

**EAST SHORE CONSERVANCY DISTRICT
REGULAR MEETING MINUTES 10.10.2020**

Call to Order: The regular meeting of the ESCD was called to order by Chairman Steck at 11:10 p.m. He recognized the posting of the Agenda in accordance with the Indiana Open Door Law and that there was a quorum present.

Members in Attendance: Steck, Bremner, Welch, Cleveland, and Johnson were present. Hux, Krohn and Clark were also in attendance.

Approval of Minutes: Bremner asked for discussion of the inclusion of public comments in the minutes of 9/25/2020 that were submitted by audience members. Welch, as Board Secretary, noted that some believe that minutes should be a recitation of everything that everyone said, others believe they should be just a brief summary, still others are in the middle. He feels the minutes that have been submitted and approved have significant detail beyond what he is used to. There is no effort on his part to include everything so sometimes a person may say something that won't be in the minutes.

A motion was made by Welch to approve the minutes as written and this motion was seconded by Bremner. The motion passed unanimously.

Old Business: Rate Resolution - Steck requested that Buzz Krohn speak to the proposed rate resolution and other financial matters before the Board.

Bremner suggested that the original ESC system that was already in the ground, along with the entire parcel of land that the lift station and pumps are located on, has been discussed by various ESCD Board members and should be transferred by ESC at zero value to the District. The funds borrowed by ESC, both for the new project, plus the line-of-credit ESC extended to the ESCD, will probably both need to be discussed by the ESC Board at their next meeting, if the Option to Purchase agreement is approved today by ESCD Board.

Krohn stated that the special benefit assessment being set for 2021 shouldn't need as much coverage because the Indiana Finance Authority has tentatively agreed to push back the closing for three or four months while the sale is being worked through between both parties. It has always been the intent of the ESCD Board to keep the user fees, based on bathrooms, as low as possible while still covering most if not all of the operations costs along with any possible maintenance costs.

Bremner thinks that several of the freeholders may opt to pay their individual share of any exceptional benefit assessment upfront, to avoid any finance charges, this would lessen the amount required for the bond. Krohn agrees that if this can be done prior to bond closing, it may lower the bond amount. Bremner noted that dividing the \$1,875,000 by 130 freeholders would equal \$14,500 per freeholder.

Discussion was held among Cleveland, Welch, Krohn and Bremner on various points of financing options, replacement reserves, debt service reserve, etc.

Bremner moved for approval of the Rate Resolution as amended earlier during the public hearing. Welch seconds the motion. Motion was unanimously approved.

Option to Purchase: Bremner requests that the Option to Purchase be moved up on the agenda so it can be dealt with while the discussion is circling that issue. Steck agreed.

Welch began by stating that this is the third time the Option Agreement has been before the Board. Changes have occurred, the last being the price on page four to reflect a price of \$1,875,000 discussed earlier in this meeting. Hux agreed with the summary. Welch explained that the concept is that if this gets approved today, it would be taken to the ESC Board, and if approved by that Board, then to the ESC members, for member approval to sell the assets for this amount. The assets, other than the new line to the Town, are valued at zero value at this price. The land has been remediated and we have the State/County certificate verifying that. Welch moves to approve the Option to Purchase.

Cleveland explained to the people who are not hooked up in the audience that if they have a functioning septic system, it could be considered a public taking in his view. But, he continues, for those who have already hooked on, they aren't getting anything for that original system. He feels these two things allow for some balance within this transaction.

Welch again made the motion to approve the Option to Purchase. The motion was seconded by Bremner. Motion passed unanimously.

Welch then made a statement to the room. He noted that some discussion has occurred questioning if ESC is actually able to convey its assets. His view is that ESC, as an entity, can convey its assets to the District. He advised that through oversight, the entity was administratively dissolved 15 years ago in 2004, and no one seemed to know that until recently. The reason it was dissolved was due to its failure to pay its annual fee to the Secretary of State. The Indiana Secretary of State said that it couldn't be reinstated after that long. However, due to Covid-19, dissolved entities are able to seek reinstatement. That was done a couple of weeks ago. The reinstatement is retroactive to the date of dissolution.

District Plan: Welch stated that the plan was posted to the website a couple days ago and is ready for discussion today. He asked Hux to read the corrections made to the plan as suggested in the last meeting. Cleveland stated the not-to-exceed number of \$2,612,000 should be changed. Bremner stated that was agreed to at the last meeting. Cleveland wanted it lowered and Bremner felt there would need to be some room in case the ESC didn't agree to accept that specific \$1,875,000 number. After some discussion it was agreed to change the amount on page 13, item 6.10, to \$2,100,000. In Exhibit 7, the buildup of the number on page 13 would also be changed to match. More discussion ensued including the subjects of flat rate versus assessed values and the Board agreed this issue, and others, are open for consideration in the future. **Welch moved to adopt the plan as presented subject to the modifications discussed. Bremner seconds his motion. The motion passed unanimously.**

New Business: Clark introduced the Claims Register and explained the Department of Local Government Finance approved process for paying claims. The amount of the first CR was \$30,503.63. **Johnson made the motion to approve. The motion was seconded by Cleveland. Motion passed unanimously.**

Board Issues Not on the Agenda:

Cleveland wants further discussion on holding Zoom meetings in the future. Hux is concerned that someone could claim that they weren't notified and therefore violated the open-door law. He stated that it is up to the Board to decide even though he recommends against it.

Public Comments:

Baxter, J. – Asks if ECS has \$408,000 left can members get it back? She was reminded that that is ESC business and not for discussion at this meeting. She then asked about a buildable lot decision the Board made last time. Bremner reassured her that no decision has been made. Baxter then asks that a timeline be sent out or posted on when things may happen. Bremner responded that three major decisions were made here today. The loan from IFA has a deadline of March 31st if the ESCD intends to obtain a loan from the State Revolving Fund.

Peacock, S. – Asks if the bond coverage required is part of the user fee. The response was no, but that it is part of the SBA. She then asks what the definition is of a residential property and the definition of a buildable lot are. She thinks it is fair to do it based on assessment value. She notes that a large home on a septic system can stand alone but a small lot needs a sewer system because they don't have as large a lot.

Warren, G. – He states that he understands basing the user fees on the number of bathrooms but he thinks the value of the hookup should not be influenced by the size of the home or its value. He believes that everyone benefits equally from that hookup.

Bremner made a motion to adjourn at 2:41 p.m. Cleveland seconded that motion. Motion passed with all ayes.

Respectfully submitted,

Brian Welch, Board Secretary 10.30.2020

District Members Signed In: Gary Warren, Dave Steinhilber, Sally Peacock, Linda Hippenhammer, Julia Baxter, Rick Baxter, Mike Deery, Julie Hollowell, Alex Rogers, Steve Wagner, Mike Elwood, Debbie Crabtree, Marjorie Murphy, Judy Becker, Dick Swennumson, Mary Anna Swennumson, Emily Sturman, Jim Sturman, Peter Lacy, Ginna Bremner.

Jamie Fleury was attending representing the Pilot and the Culver Citizen newspapers.