

## REGULAR MEETING OF THE BEN DAVIS CONSERVANCY DISTRICT

Pursuant to Notice, Fred Buckingham, Chairman, called the meeting to order at 9:10 a.m. on August 12, 2021. Those in attendance: Fred Buckingham, Chairman; Beverly Matthews, Vice Chair; Jeff Wood, Director; Micah Sarabyn, Administrative Assistant/Project Coordinator; Jennifer Hess of Hess Hess & Donnelson, LLP, Counsel for the District; Dee Revnyak and Jim Frazell of Triad Associates; Steven Brock, CPA/MBA of Therber Brock LLC; John Thurman, and Corey Foster, Maintenance for the Ben Davis Conservancy District (“BDCD”); and Angela Wirth, Finance Secretary for the BDCD.

Mr. Foster presented the maintenance report for the month of July. Mr. Foster stated that he and Mr. Thurman, along with Ms. Revnyak and Ms. Sarabyn met with Brandon of Silversmith this past week to go over new updates, added features to the Silversmith program, as well as learning about the FOG program in Silversmith as it relates to Fats, Oils and Grease in the District sewer system. Mr. Foster also stated he and Mr. Thurman completed the confined space training online webinar and Mr. Thurman asked if there was anything else needed to be done or that they needed to get certified for and Ms. Wirth indicated she would check with Triad and the Rural Water Alliance of Indiana. Mr. Foster mentioned the Morton Cross property on Fleming and the sewer back up caused by the storm drain installed by Department of Public Works and HIS Contractors. Mr. Foster stated he and Ms. Wirth stayed on the matter with all parties until the matter was resolved.

Ms. Revnyak asked Mr. Thurman and Mr. Foster to start entering attribute information for all of the assets (sewers, manholes etc) that are in the Silversmith program to determine how long it will take overall to get everything entered. She stated that at some point, the District may wish hire a temporary or a short-term data entry person to assist in entering the data which may be a better use of resources instead of using Mr. Thurman and Mr. Foster whose are needed more out in the field. Ms. Hess offered to provide the name of a college freshman doing data entry work for Hess Hess & Donnelson, LLP and Ms. Revnyak stated that would be a great opportunity for the District and for this individual. Ms. Revnyak and Ms. Wirth also mentioned that once this information is entered it can be used for the Asset Management part of the program along with inspections, work orders, and inventory in order to be able to generate reports for the Board and management.

Mr. Buckingham asked Mr. Steve Brock to begin with the 2022 Budget Works package. Mr. Brock distributed copies of the proposed 2022 Budget and stated to the Board he and Ms. Wirth were going to meet via Web with Miranda Bucy of the DLGF to provide all information necessary to enter into the State Gateway. Mr. Brock walked the Board through several pages of the Preliminary Budget and shared that the Districts monthly sewer user fee is anticipated to increase by \$4.00 to a total of \$32 monthly beginning in January of 2022. Mr. Brock stated the improvements made to the Districts Sanitary Sewer System and the ongoing rehabilitation efforts within the system were reflective of the current CEG bills and lowered volume that have occurred over the past few years. Mr. Brock reiterated that the CEG bills will continue to increase and that our budget had to be consistent with and reflect this rise in sewer processing. Mr. Buckingham made a motion to submit the budget as proposed. Ms. Matthews seconded the motion and Mr. Wood concurred.

Mr. Brock and Ms. Wirth stated the Escrow account had been set up for the anticipated sewer processing costs with Citizens Energy Group (CEG) and, as of the Board Meeting, an amount of \$543,000.00 had been placed into the Escrow account and would be reflected in the August financials presented at the September Board Meeting. Beginning in September, a monthly amount of \$121,000.00 will be deposited into the Escrow until the billing is corrected on the end of CEG. Mr. Brock also reviewed the 2022 Tariff for the District fees and Ms. Revnyak questioned why the Airport Property revenues reflected a “zero” (0) value. Mr. Brock stated he was not aware the District was billing the Airport. Ms. Revnyak stated that a portion of the Airport property was contained within the District Boundaries and the land previously consisted of residential housing. Since the airport demolished these structures, the land needs to be re-assessed. After clearing the sites, the airport agreed to pay the ad valorem tax based on the residential assessed values. These values were never increased over the years. In addition, it was discovered that some of the properties discharged into the District system while others emptied into the City’s, now CEG’s system. Ms. Revnyak mentioned that she could not find a formal agreement with the Airport to discharge to the CEG system instead of the District so she would begin looking into matter. Mr. Brock asked if Ms. Sarabyn was billing the Airport and Ms. Sarabyn stated she was not. Mr. Brock inquired about EDU billing and Ms. Revnyak said she would investigate with Ms. Sarabyn to see if this was practical to set the billing up in this manner. The Airport is tax exempt, however, the areas in question are not the “new” Airport,

Indianapolis International, but rather are the outlying areas of South High School Road and Perimeter Road and West Washington Street. Ms. Revnyak felt the matter was taking away from the budget discussions and should be tabled until the next Board Meeting set for September 9, 2021. Mr. Brock suggested that the Board perform a market valuation of the property and submit it to the Assessor's Office and request that the airport property assessment be updated to reflect market values. Mr. Buckingham motioned to table the Airport matter until the next meeting and Mr. Wood seconded the motion.

Mr. Brock shared that in January of 2023, the District should be prepared to pay off or begin payments of a \$600,000, interest payment that will become due for the \$19,000,000.00 bond funding borrowed. Mr. Brock passed out a financial offer made to the District from Baird Financial Group for a Fixed Rate Bond offer on the initial \$1,000,000.00 Bond which will be used to pay the preliminary professional fees. The Bond is being offered at a rate of .60% with an underwriter fee of .25% for the company. Mr. Brock is also going to seek this same company for an interest or investment of the \$19,000,000.00 bonds for the Wastewater Treatment Facility in addition to pursuing other companies for consideration of the Bonds. Mr. Buckingham asked about a supervisor/plant operator and how soon the District would need to get that individual in place. Mr. Frazell of Triad said that he may have a candidate in mind for the supervisor/plant operator and the person may be able to begin working in 2022 for the District. Mr. Brock stated he had not budgeted for an entire year of salary for an additional employee, however, he believed there was enough budgeted for 2022 for at least six months of wages if necessary.

Ms. Revnyak and Mr. Brock asked Ms. Hess how the purchase agreement was moving along. Ms. Hess indicated that she submitted the Draft Purchase agreement to the property owner's attorney, Mr. Zubek, along with the preliminary title work, and legal description. Ms. Hess indicated that there was some confusion regarding the origin of the modern legal description the has been resolved. Ms. Hess submitted a proposed Notice of Exercise of Option for the 900 S. Tibbs Property the Board's review. Mr. Buckingham made a motion to exercise the Option and Ms. Matthew seconded the motion. Mr. Wood concurred. The Board then executed the Notice of Exercise of Option which Ms. Hess will send the Seller and his attorney.

Mr. Brock discussed that the purchase of the WWTP site will require \$1.45 Million in funds and that he that he would like to complete the Bond Anticipation Note ("BAN") for the professional fees. Mr. Buckingham inquired about the interest rate and Mr. Brock assured him

that it would be a fixed interest rate and that rates are favorable. Mr. Brock also explained that a BAN term can be up to sixty (60) months, BDCD was considering an eighteen (18) to twenty-four (24) month BAN, but in discussions with Triad decided that a twelve (12) month would be sufficient. The BAN will most likely be in the approximate amount of \$995,000 with a twelve (12) month term with the interest due at the end of the term. Mr. Brock also provided an engagement letter which is required by the SEC which provided his rates for this type of work. Ms. Hess indicated that she had previously revised this engagement letter and found the terms to be very reasonable and recommended that the Board execute the engagement letter. Ms. Matthews made a motion to approve the engagement letter and Mr. Buckingham seconded the motion. Mr. Wood concurred. The Board then executed the engagement letter with Mr. Brock.

Ms. Revnyak updated the Board with the Wastewater Treatment Plant Preliminary Project Timeline. Ms. Revnyak re-iterated what Jim Frazell stated that the Construction Permit and Application had been resubmitted following the approval of the Anti-degradation demonstration and issuance of the Preliminary Effluent Limits (PEL). Ms. Revnyak also provided an update of the Permits submittal schedule. Ms. Revnyak discussed the Drainage Study which is required to be conducted as part of the purchase agreement. Triad Associates is nearly completed with this report. The report does not pertain to the WWTP site, but does affect other nearby property that is also owned by the same property owner. The report will be provided to the owner after the Purchase Agreement has been signed but before closing on the property.

Ms. Hess updated the Board on the Grease Trap cleanings and processes. Ms. Hess stated that offers had been made to all three communities; Covington Square, Cloverleaf and Suncrest to which Micah Sarabyn stated all were complying and following the bi-monthly cleaning schedule.

Ms. Hess went over the Job Descriptions and Compensation Study and told the Board she was still awaiting the final report from TRS (Total Reward Solutions) and would have it by or before the next Board Meeting. Ms. Hess discussed the possibility of have a study completed for the Plant Operator position at the new Wastewater Treatment Facility. The Board thought this was a good idea and approved up to an additional \$250.00 for an additional study through TRS.

Ms. Hess resubmitted the offer of \$25,000 to CSX for the purchase of property that is owned by the railroad that is adjacent to the proposed WWTP site, along with an option for right of first refusal to purchase. As of the Board Meeting, Ms. Hess had not yet received as response.

Ms. Hess mentioned the rate tariff for 2022 and reiterated the Public Notice must be published by September 9, 2021, so long as the proposed hearing remains September 20, 2021, at Fleming Garden Christian Church. Ms. Matthews noted available funds to help residents who cannot pay their sewer bill (or rent) are available by contacting [IERA@ihcda.in.gov](mailto:IERA@ihcda.in.gov). This is a special opportunity for assistance due to hardships caused by the COVID-19 pandemic.

Ms. Hess also mentioned the offer Mr. Brock received for the BAN/Bond issuance and that the rate was an incredibly good offer. Ms. Hess had reviewed the Placement Agreement from Baird and recommended that the Board review and sign so Mr. Brock can move forward and lock in the rates. Ms. Wood made a motion to approve the Placement Agreement with Baird and Mr. Buckingham seconded the motion. Ms. Matthews concurred. Mr. Brock mentioned he is hopeful that he and Ms. Hess can get the financing deal to close within two weeks from the date of the Board meeting.

Ms. Hess also went over that the 2022 Rate Tariff Resolution to be presented at the September 20, 2021, Public Meeting at Fleming Garden Christian Church at 6:30 p.m. The required Public Notice will need to be placed in the Indy Star no later than September 9, 2021.

Ms. Hess also suggested the District be prepared to modify the Covid-19 policies as the CDC and Indiana State Department of Health are continuously updating and changing the requirements for mask mandates and processes for businesses. Ms. Wirth stated she would continue to follow up on the Governor's Executive Orders and the Indiana State Board of Health guidelines as they are updated and come across her email. An update of policies for the District office will be presented at the next Board Meeting in September of 2021.

Ms. Sarabyn provided the Board and Mr. Frazell with a revised and updated District Flow Chart which included all information that Mr. Frazell was seeking from the District Flow Meter. Ms. Sarabyn collected \$8,507.96 from Contract and Exceptional Benefit Customers. Ms. Sarabyn shared the interest of some clients wishing to make ACH payments, so she has taken the initiative to begin set up and follow through to ensure this will work in Bill.com. Ms. Sarabyn has begun work in Zone 6 with Mr. Foster and Mr. Thurman for televising and repairs. For the televising portion of this project, Ms. Sarabyn is working with Eco Infrastructure, so that

Silversmith can be utilized for locating lateral lines. Ms. Sarabyn also started a manhole project with (ART) Advanced Rehab Technology that consists of 10 manholes throughout the District.

Ms. Wirth noted that she completed all reviews of the Umbrella, Work Comp, Directors & Officers 2022 Insurance Policies. Ms. Hess inquired if higher limits for medical and umbrella coverage came back to meet her requests but it was determined that the insurance company could not comply with this request. Ms. Wirth and Mr. Brock completed the preliminary budget and had a DLGF meeting with Miranda Bucy following the Board Meeting to submit the District's 2022 Budget figures. Ms. Wirth updated the Board on resident Morton who lives on Fleming regarding a sewer back up and how she and Mr. Foster were able to get IDEM, government officials, and the original company who installed the storm drain to take responsibility for the damage to this resident's home.

The financials for June were not presented at the July Board Meeting, therefore, both June and July of 2021 are listed below.

The Secretary reported that the district received \$108,482.51 in revenues for the month of June, not including the Marion County Semi-annual Tax to the District in the amount of \$408,992.00 for Ad Valorem. Tax and Sewer Liens paid. July's revenue was \$123,092.25. The following claims totaling \$746,613.81 for the months of June 11 through August 11, 2021 were presented to the Board for consideration and payment (See attached Register). This figure also includes an amount of \$539,095.00 transferred from the BDCD Fund Account to the Escrow Account for Sewer Processing.

#### JUNE 2021 FINANCIALS

|                                       |                |
|---------------------------------------|----------------|
| Beginning Savings balance 06/01/2021  | \$1,947,545.43 |
| Beginning Checking balance 06/01/2021 | \$ 135,202.33  |
| Income 06/01/2021 to 06/31/2021       | \$ 108,482.51  |
| Claims 06/11/2021 to 08/11/2021       | \$ 76,492.85   |
| Outstanding Claims thru 06/31/2021    | \$ 9,046.36    |
| Ending Checking & Savings 06/31/2021  | \$2,544,437.01 |

#### JULY 2021 FINANCIALS

|                                       |                |
|---------------------------------------|----------------|
| Beginning Savings balance 07/01/2021  | \$1,947,632.84 |
| Beginning Checking balance 07/01/2021 | \$ 596,804.17  |
| Income 07/01/2021 to 07/31/2021       | \$ 123,092.25  |
| Claims 06/11/2021 to 08/11/2021       | \$ 120,249.70  |
| Outstanding Claims thru 07/31/2021    | \$ 10,482.68   |
| Ending Checking & Savings 07/31/2021  | \$2,593,366.00 |

The Board Minutes were reviewed and signed from the July Board Meeting.

The next board meeting was scheduled for Thursday, September 9, 2021. There being no further business to come before the Board at this time, Mr. Buckingham, Chairman, and Mr. Jeff Wood, Director,

motioned to adjourn. The meeting adjourned at 11:30 a.m.

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Fred F. Buckingham, Chairman

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Beverly A. Matthews, Vice Chairman

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Jeff T. Wood, Director

ATTEST:

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Angela Wirth, Secretary