in the past via e-mail to make them aware of the advertisement and deadlines. All submittals are due to the District Office by 4 p.m. on December 6th, 2019.

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 October 2019 (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 10/31/19 is \$1,611,644.61. The cash balance totals for each fund as of 10/31/2019:

8750 Project Debt Service – \$957,433.00

8751 Operating Fund – \$398,951.95

8752 Internal Capital Reserve – \$164,335.52

8753 External Capital Reserve – \$90,924.14

8754 USDA Debt Reserve – \$0

8755 USDA Reserve – \$0

MOTION MADE BY MR. MILLER TO APPROVE NOVEMBER 2019 TREASURER’S REPORT. Second by Mr. Hartley. Motion carried 6-0.

MOTION MADE BY MR. LUCAS TO APPROVE RESOLUTION #19-032 TO APPROVE THE TWO THOUSAND AND TWENTY ANNUAL APPROPRIATIONS AS PRESENTED BY TREASURER, MERLE MILLER. Second by Mr. Hartley. Roll Call: Dr. Biery – yes, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – yes, Mr. Kessen - absent.

MOTION MADE BY MR. KAYATIN TO APPROVE RESOLUTION #19-033 TO AMEND THE TRUSTEES/OFFICERS COMPENSATION SCHEDULE FOR 2020. Second by Mr. Gosnell. Roll Call: Dr. Biery – yes, Mr. Lucas – yes, Mr. Kayatin – yes, Mr. Miller – yes, Mr. Gosnell – yes, Mr. Hartley – yes, Mr. Kessen - absent.

9. CPA REPORT – Nothing to report.

10. OLD BUSINESS – Nothing to report.

11. NEW BUSINESS – Assignment Assumption Draft Agreement with County

Members of the Board, Ms. Stiles and Mr. Huffman met with the Allen County Board of County Commissioners on October 29, 2019 to discuss the Assignment Assumption Draft Agreement. The Commissioners requested an initial term of approximately five years when the County waterline debt is retired, for both sides to review the terms of the agreement. Additionally, the Commissioners requested additional representation on the Board of Trustees. Currently, Allen County has one representative on the Board and an additional representative had been offered by the District. The Commissioners suggested a Board of Trustees comprised of four members appointed by the Board of County Commissioners and four members appointed by Allen Water District. The District offered two additional County appointed seats, to replace the current Member-at-Large seats.

Mr. Huffman will update the Assignment Assumption by November 15th, 2019 and it will be presented to the County Board of Commissioners for their approval.

12. BOARD MEMBER COMMENTS: None


13. PUBLIC FORUM: None

14. EXECUTIVE SESSION: None


15. ADJOURNMENT: Motion for adjournment made by Mr. Miller at 6:02 p.m. Seconded by Mr. Kayatin. Motion carried 6-0.

ATTESTED:


Chairman


Date


Secretary


Date