



3847 Country Manor West - P.O. Box 18 - North Vernon, Indiana 47265

Office: (812) 346-5500 - Fax: (812) 346-0838 - www.JNRU.org

Manager's Agenda

Board Meeting

September 22, 2008

➤ **DOCUMENTS ATTACHED**

- Agenda
- Meeting Minutes (Board Agenda)
 - *May 29, 2008 (web available)*
- Claim & Transfer Dockets (Board Agenda)
 - *August 2008*
- Monthly Financial Planning Charts (Board Agenda)
 - *August 2008*
- News Article, in the IRSDA Newsletter (Board Agenda)
 - *Re. JNRU: "Success is a journey measured one day at a time"*

GENERAL INFORMATION

- Common Water/Sewer Department Issues:
 - **Dave Brinkman, Treasurer**
 - Unfortunately, as mentioned in July, Dave's recent illness appears to be keeping him out of service for an undetermined amount of time. With that being the case, it would probably be advisable to appoint another board member as *Treasurer* to fill the void thru the end of 2008.
 - **Board Member Vacancies**
 - The County Commissioners began filling vacant JNRU board positions at their September 8, 2008 meeting. The first appointment, Mrs. Cadie Mathis, filled the vacant Country Squire Lakes position. This appointment will provide enough board members to enable meetings with a quorum in order for the board to conduct normal business activity defined as "*official action*".
 - JNRU has a seven member board of trustees. The Jennings County Commissioners appoint Four (4) JNRU board members from the residents *inside* Country Squire Lakes and three (3) from the residents *outside* Country Squire Lakes. The JNRU board currently has:



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- Two (2) outside CSL vacancies.

**Reference the Original IDEM Order (web available)*

- **Sewage Works Bond Payments:** An employee of the State Revolving Fund (SRF) Program initially instructed the Paying Agent (*The Bank of New York Mellon*) to not make the September 1, 2008 payments from the Sewage Works Reserve account saying that making payments from the Reserve account is technically a default on the bonds. The Paying Agent was eventually obligated to make the payment anyway. When I spoke with Mr. James McGoff, the Indiana Funding Agency (IFA) Director, he wasn't as concerned about the State funded bonds as he was about the privately funded bonds held by Bernardi Securities. Mr. McGoff is currently speaking with the powers-that-be, whom he answers to, about a workable solution for the underfunded Reserve account (*he's evaluating the possibility of a temporary, 6-month, loan to cover the underfunded Reserve account*). The States ongoing approach to a solution for JNRU's financial/sewer problems involves two things, 1) refinancing all of JNRU's State funded Sewer Bonds, and 2) financing projects, *without increasing sewer rates*, to address the problem of failing septic systems in Jennings County and JNRU's problematic sewer plant and collection system, as identified in IDEM's Agreed Orders. That's the topic, but the discussion needs to continue privately and publicly. **Mr. McGoff plans to attend the October board meeting.**
- **JNRU Options:** These options refer to previous discussions and meetings with the JNRU board, State and local officials, customers and residents of the community. Currently, we have three (3) options on the table being discussed:
 - Rate setting; ...continue setting (*raising*) rates sufficient to cover JNRU's current operating expenses, annual increases in cost-of-service, and sewer improvement projects to address the IDEM Agreed Order.
 - Expressed Concern; ... *the community cannot or will not support increased rates; either way, it becomes cost prohibitive to collect.*
 - Walk away; ...walk away and let the County and/or State take over; the County could always appoint new board members to continue operating JNRU and negotiate JNRU's future, or the State could start the legal process of appointing a receiver to collect their money.



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- *Expressed Concerns; ...some would hope or speculate that the State can be forced to forgive JNRU's debt. I believe that the State and other bond holders will follow legal steps to collect their money if JNRU does not make its Sewage Works Bond Payments. I believe the legal process could include the appointment of a "Receiver" empowered to set rates and charges beyond those currently being charged; this could include establishing fees for property owners that currently pay nothing inside Country Squire Lakes and possibly for the residents in the Phase I Project area.*
- **Refinancing;** ...work with the State to refinance the debt and rebuild infrastructure under acceptable terms.
 - *Expressed Concerns; this option would allow the community to rebuild its existing sewer infrastructure through State funded bonds and grant programs. Jennings County Commissioner's could consider plans to address health hazards related to failing septic systems in Jennings County. Long-term financing through State bonds and grant programs will fund projects to prevent sewer bills from rising and to potentially even lower sewer bills.*
- **Credit Card Payments**
 - We're working with the Indiana Bank & Trust Company (*formerly Home Federal Bank*) to setup office processes for taking credit card payments. The new setup will allow customers to make credit card payments in the office, over the telephone, and online. ACH transaction capability will not be setup at this time. The board will need to discuss handling of transaction fees and authorize the initial startup by completing the following:
 - **Approve;** a "*Corporate Authorization Resolution*" for the Indiana Bank and Trust Company
 - **Sign;** the "*Merchant Application and Agreement*"; President and Treasurer
 - **Sign;** "*Schedule A; Utility Merchant Pricing Addendum*"; President or Treasurer
- **Indiana Regional Sewer District Association (IRSDA)**
 - **IRSDA Newsletter, Volume 1, Issue 1;** JNRU is featured in the first IRSDA newsletter addressed as a "*success story*". Each newsletter will include a success story from different Regional Sewer Districts (RSDs) around the State.



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- **www.JNRU.org**
 - Upcoming Additions:
 - “Home Page”; we will continue to provide links to recent newspaper articles concerning JNRU. We will be archiving old articles to a navigation button
 - ”From the Manager” the article addressing funding options and repairs to the WWTP and CSL collection system is being postponed until board members determine the best approach to these projects; also postponed is the planned link within that article to IDEM Update #6. Instead, a link to JNRU’s IRSDA Newsletter article will be placed on the “Home” page and the “From the Manager” page will be a lead into the article titled “Success is a journey measured one day at a time”.
 - **Training (*IDEM Certification Program*)**
 - Six (6) staff members, including myself, are attending water/wastewater classes in preparation for State Operator exams; State exams are in October and November. ONGOING...
 - **Country Squire Lakes**
 - “E-coli in the CSL Lake closing beaches” and “Speed bumps in utility office driveway”
 - Issues still pending discussion with CSL Manager. Still no follow-up from him.
 - Water Department
 - **Water Meters (Water Loss)**
 - Neptune representatives setup the new hand-held units and software and put them into service in August.
 - Crews found and repaired multiple water leaks in August due to the dryer climate; we’re currently working to replace several water lines that have leaked repeatedly over the years.
 - **Flushing Hydrants (ONGOING...)**
 - Fourteen (14) new flush hydrants were purchased and were scheduled to be installed this summer, however, this date is being pushed back to perform more critical work; approximately fifty-three (53) are needed to flush all of the dead ends.



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Sewer Department

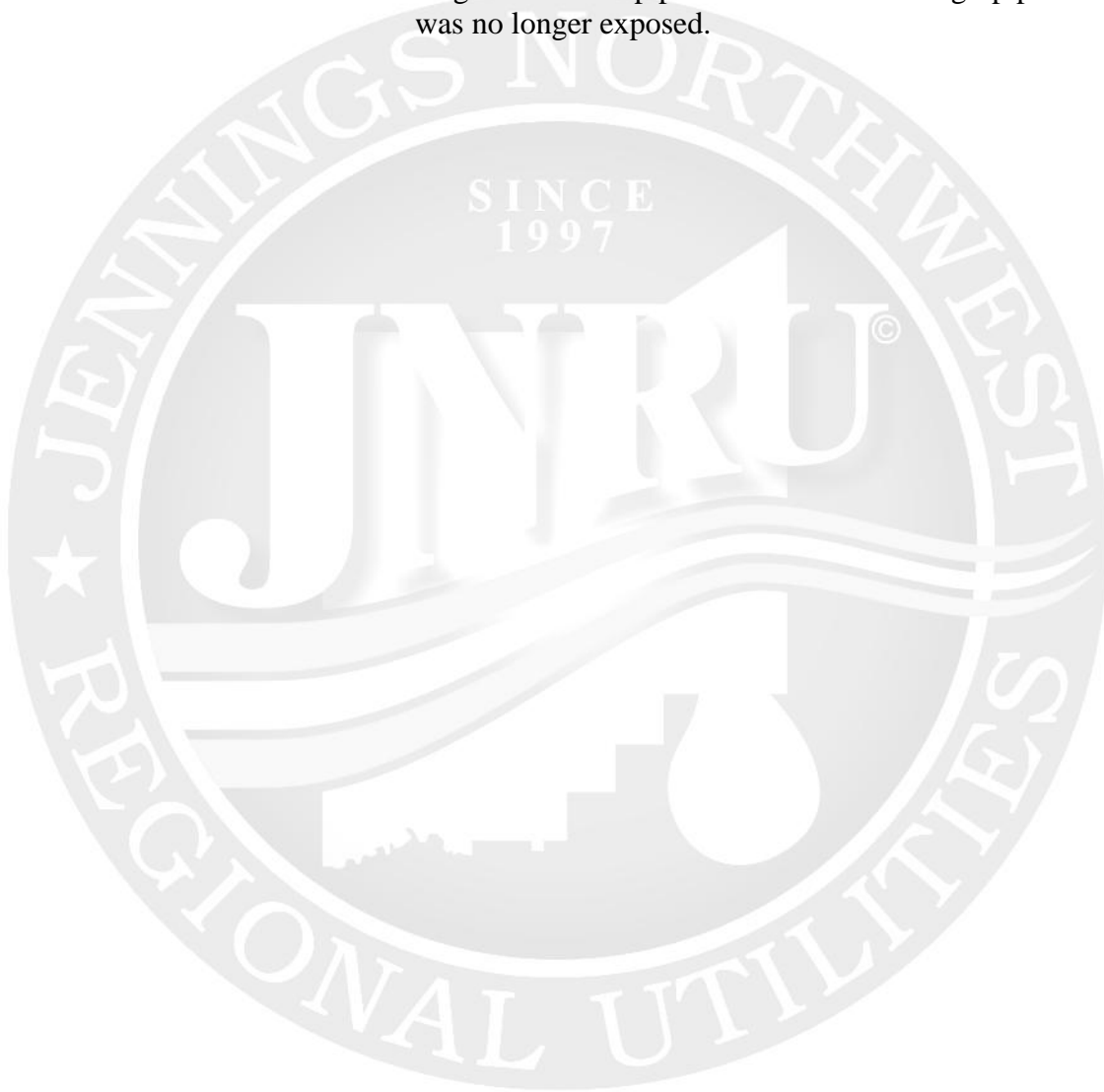
- **Wastewater Treatment Plant (WWTP)**
 - No Violations in August: there was no discharge in August since the Post EQ Basin was out of service for installation of a concrete floor (*photos of construction on website*). The WWTP is meeting all permit limits and we will be draining the lagoons as quickly as possible while weather permits. I will be providing an IDEM update letter addressing this process within the next few weeks.
- **Collection System Evaluation and Repair Plan (CSERP)**
 - 2008 Repair Project No.2; this project is being pushed back due to multiple emergency repair projects including water leaks and major vacuum system leaks.
- **IDEM Agreed Order; WWTP / CSERP**
 - Pending funding to complete projects.
- **Jeanette Allen; 2490 W. Cty Rd 300 N.**
 - Mrs. Allen is concerned about her culvert pipe having sinkholes at the joints near her driveway; Reynolds Construction, Inc. removed and replaced her culverts and drainage pipe during the Phase I sewer expansion project in 2000. The Jennings County highway department originally installed drainage pipe (+/- 200 feet) across Mrs. Allen's property at her request and expense. Mrs. Allen was originally trying to eliminate a surface discharge of sewage into her ditch from her neighbor's home to the west.
 - HISTORY; JNRU has dug up and sealed several joints in the drainage pipe over the years and most recently in 2004, coordinated the replacement of the drainage pipe by the County Highway Department to their specifications.
 - JNRU *provided* enough 16-inch PVC sewer pipe w/ gasket joints to replace the entire drainage pipe across Mrs. Allen's yard and lawn restoration work after the installation. Thus, larger pipe will carry more water and gasket joints will prevent leaking joints.
 - Mrs. Allen was happy with the solution.
 - County Highway staff installed the pipe to County specifications and repaired her driveways, but they did not replace Mrs. Allen's entire drainage pipe, feeling that it



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was in good condition and would be adequate. However, they did extend the drainage pipe further west to tap the neighbors sewer pipe into the new drainage pipe so that it was no longer exposed.





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➤ **DOCUMENTS TO REMEMBER (Signed)**

- Board Meeting Minutes approval
 - **May 29, 2008:** (Monthly Meeting)
- Claim Dockets
 - **May 2008**
 - **June 2008**
 - **July 2008**
 - **August 2008**
- DMR/MRO signatures
 - **August 2008 Reports**