

Thirty-Nine North Conservancy District
Board Meeting
September 1, 2023

Present in person:

Board	Staff	Public
Mark Childress	Shaw Friedman	John English
Ed Arnold	Karl Cender	Don Mistretta
Cheryl Reinhart	Gary Radtke	George Baley
Jim Clarida	Matt Reardon	

There were no zoom attendees today.

President Mark Childress called the meeting to order and followed by leading the attendees in the Pledge to the flag.

The minutes of the August meeting were reviewed: Cheryl Reinhart moved to accept, Ed Arnold seconded, and all voted to approve.

The financial report was reviewed. Clerk Knoll noted that the report is incomplete as the interest for the accounts has not been posted yet. Cheryl Reinhard moved to accept, Jim Clarida seconded, and all voted in favor.

The Bills for Payment were reviewed, again several regular bills have not been posted yet. Cheryl Reinhart moved to accept as presented and if in normal ranges when received. Jim Clarida seconded, and all voted in favor.

Reports:

The meeting was turned over to Attorney Shaw Friedman:

Quoted from Attorney Friedman to the meeting: Topic annexation negotiation status:

Good morning. For several months, we've heard reports that there might be an organized remonstrance, even attorneys being hired and even the potential of several of the annexation petition signers revoking their signatures.

None of that has occurred which means that the City of LaPorte still has 57% of the freeholders who have requested annexation. Essentially annexation is moving forward and so the real question becomes if the train is leaving the station what kind of benefits can be negotiated for 39 North freeholders in terms of the sale of the water and sewer assets to the City and some form of payback to freeholds who have helped pay for these assets over the past two decades.

I will tell you that the City's approach has changed from where it was some six months ago simply issuing ultimatums and demands and instead it came to the table reasonably and with a different tone so that when Mark, Karl, and I went to the table recently we were able to get important provisions into a proposed MOU that we are bringing to the Board for consideration today.

My concern has always been that any plan to reimburse freeholds with water and sewer credits be legal and enforceable and while the City was never able to get the DLGF to give us the opinion letter, we have

now agreed that we will seek a formal Opinion from either the Attorney General or a trial court in the form of a declaratory judgment.

We've also gotten agreement that rather than the district dissolving, the District Board will nominally remain intact (with funds left over after the \$500,000 is remitted to the city) to oversee the administration of the terms of the interlocal and asset purchase agreements.

The precise formula for the \$2 million in water and sewer credits – which will be in place for the benefit of current property owners and subsequent purchasers will be for a 15-20 year period. Keep in mind – whether you're a freeholder inside the area to be annexed or outside it – you are a 39N water and sewer customer and these credits will benefit you as well as you become a City of La Porte water and sewer customer.

There will be upgrades to the water system including a new water tower, a new booster station and necessary looping – all of which is key to future growth and development of the district including a planned one million square foot distribution center that you're going to hear more about from county economic development director Matt Reardon soon.

None of this takes away from the remarkable achievement of this board and your predecessors who grew this area north of LaPorte from just \$4 million AV when the district was formed 27 years ago to \$40 million now with the potential for future job creating grown going forward, Candidly, with IDEM's new requirements being more stringent than ever, managing this water system particularly for new growth and development has gotten beyond our limited bandwidth and will benefit by having the City's resources behind it.

Today's vote is to allow the Board President to sign on behalf of the Board that we have an agreement in principle and allow us to continue negotiating an interlocal agreement and an asset purchase agreement.

I will say these are not negotiations anymore between an invading or hostile entity but rather respectful and appropriate negotiations between two governing entities that want a good thing going forward. I've said for two years, we are far better off having cooperation and civility between the district and the city and I would represent that is where things stand this morning.

Mr. President – before we ask for a vote, I've asked Matt Reardon who has been a very good friend to this District and who did everything he could to try to land EDA funds to build the water tower to address the board as this agreement and the role the City will play in offering enhanced water capacity to large industrial users such as the one that is considering a million sq foot under roof for a distribution center.

End Quote.

Matt Reardon, President of the La Porte County Economic Development Corp. was introduced. He first gave the Board his congratulations on coming to agreement with the city on this important situation. The Board needed to bolster the 39 North District to make it a viable place for Economic Development and this was what was needed to activate things to go forward. Now there are several plans that can be started: on Progress Drive/ partnering with Hickman Williams and others for starts.

President Childress then asked for a motion from the Board to sign the Memorandum Of Understanding in agreement with the City. Chery Reinhard made the motion, Ed Arnold seconded, and all voted in favor. This allows the District and The City to move forward to finalize agreement on the credits for payback to District Freeholders, and the establishment of a regulatory Board to monitor implementation of the final agreement.

Gary Radtke/Engineering Report:

Shady Grove Project: No report as John Perelli is in the hospital again.

Water station protection: Leave for future. Right now, encircle it with snow fence to indicate placement of the box for safety during mowing or snow plowing.

New Business:

President Childress opened the Public Hearing for the 2024 Budget:

Karl Cender Advisor to the District gave a description of the plan: we have proposed a \$150,000.00 budget for 2024 with the necessary funding being only \$100,000.00 (rate to be supporting a \$100,000.00 tax levy). The Public was invited to speak, but no one came forward to do so.

Mr. Cender then gave the information that the vote is scheduled for the October 6, 2023, meeting. At that time, we can vote as proposed, reduce the rate, delay the vote to another scheduled date before October 31, 2023, or cut the budget.

With no Public to speak, President Childress closed the Public Hearing.

President Childress asked for information about IDEM requests for a Resolution for Cross Connection Requirements. Clerk Knoll and Advisor Cender presented the resolution which was adapted for our District. It requires Commercial and Industrial entities to procure and install appropriate back-flow devices in their water systems as needed to keep all cross contamination from occurring; and to have such tested for continued operation yearly at their own expense. Mr. Cender recommended Resolution 2023-3 as presented should be approved by the Board. Ed Arnold moved to approve the Resolution 2023-3, Cheryl Reinhart seconded, and all voted in favor.

With no other business to come before the Board it was announced that the next meeting will be October 6, 2023.

President Childress asked for Public Comment: None was given.

Motion to adjourn by Cheryl Reinhart, Second by Ed Arnold, All voting in favor,

Respectfully submitted,

Susan E. Knoll, Financial Clerk

