

THE MONROE TOWNSHIP WATER AND SEWER DISTRICT

Regular Meeting of the Board of Trustees of the
Monroe Township Water and Sewer District
December 10, 2018

President Scott Vagedes called the meeting to order at 6:00pm and lead the members in the Pledge of Allegiance. Members in attendance also included Greg Siefiring, Rob Voisard, Monroe Twp. Trustee Ron Thuma and Administrator Marilyn Fennell. Mr. Flesher and Mr. Eilerman were absent. Paul Rennick of bhm cpa group, inc., the District's accounting firm was present. Guests signing the register were Searl Daugherty, Don Edmunds, and Rolf Reich.

Mr. Vagedes moved to excuse Mr. Flesher's absence. Mr. Voisard seconded the motion. Motion passed 3-0. Mr. Thuma informed the Board that Mr. Flesher is resigning from the Board. The Trustees are pursuing a replacement.

Minutes of the October 22, 2018 meeting were reviewed. Mr. Siefiring moved to approve the minutes as presented. Mr. Voisard seconded the motion. Motion passed 3-0.

Comments from Public: Mr. Edmonds lives on Floral Acres Drive and asked the Board why the survey markers and OUPS flags on the road. Mr. Vagedes said he and Mr. Thuma have met with the City of Tipp City and it is the understanding that the City is running a sanitary sewer line down Floral Acres Drive on the north side of the road to Rosedale Drive for the benefit of Abbott and Meijer. Mr. Vagedes said he thought the City said they wanted to do that in the first quarter of 2019. Mr. Edmonds asked if the residents were going to be asked to tie into that line. Mr. Vagedes replied that the residents along Floral Acres will have Ys installed by the City in front of their properties but there is no requirement to connect to the new sanitary sewer main. Mr. Edmonds asked if they would charge the normal hookup fees. Mr. Vagedes said those rates are being discussed with Tipp City Council and have not been firmed up but City Manager Eggleston thought the main line installation may be assessed at 50% of the total project cost per front footage of the owner's property. The property owner would have to pay the full cost of installation of the sanitary lateral to the owner's septic tank or house, this cost could not be assessed over time. Mr. Edmonds thought it more important for water access than sewer. Mr. Thuma said if the residents want sewage and water, then this Board has the right to add this plat to the District, only after the majority of property owners sign a petition to do so. Then a project could be started. Mr. Edmonds verified that he would not be required to hook up to the sewer line. Mr. Thuma said that was correct. However if there is a majority of residents that wish to be included because of bad sewage then the County Health Department generally has a 15-month time line to connect to the sanitary lateral. Mr. Edmonds asked about the cost again. Mr. Vagedes said there are 3 parts to the cost: 1) the homeowner's cost of running the sanitary line from the main to house, 2) City tap-in fees, and 3) the assessment by the City for the main line installation, which was represented by City officials at ½ the normal cost. It will be installed within the right-of-way. Mr. Siefiring added there would also be the cost of going across the road for those on the south side. Mr. Edmonds asked why OUPS was also

marking on the south side. Mr. Vagedes said OUPS normally has their orders to cover the entire right-of-way.

Mr. Rolf Reich asked how many homes were involved in the Country Estates East project. Mr. Thuma thought it was around 65 plus the apartments were counted as separate units. Mr. Reich asked how many homes did not tie into the water. Mr. Vagedes said he understood that there are only a couple that did not tie into the water. There are more that did not tie into the sanitary sewer. Mr. Thuma thought it was the other way around. Mr. Vagedes said that Doug Evans from Miami County was supplying him a list so the Board will know. Mr. Reich asked if those that have not tied into the water are being assessed a sewer fee as they are adding waste water to the system. Mr. Vagedes said it is his understanding that all property owners are receiving a minimum water and sewer billing. Mr. Thuma explained that everyone had to pay for the construction and then if you didn't hook into the water (not required), there is a minimum charge. Mr. Reich thought there would have been a meter placed on the well so that it was known how much well water is being used through the sewer system. Mr. Thuma said that the County has much experience in this. Mr. Rennick added that the County determined a minimum cost based to cover the operating and maintenance cost. Mr. Vagedes said he understood that the County was to install meters and once he receives that list from the County that situation will be checked further. The County is responsible to have those meters installed on the existing wells but it was important for this Board to have that information. Mr. Reich said he knows of several residents that are not receiving City water and they are paying a flat fee. He did not think they were paying for the sewer usage. Mr. Reich added that he is enjoying his water.

Treasurer's Report: Mr. Rennick said the books are basically posted. He had been working with Mrs. Fennell this date. Once the monthly (December) report is received from the County, then that water/sewer split will be entered. He thought most expenses for December had also been posted. He asked if the OWDA debt was being paid before year end, as it is due January 2, 2019. Mr. Siefring said he has it scheduled for December 28, 2019.

Mr. Rennick had the budget report put together for 2018. He read through the summary report for 2018 (attached). There is a separate audit for this Board by the State of Ohio. For the year, he was projecting \$77,000 in service charges but we have to wait for the County's final report. \$128,129 was collected in assessment collections to assist in the OWDA debt payment. The District borrowed \$9,708 on the line of credit to assist with a temporary cash flow and this was repaid. Approximately \$746,000 was borrowed in OWDA loan proceeds to finalize construction and connection of the water and sewer lines. It is anticipated to spend approximately \$35,000 for water and wastewater treatment services by Miami County. Mr. Rennick said Mrs. Fennell is becoming more familiar with the accounting package and can enter information for him to use.

He said sharing duties with Miami County certainly saves the District. The District spent \$4,436 on insurance for ½ of 2017 and all of 2018. There are other fees listed on the budget report. To wrap it up for 2018, it is projected the District will expend approximately \$95,000 in debt related payments and it is projected to end the fiscal year 2018 with a cash balance of

approximately, \$50,600. The Budget and the Report should be posted on the website by the end of February. Mr. Rennick said the Resolution to approve the 2018 Report should be separate from the Proposed 2019 Budget Report. Mr. Rennick stated the District is working towards a break even balance but funds need to be available for any future capital improvements. There are some areas that have some older lines and the District does not want to borrow again. Mr. Daughtery asked if there was a projection for 2019. That was coming up next in the report. Mr. Daughtery said since expenses should go down and the rates will stay the same so there should be some capital to pay the loan down early if possible. Mr. Rennick said that is not allowed since they borrowed funds from the OWDA; they do not take tax money from the State, then OWDA issues their own debt to investors and sell those bonds and the cash is then loaned to local governments. It cannot be pre-paid. The first loan was at 3% and the second was 2.5%. Block grants were not available because it was not in a low-income area. Payments are made twice a year. Mr. Vagedes asked if there were any further questions on the 2018 Budget. There were none. Mr. Vagedes moved to approve a resolution for the 2018 Budget. Mr. Voisard seconded the motion. Motion passed 3-0.

Mr. Rennick continued with the projected 2019 Budget report. The fiscal year should begin with an approximate balance of \$50,600. The anticipated collections should be \$107,000 in service charge revenues for water and sewer in 2019. If there are delinquencies we should be made aware of it. They can be collected through the real estate taxes. He suggested there should be occasional checks with the County. It is anticipated spending \$43,000 for water and wastewater treatment services in 2019. It is anticipated to spend \$48,000 4800 to the County Engineer for maintenance and related services. Insurance premium for 2019/2020 is estimated at \$2,300. Other operating costs for 2019 are anticipated at \$9,500. Approximately \$153,000 in debt related payments, and the projected fiscal year- end balance should be approximately \$30,000. Mr. Rennick said the District should carefully monitor the service charge revenues, assessment collection revenues, water and wastewater treatment service costs and other operating costs during 2019. Rate changes may be needed for 2020 or cost reductions in 2019. If Tipp City or Tri-City Wastewater Treatment have changes in their rates, those need to be monitored. He recommended that the Board take a look in April after assessments have been collected to see if any adjustments need to be made.

Mr. Thuma complimented Mr. Rennick for his work for the Board. They are doing the work at a reasonable cost. Mr. Vagedes added that his training is in engineering and he appreciates Mr. Rennick's financial expertise for the District. Mr. Siefring asked if the assessments are at \$66,000 and our payments are \$76,000 to ODWA, there is a \$10,000 shortage twice a year, how do we make up that difference. Service income is \$9,000 a month with \$8,000 billings, so at some point that is going to catch up with the funds. Mr. Rennick said he wants to see if there is a bit more income to come in. In April the delinquencies can be evaluated. He is not inclined to raise any rates right now. Staying in touch with the City of Tipp City and Miami Co. to see if there are any rate changes coming in the future will be important. Mr. Rennick recommended the District track the water and sewer fees so that if there are repairs that need to be made to either system, then we will know which rate might need to be adjusted.

Mr. Siefring moved to approve the proposed 2019 Budget as presented. Mr. Voisard seconded the motion. Motion passed 3-0.

Mr. Siefring again said he appreciated Mr. Rennick's report. He had two resolutions to be approved. Resolution #2018-26 was for the monthly expenses totaling \$18,305. Those expenses include invoices for mid-October thru mid-December. Mr. Vagedes moved to approve the Resolution #2018-26. Mr. Voisard seconded the motion, motion passed 3-0.

The second Resolution #2018-27 was for the OWDA payment, \$76,600 payable December 28, 2018 for the water and sewer line construction. This is the first payment for the next 30 years (twice a year). Mr. Voisard moved that Resolution #2018-27 be approved, Mr. Vagedes seconded the motion. Motion passed 3-0.

Old Business: Mr. Vagedes said he tried to reach Mr. Herrera in Floral Acres regarding his septic system. Miami County said they would be contacting him and Mr. Vagedes was unsure if that had taken place. There was no reply from Herrera's. Mr. Thuma added he was informed that the City of Tipp City had paid the engineering fees to include running the sewer down Rosedale so that in the future the sewer line would be available. Mr. Thuma added that the Herrera property is full of trees and that the property owner has a difficult situation.

Mr. Edwards asked what some pipes sticking out of the ground were for. Mr. Thuma said those were clean-outs for the storm sewer.

New Business: Mr. Vagedes said there needs to be a post-State Audit meeting date set. He asked Mr. Rennick if he needed to attend. He said a pre-meeting agenda has been sent. Mr. Rennick said it was not something that he needed to attend. He could be available by telephone. The Board members decided December 18 or 21, 8:30am, would be good times. Mr. Siefring said he would make contact and arrange the meeting.

Final Comments: Mr. Vagedes said he was looking forward to the list of property owners that are not connected yet.

Mr. Daugherty made a comment about those not on the systems. The rates were set at 100% participation and delays/delinquencies were not figured in. Mr. Daugherty asked if the District was still operating on borrowed money. Mr. Rennick replied that it was not because the revenue is being generated. Mr. Siefring said he felt the District had the funds for the next two years barring any major repair or event.

There being no further business, Mr. Siefring moved to adjourn the meeting and Mr. Vagedes seconded the motion. Meeting adjourned at 7:45pm.

President

Acting Secretary