

SOUTHWEST LICKING COMMUNITY WATER & SEWER DISTRICT
P.O. BOX 215, ETNA, OH 43018
(740) 927-0410

BOARD MEETING MINUTES
June 9, 2015

1. OPENING

The June 9, 2015 meeting of the Board of Trustees of the Southwest Licking Community Water and Sewer District was called to order by Mr. Kretzmann at 1:00 pm. Mr. Kretzmann, Mr. Meade and Mr. Carlisle were present at roll call. Mr. Kretzmann led the Pledge of Allegiance. Also present were Mr. Don Rector, Ms. Kathy Killen and Ms. Bobbie O'Keefe.

2. ADOPTION OF AGENDA

Mr. Carlisle made a Motion to adopt the Agenda. Mr. Kretzmann seconded. Vote, all aye. The Agenda was adopted.

3. APPROVAL OF MINUTES

Mr. Carlisle moved to approve the minutes of the May 26, 2015 meeting. Mr. Kretzmann seconded. Vote, all aye. The minutes were approved.

4. PAYMENT OF BILLS

Mr. Carlisle made a Motion, which was seconded by Mr. Kretzmann, to pay the bills as presented. Vote, all aye. The Motion to pay the bills was approved.

5. COMMUNICATIONS/WRITTEN PUBLIC COMMENTS

Mr. Rector showed board members a card from Hayes Law Offices inviting the district board and staff to the firm's anniversary open house on June 25, 2015 from 5-7 pm.

6. PUBLIC COMMENTS

None.

7. GENERAL MANAGER'S REPORT

a. Proposed 2016 Budget: Mr. Rector discussed the district proposed budget for 2016. He pointed out some of the significant changes. The budget for salaries has increased by 2 percent, primarily due to the need in 2016 to hire two full-time employees in the construction department. One of these positions will replace a long time employee who intends to retire. Mr. Rector also stated that the district anticipates the cost of chemicals to increase. Health insurance

is likely to cost substantially more next year, and the district's insurance agent indicated a 20 percent increase is possible. The exact amount will not be known until the end of the year, as the impact of the Affordable Care Act has not yet been determined. Ms. Killen stated that the district shops health insurance costs and plans through the Ohio Public Entities Pool. Mr. Rector further explained that there was no water and sewer rate increase anticipated at this time for 2016. He has included \$100,000 in the Miscellaneous Capital Improvements Budget. Ms. Killen stated that the budget must be adopted by June 30, but it can be amended at a later date if necessary. Mr. Kretzmann made a Motion, which was seconded by Mr. Meade, to approve Resolution No. 2015-031 and to adopt the 2016 proposed budget as presented. Upon roll call vote, all voted aye. Resolution No. 2015-031 was approved.

b. Prologis Tank: Mr. Rector reported that the EPA permits were approved and the project will move forward very soon.

c. Ellington, Sec. 3-1 and 3-2: Mr. Rector informed the board that he will do the final walk-through of the water and sewer facilities this week and anticipates no problem. He added that he would expect a resolution to approve the facilities for use and hook-up would be submitted to the board very soon. He also stated that Sec. 3-2 is currently in the design stage, and he will be reviewing plans when they are available.

d. Replacement of High Flow Meters: Mr. Rector advised the board that the district's program of replacing high flow meters over time is working extremely well. He indicated that the new meters are providing more accurate readings. He stated that he appreciates the district field staff's efforts to locate meters that need to be replaced. Mr. Carlisle asked about the meter at Southwest Licking School, and Mr. Rector indicated the meter had recently been replaced and the new readings will be reflected on the next report.

e. OWEA Conference: Mr. Rector reported to the board that Josh Holton has been named Operator of the Year by the OWEA. He stated that this is the fourth district employee to receive this award in the last ten years. He told the board that Mr. Holton was proactive in developing spreadsheets and protocols for the land application of bio-solids, and that other facilities are using the systems he developed. The award will be presented at the upcoming annual meeting to be held at the Kalahari Convention Center.

f. Taylor Road Project: Mr. Rector stated that he is almost finished with the preparation of estimated assessments for the Taylor Road Project. There are two properties in the project area which have annexed to Reynoldsburg. Ms. O'Keefe discussed legal issues relative to annexation and assessments. She stated that the properties being assessed have to receive a benefit (such as an increase in property value) and that if a property is already being served with water or sewer, it might be difficult to establish the benefit or increase in value. Mr. Rector anticipates that he will present the Resolution of Necessity with the estimated assessments to the board very soon.

g. Ten Year CIP and Ten Year Financial Projections: Mr. Rector discussed the Ten Year Capital Improvements Project Report and the Ten Year Financial Projections that were included in the board's packet. Mr. Kretzmann asked if there were any changes in federal or state regulations that would require capital improvements. Mr. Rector stated that the EPA is currently considering new nutrient regulations, which may create additional requirements that would impact the CIP. He also stated that usually those requirements can be negotiated with the EPA so that any capital improvements can be implemented over a period of time. He also discussed the Ten Year Financial Forecast, which includes the numbers included in the CIP. He pointed out to the board that in 2017 the district's cash flow begins to dip, largely because of the debt repayment on the water plan that will start in 2017. He further stated that the district should never be in a position where its cash flow dips below the amount of funds required to make one complete biannual loan payment to its funding authorities. Although he did not include a rate increase in the projections, he anticipates that the district's rates and rate structure will need to be frequently evaluated.

h. Tap Fee Report: Mr. Carlisle asked Mr. Rector if the permits purchased in May were all in Cumberland Crossing. Mr. Rector replied that most of the permits were from Cumberland Crossing, and that one permit was issued to a property on Carryback in Beechwood Trails.

8. OFFICE MANAGER'S REPORT

Ms. Loomis was not present for the meeting, but the Office Report was circulated in the board's packet.

9. ATTORNEY'S REPORT

None.

10. EXECUTIVE SESSION

Mr. Kretzmann made a Motion to go into Executive Session to discuss pending litigation. Mr. Meade seconded the Motion. Upon roll call vote, all voted aye. The board went into Executive Session at 1:50 pm.

Mr. Meade made a Motion to come out of Executive Session. Mr. Kretzmann seconded the Motion. Upon roll call vote, all voted aye. The board came out of Executive Session at 2:12 pm.

11. ADDITIONAL PUBLIC COMMENTS

None.

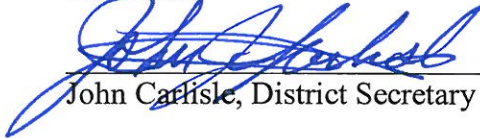
12. TRUSTEE COMMENTS

a. Mr. Meade: Mr. Meade stated that Pataskala obtained salt bids through the Ohio purchasing cooperative, and he asked whether the district had done this. Mr. Rector answered that he has looked into it, but that the sellers who bid through this program deliver the salt in such a way that the district would need a large conveyor to deposit the salt in the water tanks. The process for delivering salt for roads is different than salt used for drinking water. In addition, the new water plant will not require salt; therefore, purchasing the equipment necessary to take deliveries from those salt suppliers would not be economical. Mr. Rector reported that the salt shortage is no longer an issue since production at the mines has been increasing. He anticipates that the salt prices will begin to lower.

13. ADJOURNMENT

Mr. Carlisle made a Motion to adjourn. Mr. Kretzmann seconded. Upon roll call vote, all voted aye. The meeting adjourned at 2:15 pm.

ATTEST:



John Carlisle, District Secretary