BASS LAKE CONSERVANCY DISTRICT MEETING DECEMBER 15, 2014

PRESENT: President Gene Novello Director Jerry Broadstreet Director Russ Blais Director Ray Mix Attorney Ethan Lowe Vice President Larry Collura Office Manager Patti Bush Office Assistant Mariann Gappa Plant Manager Tom Jordan Engineer Lee Nagai

ABSENT: CPA Firm, Umbaugh & Associates, Jeff Rowe—not in attendance, however not required to attend.

President Novello called the meeting to order at 6:00 P.M., followed by the Pledge of Allegiance.

Engineer Nagai opened the bids for the enhancement and erosion control of the Marks/Craigmile Ditch Bank Restoration Project. The first bid was from Mark Milo Enterprise and it met all the requirements needed and it was for \$19,975.00. The second bid was from Thomas Excavating and it met all the requirements and it was for \$40,917.50. Engineer Nagai recommended that the Board take these bids under advisement and allow him to work with Attorney Lowe to review the bids and make a recommendation prior to the next meeting. Director Mix thought there was too much difference in the bids and he would like to see a rebid. Engineer Nagai stated that 5 contractors contacted him but only 2 submitted bids. Attorney Lowe stated the bids are now public documents and anyone could review them. Engineer Nagai felt that both bidders were good contractors and he would not have a problem recommending either one. Vice President Collura made a motion to take the bids under advisement and table the decision until the January meeting. Director Blais seconded. Motion carried.

Engineer Nagai stated he had worked with Attorney Lowe, the Appraiser, and Plant Manager Jordan to get the correct information on Lift Station J and he would be available if needed. The original engineering firm for Lift Station J was McDonough but Engineer Nagai did the upgrade. He stated he had advised the Board to acquire the property and the Board made several attempts to contact the property owner. He contacted McDonough and checked out their files concerning Lift Station J.

Director Broadstreet made a motion to approve the minutes of the November 17, 2014 monthly meeting and Director Collura seconded. Motion carried.

President Novello presented the financial report. The district has a balance of almost 2 million dollars. The next bond principal and interest payment will be due around Dec. 26th. The district is a little behind on the actual receipts and the lien payment is a little less than anticipated. Office Manager Bush stated she received a check for \$19,787.04 today. President Novello stated the budget process is only a year old. Director Mix made a motion to approve the financials and Director Blais seconded.

Bills to be paid:

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Key Bank Umbaugh & Associates	\$536.30(November) \$1585.00(November)
NIPSCO	\$254.25(bldg. pump)
NIPSCO	\$74.03(water pump)
NIPSCO	\$364.08(lift stations)
Century Link	\$45.74
Century Link	\$185.05
Patti Bush	\$19.14(Lien Release Reimbursement, Postage)
General Insurance Services	\$274.00(Increase Irrigation Sys.)
Dell Business Credit	\$1102.23(New Computer)
Vale Appraisal Group	\$2,800.00(Lift Station J Appraisal)
Jerry Broadstreet	\$1200.00(Director Pay for 2014)
Larry Collura	\$400.00
Gene Novello	\$600.00
Russ Blais	\$300.00
Ray Mix	\$400.00
Smith Farm Stores	\$48.41(Ice Melt, Oil, Etc.)
Radio Shack/Smith F. S.)	\$69.98(Head Phones & Cable
Prime Pay	\$102.69(November Services)
Prime Pay	\$4293.19(11/14/14)
Prime Pay	\$4403.27(11/28/14)
NAPA	\$13.43(UPS & Parts)
TCU	\$40.85(ACH network access & entry fees)
Keystone	\$720.00(Training)
Quill	\$248.96(Cartridges)
Bank of New York Mellon	\$265,360.00(Bond)
KeyBank	\$36.00(Safe Deposit Box Rental for 2015)
Blachly, Tabor, Bozik	\$5,082.68(Aug. thru Nov. 2014)
Npes	\$2067.82(Oct. & Nov.)
Mark Milo Enterprise, Inc.	\$1800.00(Explore Sewer Damage & Adjust Gate)
S.C. Chamber of Commerce	\$85.00(2015 Dues)

Director Mix questioned the Mark Milo bill and Plant Manager Jordan explained that a line was found when a new house was being built and he wanted to know where the line went and the gate adjustment was needed with winter near. Director Broadstreet questioned the NIPSCO bill and he was told that it's an estimated bill and the adjustment will be made later. Vice President Collura made a motion to approve the bills and Director Broadstreet seconded. Motion carried.

President Novello asked if anyone in the audience had anything to say about the user fee. Attorney Lowe stated that at the November meeting it became known that 28 properties may be receiving discounts that should not have been granted. The Board directed him to send a letter to these 28 property owners telling them that as of Jan. 1st, they would be receiving an invoice reflecting the correct amount they should be paying. Attorney Lowe instructed any homeowners who had questions to call Office Manager Bush at the office or to come to the meeting and speak with the Directors.

Steve Hampton and his wife own 2 lots. One lot has a single family home on it and across the street is a garage with a studio apartment above it. He thought they should be charged an apartment

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rate or trailer rate as the garage living area is very small and only used for overnight guests. He stated they are paying a regular payment on the house and a discounted rate (75%) on the garage. They are on 2 separate lots. Vice President Collura asked if Mr. Hampton paid separate property taxes on the 2 lots and he said yes. Director Mix stated that according to the ordinance, Mr. Hampton should be paying full sewer charges on both properties. Attorney Lowe stated that this is 2 separate living quarters and they should be charged as such. He stated other individuals have come forward with similar requests and they have been denied. Attorney Lowe stated the board could deny the request or investigate further before making a decision. Director Broadstreet commented that he had requested a hook-up for a bathhouse (shower only) on a separate lot from his home when the lines were put in but he was going to be charged \$58.65 a month for it so he decided not to have it hooked up. Mr. Hampton stated the ordinance (section 7) allows for fair and equitable usage and he felt he should not be charged a full fee for the studio apartment when compared to large homes with multiple bathrooms. Vice President Collura made a motion to deny the discount, Director Broadstreet seconded, motion carried.

Kyle McDaniel stated she had erected a modular home at 4296 S CR 210 in 2000. She and her Grandmother owned that property and 4288 S CR 210 together. The Board approved the discounted rate in 2000 because the modular was tapped into the existing line at 4288. Director Mix stated it was 2 separate dwellings on 2 separate lots and it should be billed as such. Chad McDaniel stated that accordingly to the ordinance there is a lesser charge for modular homes. Director Mix stated that the ordinance states that the discounted rate for mobile homes is for a mobile home park (Rannell's Park), not a single mobile home. The mobile home parks pay for space and then pass that on to the renters. Office Manager Bush stated that the city of Knox set up the billing and charged the McDaniels \$101.91 for the 2 homes. BLCD didn't start the billing until 2004. Vice President Collura stated that the district was not looking to recoup money from previous billing mistakes, but to set the billing straight now. Mr. McDaniel asked why this is just now coming to light. President Novello replied that he just learned of this billing error a month ago. Director Mix apologized for the district taking so long to find the billing mistakes. Mr. Hampton asked if the district has a rate that is charged based on volume. Attorney Lowe stated that the only thing that would be metered is a large commercial building. Mr. Hampton asked how the Board interprets single family dwelling units. Attorney Lowe stated a bathroom and kitchen area in a building makes it a single family dwelling unit regardless of the building. Vice President Collura made a motion to deny a discounted rate for the dwellings at 4296 and 4288 S CR 210. Director Mix seconded, motion carried.

Lift Station J—Attorney Lowe stated that the mediation for Lift Station J is scheduled for Dec. 16th and he will report to the Board after that.

InWarn—Attorney Lowe stated that there were some concerns he wanted to bring to the Board's attention. He was concerned about insurance coverage, dispute resolution requiring binding arbitration, and indemnification language requiring the district to be responsible for damages that an aiding utility may suffer. He stressed that this is a voluntary agreement and aid would not have to be extended if the district decided against it. Director Mix explained the InWarn system to the audience members. Vice President Collura was concerned about the benefits to InWarn if the district decides to go with it. Attorney Lowe stated that the Indiana Department of Environmental Management operates this program. Plant Manager Jordan explained that IDEM also provides help if needed. Director Broadstreet asked about who pays for the help we receive. Director Mix replied that the cost comes out of the district budget. Attorney Lowe again expressed a concern

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about insurance coverage. Office Manager Bush replied that she had checked with the insurance about equipment coverage and the district is covered, but she hadn't checked about liability coverage. After much discussion, a motion was made by Director Mix to enlist in the InWarn program, Director Broadstreet seconded. 4 were in favor, Director Collura opposed. Motion carried.

Plant Manager Jordan's Report—Cambe Chevrolet submitted an estimate for a new truck for both a regular cab and a double door cab. The current truck is a 2004 model with 89,000 miles. The estimate includes the trade-in for the current truck. Plant Manager Jordan replied that he can get through the winter with the current truck. The board wants an idea of what everything will cost so the accountant can put it in the next year's budget and then have it go out to bids to all 3 manufacturers. Plant Manager Jordan commented that a new lift station pump should also be included in the budget. He stated he had done the first electronic report for this month and he would like it to be initialed as proof that someone had seen the report. He wanted it confirmed that the line in question at Riviera Court belonged to the BLCD before he arranged for someone to check the line and bring it up to code. The board replied that the line belongs to BLCD. Plant Manager Jordan talked to a company in Mishawaka about making copies of the as-builts and getting them on computers. He stated the BLCD has video tapes of some of the lines. The precipitation for the month of November is 2.27 inches, the year to date is 39.36, and the annual average is 37.88. The water is still trickling over the dam.

Comments from the Attorney—None.

- Comments from the Office Manager—A check was received today for the lien payments in the amount of \$19,787.04. The yearly membership for the Starke County Chamber of Commerce is due. President Novello told her to pay for the membership. Director Mix asked that the minutes reflect that he was recusing himself from the conversation.
- Comments from the Board Members—Vice President Collura requested a daily work log of employees, beginning in January. President Novello stated the BLCD should have a plan for when the bond is paid. He mentioned that Director Mix and former Director Ippolito had started the process and he asked for volunteers to help Director Mix. Director Blais stated he would help.

A motion was made to adjourn and seconded. Motion approved.

The next meeting will be Monday, January 19, 2015 at 6:00 p.m. at the BLCD building.