

Thirty Nine North Conservancy District
Board Minutes
August 1, 2021

Board Present	Staff Present	Public Present
In Person		
Mark Childress	Jeffrey Haw	Kenneth Ucho
John Knoll	Gary Radtke	
Cheryl Reinhart	Shaw Friedman	
Zoom attendance		
-----	Randy Strasser	Nancy Taylor
	Tim Werner	John English
	Karl Cender	Maggie Sparts (Ipad 4)

President Mark Childers called the meeting to order at 8:03.

President Childers interrupted the agenda to allow Water Superintendent to take the first discussion of the meeting. Mr. Werner related that the existing chlorinating pump is no longer functioning correctly. Our chlorination levels have not been consistent or correct even when the meter is set at the highest level. The correct parts have been used to repair this unit, but it is not able to be refurbished again. This is a required IDEM matter – to properly chlorinate the water - so we need to invest in a new unit at an expected cost of \$1800 to \$2,000.00 and the associated technical set up by the regular rep who does the work for us at a cost of about \$800.00. Because it is a required Mr. Werner has the product on order and expects it to be available within the week.

Return to regular agenda:

The minutes of the July 2021 meeting were reviewed. Cheryl Reinhart moved to accept as written, Ed Arnold seconded and all voted in favor.

The Financial report was reviewed. Cheryl Reinhard moved to accept, Ed Arnold seconded and all voted in favor.

Bills for payment were presented. Cheryl Reinhart asked questions about several bills, which were answered by Clerk Knoll, Most questions were why the two months shown on the payment list were not similar: July to August. Example of bills for VS Engineering; one month was mostly general meeting and simple engineering tasks while the other month was the month when preparation of the Bid forms for the Odor Control project was a greater length of time expended and billed. When the questions were answered, Ed Arnold moved to approve paying the bills as written and as received last if in normal ranges. Cheryl Reinhart seconded and all voted in favor.

Old Business:

Gary Radtke Shady Grove Project: Because the first low bidder for the project ultimately could not start the work until fall, the owner elected to rebid the project. The final approval of the bid has not happened yet, but is expected within days. The Dollar General building is ordered and is to come in In September. They hope to start construction and be in the building in Nov./Dec. or 2021. Pajay, Inc. is the apparent low bidder. (Pajay did the Walsh/Kelly Construction for the District.)

Discussion on the generator option: Mr. Radtke; we don't really need the generator until November. President Childress discussed that he has looked into other options than the current brands of generators (CAT) and finds that several other reputable companies have options that he is looking into: Generac and Cummins and Kohler being three. Will have more next month with data.

Natural Gas and Transformer changes can also be acquired on the October/November time frame.

Jeffrey Haw asked Mr. Radtke (Engineer for the Shady Grove owners) about the required service drive. He contends that the drive is on the IDEM approved plan and should be they responsibility of the original bidder. (This is to be a gravel drive in the right of way behind the existing guard rail, so that access is present for repair, maintenance and monitoring.)

Discussion continued regarding the metering of the sewage discharge from the Dollar General, and going forward, the other out lots, using a Mag meter. (Since we are not providing the water source for the service it is a new situation for the District to deal with. The meter suggested is for low flow, or intermittent actual flow, which describes the situation. But the cost of that meter is about \$ and that would not include hooking up to the city for reading. Mr. Radtke suggested that mag. Meters are not efficient and have a problem with refuse hanging up or sticking. He asked for another month to research another option for the client. He will have info next month.

Jeffrey Haw -- Odor Control project Mr. Haw presented a bid packet to the Board, showing how the bidding went. We ended with only on e bidder. The Submitted bid from Woodruff and Sons was \$79000.00. In talking just a bit with the Woodruff representative, it appears that current higher supply costs and delivery costs are the reason the bid was above the expected price. (Mr. Haw related that the water tower costs are proving to be about the same percentage amount higher than our earlier cost estimates.)

The bid complied with all of the mandates that were put forward for the Bid. Therefore we have the following choices:

Accept the bid and move forward

Not pursue the project at this time

Rebid the project. Marcella Kunstedt has offered to help get the bid request out if we choose doing the rebid. (Involved with responsible bidding and has access to many contractors. We could use her list)

The time line for completion was to be for December of 2021. Cheryl Reinhart asked if we would be incurring the same bid costs if we re-bid the project. Mr. Haw replied that yes, he would have to do all the same steps with the advertising and paper preparation for those who would do a re-bid. The basic engineering is finished, but not the formal bid process paperwork.

Cheryl Reinhart made a motion to accept the bid as received, dependent on getting the easement which is not finalized yet. Ed Arnold seconded and all voted in favor.

Jeffrey Haw and Ed Arnold will make an appointment to do the easement with the property owner per the agreed upon written document. Motion by Cheryl Reinhart, second by Ed Arnold, all voting yes.

New Business: Karl Cender on Budget process which is needing to be finalized. After relating that in 20220 we selected a budget of \$100,000.00 with a levy for \$40,000.00. This incurred an \$0.11 rate for taxation. Since we find ourselves in the position of needing to plan ahead, he considered that we might want to change our budget or levy. After some discussion, Ed Arnold made a motion to increase our levy amount to \$100,000.00. Second by Cheryl Reinhart all voting in favor. Ed Arnold then made a motion to raise our budget amount to \$150,000.00; Cheryl Reinhart seconded and all voted in favor. Karl Cender reminded that we do not have to spend the whole budget amount and can carry over. Raising the budget allows us not to have to request extra appropriations until after the larger budget number.

Continuing, President Childress discussed that we are still waiting for any help from the three grants we have been working on. He is concerned that we need to consider other alternatives. "If we do not qualify for any of the grants, what would it take to Bond to do the water tower project?" is the question that he wants to pose to Financial Adviser Cender.

Mr. Cender related the he did submit the State Grant and it was for the sum of \$1,967,000.00 based on their calculations. Attorney Friedman also suggested that we might qualify for some of the County SRF money.

Mr. Cender continued that we would need a Bond ordinance to proceed.

We Would need to see if we need a Bond anticipation Note for up front money.

Mr. Cender will figure a Conservancy Tax over 20 years repayment scenario to suggest the Annual impact on the landowners. He will do a Revenue Bond also. We do not need any Underwriters or Bond Counsel yet but he can begin the process.

President Childress asked if we could find projected cost of not having the water tower and being in the City with their tax and cost schedules.

President Childress addressed the Board with a hand out of items from the pages of the current website. In the handout, there were items regarding economic development and some of the previously acceptable benefits of the District. He requested that the Board allow that all economic information be removed from the website because it has apparently become a

sticking point with the City and the City Economic Development Department. This was apparent at the meeting of the La Porte City Counsel which had happened on Monday the 2nd of August.

While there was a notice in the local paper announcing the meeting changing locations and that the 39N CD Water Supply Contract being non-renewed as an agenda item the District was not informed otherwise of the meeting. At the meeting, during the public comment portion at the beginning of the meeting, President Childress spoke, ending with the thought that we were partnering with the City. Mr. Arnold spoke and reminded that growth of the two projects that are active within the District at this time has benefits for the City as well as the District.

Then the City Council started their meeting in earnest. During their discussion, the Mayor, Mr. Dermody, Water Superintendent Werner, The City Fire Chief, City Economic Development Head, Burt and Randy Novak of the County Council all spoke on varying items of defect of the District. They feel that we are competing with the City for Industrial Companies looking for property by our website, They hit very hard on the fact that we can not give enough water to fight two concurrent fires because of the lack of pressure our system affords. We have plenty of water available, but can not push it out without disrupting our service and quickly affecting the City's pressure, they feel we have a lot of money and do nothing for it...?.... they do not know why they are doing all our o/m.....

Final discussion for the moment include Attorney Friedman's suggestion that we need to revamp website to remove all items that discuss economic development and comparisons to the City.

President Childress suggests that we schedule a meeting with the City on a private basis to try to resolve some of the situations. Attorney Friedman agreed that would be a good faith attempt to let them know we are willing and currently working on issues.

Ed Arnold made a motion to try to begin negotiations on the water contract. The motion was withdrawn for lack of second.

Discussion was held on the status of the 39N Condo Project that Mr. Fadorchak is proposing. Jeffrey Haw has made a statement to that group that we are able to provide the flow that the project would require, but the Fire Chief says that we are well over the limit of safety if we would try to service the situation. He says that opening one hydrant for 1 fire we are okay but we can not fight concurrent fires as it stands.

President Childress said we need to be proactive at this time, and not allow any tap-ins. The Mayor is calling on all to be responsible after the sad lesson that was to be learned in the Florida Building disaster of last month. Cheryl Reinhart moved to have a letter written to the condo Group stating such. Second by John Knoll, All voting in favor.

In continuing the discussion, it was decided that we need to meet with the Mayor before we write a letter of explanation to the Freeholders. Ed Arnold suggested it would be easier to do if we had all emails of the District. Clerk Knoll said she will work on it.

Gary Radtke reported that he was working with the Health Department and explained about the complexity of the property on Severs Road who was sent to us about using our sewer service in their loss of their septic system. She did not know that there was annexation into the sewer district and pressure lines involved with the situation.

Ed Arnold made a motion to adjourn, Cheryl Reinhart seconded and all voted in favor.

Respectfully submitted.

SEK