

Thirty Nine North Conservancy District

Special Board Meeting

August 14, 2019

Members Present	Staff Present	Public Present
John Knoll, President	Jeffrey Haw, Radtke Eng.	
Mark Childress, Board Member	Shaw Friedman, Attorney	
Ed Arnold, Secretary	Keith Beall, Attorney by speaker phone, Beall & Beall	
Jim Laughlin, Vice President	Tyler Starkey, Attorney by speaker phone, 1816, Inc.	

The special meeting of the Board was called to order by President Knoll and turned over to Attorney Friedman.

Attorney Friedman noted that the purpose of the meeting was to have discussion for the Board to investigate avenues for the Board to go after money for the planning, engineering and ultimately the funding of the necessary water tower project for the District, in order to move forward with Economic Development in the District.

With Mr. Starkey and Mr. Beall, The idea of legislative options discussed. The next budget won't be until 2021 - a year from January- so we can't go after specially appropriated money.

Moving to other options, Programs like the State Revolving Funds for Water were mentioned. These might have a fixed rate with a 20 – 30 year term on a loan, but many require that those receiving the funds be under IURC Regulation. Since we are not IURC regulated, we might need the City's assistance to get help by using their IURC rating that goes with this kind of application. WE do have a good relationship with the interim Mayor, who will leave in January, and expect to continue a good relationship with future Mayors.

Mr. Beall: we Intervened in the last I & M Rate case. And though we did end up with minor grants for the initial Engineering towards the water tower, we need fees for further engineering and for assistance from our financial Advisor and the Consulting firm 1816, Inc. who is working to find available funding, as well as the cost of the water tower suggested at about 2.5 Million dollars. I & M has another rate structure hike in front of the public, not even two years from the last which was monitored and reduced through the Rate Case procedure. Much of the Grant money which was set aside in the first Rate Case was not allotted to anyone, but has been lumped back in to this new Structuring, without following through with their pledge of Economic Development being an important step to better relations with their customers. With that as a background, Attorneys Beall and Friedman wish to discuss with the Board the possibility of moving in to intervene in this case under the premise that they did not follow through with the first promises and their customer satisfaction and return on Equity have not be positively addressed, as they try again to increase pricing without attending to the Development of the areas or attention to customers.

Attorneys Beall and Friedman say we need to "trust but verify" as they have not followed to an outcome, what they promised during the first Rate Case. I & M are the ones who raised the

issue of Economic Development, and water service goes hand in hand with electric service needing to be upgraded in this area ripe for development. There is no guarantee, but I & M is usually eager to not go to full trial for a positive outcome in such a Rate Case.

At this time, we are behind in joining the Rate Case. Mr. Beall and Mr. Friedman represented another client previously in this case but that client has dismissed their intervention so they are now able to represent 39N if we would so desire to try to revisit having economic development incentive as a reward from the current Rate Case. There is an August 20, 2019 deadline for doing the pre-filing. At this time, we are still looking at about \$20,000.00 to 25,000.00 for the Pre-engineering report that will be needed, (While Radtke Engineering has drawn up the current plan, a more concise document will be needed, and Jeffrey Haw of Radtke Engineering offered that another firm could do this format), we also will need a detailed Financial document if and when we submit for funding of the water tower, to be done by our Financial Advisor, Cender and Company.

Both Attorneys added that they will stay at their previous hourly rate in doing the Rate Case work, if it is agreed on by the Board.

Ed Arnold, Secretary of the Board asked that we also go to NIPSCO as we seek funding. While the large portion of the developable District area which is available is in the I & M electric service area, the gas supply comes from NIPSCO (and some of the District is NIPSCO electric service). Don Babcock is the Michigan City Economic Development head, and a NIPSCO employee; he could also be contacted.

We need a motion to proceed, which would be for the District to Reimburse the Attorneys and Counsel fees on the work for assistance on the funding of the planning and funding of the water tower.

Some of the loans like the revolving fund loans are often more like a grant. There needs to be an investment to get a return, but we have to go to the table to be talked to after a decision is given.

Jim Laughlin: It sounds like we are still looking at a cost.

Ed Arnold, Secretary, made a motion: The District has already secured a site, the pre engineering is done, we can probably do a cash contribution from our maintenance fund, there might be some TIF money, we can see if the City can contribute, but all in all, he moved to appropriate "\$25,000.00 to fund the Attorneys Beall and Friedman to join the Current Rate Case at their previous hourly rates. Second by Jim Laughlin. Each of the Board Members present answered aye in agreement to the motion. (Beall & Beall hourly at \$225.00, Friedman hourly at \$150.00)

Attorney Friedman asked Jeffrey Haw, Radtke Engineering about the existing water tower packet being finalized so that any one can use it. Ed asked Jim Laughlin to take a package to Mr. Babcock to ask NIPSCO for assistance through any of their funding.

Attorney Friedman mention the importance of having local people appointed to State Committee Boards so that our area gets representation. We are currently lacking in that area.

Motion to adjourn by Ed, second by Jim all voting in favor.

Respectfully submitted,

Susan E. Knoll, Financial Clerk