

Board Minutes for the Board of Sanitary Commissioners Meeting of February 5, 2025

THE BOARD OF SANITARY COMMISSIONERS conducted a regularly scheduled meeting.

Board members present; Adam Leach, President; Tim Overton, Vice President; David Smith, Secretary; Aaron Clark, Board Member; and Steve Selvey, Board Member (remote).

Department managers and staff present; Rick Conrad, District Administrator; Joe Rhetts, Legal Counsel; Chuck Jones, Director of BWQ; Deana Cox, Financial Manager; Tim Stover, IT Administrator; Jason Ingram, WPCF Superintendent; Melanie Lanich, Insurance Administrator; Richard Ivy, HR Director; and Maggie Bales, Executive Office Manager.

Public present: Mark Abrell; Alan Kornblau; and Robert Harmon.

Public Comments:

1. Mark Abrell the attorney for the Liberty Regional Waste District in the Selma area. He stated that Liberty Regional Waste District has between 1,600 and 1,700 customers with a treatment contract with Muncie Sanitary District to treat all of our affluent that comes in. Mr. Abrell stated that there have been a couple of issues. He stated the first thing is apologize to this board as none of the members were on board when this contract went into effect. Mr. Abrell recognized that the board would not be personally familiar with this one way or the other, but the way that our contract is set up, it requires that if you guys are going to raise our rates, well, first of all, it does not require a cost-of service study, which is what the board had to have done. He stated that all it really requires is to take year - end numbers, the spreadsheet that Baker Tilly originally prepared, and Liberty Regional Waste District then contributed to it. Mr. Abrell stated that Dean Rogers at Baker Tilly was the one who was working on it at that point in time. He stated that the board would take year -end numbers and plug it into this spreadsheet, and it comes up, it spits out a number. Mr. Abrell stated that whatever the number is, if it is less than 20%, then the board would have to give 60 days' notice for when it is going to kick in. He stated that the board would send a letter and does not have to go through any rate. He stated that the board would send a letter saying, effective this date, this is the new rate and provide us with the spreadsheet. Mr. Abrell stated that the information would be provided, and Liberty Regional Waste District would have the right then to check it out. He stated that the reason for that notice is because Liberty Regional Waste District would have to raise the rates on customers and has to go through the same process. Mr. Abrell stated that it has to be advertised, hold a public hearing before adopting any of the rates. He stated that for anything under 20%, it is just a 60 -day notice. Mr. Abrell stated that anything over 20% is a 120-day notice. He stated that at that point, the board would provide us with the information. Mr. Abrell stated that if it is over 20%, then generally what we would have rate consultants, check out those numbers, make sure that there is not anything different. He explained that this is as a result of an eight -year dispute that started in 2012 and turned into litigation in 2014 and then ultimately resulted in this contract in 2020. Mr. Abrell stated that part of what the essence of what this contract is because it uses actual numbers. He stated that a higher rate was negotiated what Liberty Regional would pay for the treatment plant expense. Mr. Abrell stated that Liberty Regional did not want any of the potential problems associated with discretionary things. He asked why that is. Mr. Leach apologized for interrupting Mr. Abrell, that the three minutes are up. He recommended that Mr. Abrell speak with our general counsel, Mr. Rhetts. Mr. Abrell stated that he has but has one request from the board. He requested that you delay implementation of that new bill for 120 days, because the information was just delivered in the last few days of January.

2. Alan Kornblau, the Muncie Public Library Director, appreciated the opportunity to speak. He stated that the bill was more than tripled the previous month. Mr. Kornblau stated there was an extra amount over \$900 that we had to pay for wastewater costs. He stated that it will come to about \$11,000 a year in

extra costs that was not budgeted for. Mr. Kornblau stated that any consideration regarding our wastewater bill would be appreciated. He thanked the board.

3. Robert Harmon stated he owns a business downtown and has had it for 17 years. He stated that he was sideswiped by this thing. Mr. Harmon stated that he did not pay enough attention to the raising rates. He stated that he gets the water bill, and the sewage bill. Mr. Harmon stated that he always goes back to make sure they are matching up. He stated that he got the new one and it is \$63. Mr. Harmon stated the present reading fifty-five, total consumption nothing, it says there is nothing on here. He stated that he knows water is used because I have been open this whole entire time. Mr. Harmon stated that he called and was told that it was at zero consumption. He stated that he tried to look at the video to see these rates rising over the different years. He asked why it was raised so much. Mr. Harmon explained he was only paying \$23. He stated that he pays attention to how much water is used, how much trash is used. Mr. Harmon explained he has had hectic deals with the trash around downtown. He stated that when it is raised, he knows water is used, but there is nothing on there. Mr. Harmon asked if I was raised to \$62 or \$61. He stated that there is a flat fee now that is charged instead of actually charging for water consumption. Mr. Harmon stated that his bill should reflect that, it always has, and now it does not. He stated that it went up to \$63. Mr. Harmon thought maybe there was a leak. He stated that at one time fiber optics come through, went through the sidewalk there, and clipped the water line in the sidewalks. He stated that he did not know until the water bill and the sewage bill came in. Mr. Harmon stated that on this one, there is nothing on this bill at all. He stated that he had to come to find out this meeting was going on and every rate has been raised. Mr. Harmon stated his bill was raised by 75%, the bill tripled. He stated that it seems really incredible for the amount of trash that he does not use, the amount of water that he does not use. He stated that there is no resolve in that. Mr. Harmon stated that even as a business, it is not \$11,000, but it is a \$480 increase. He stated that he sees a new building and mismanagement, and, like, a happy day fund is being saved for whatever you decide to spend the money on. Mr. Harmon stated that he thinks it should be direct, his bill should directly be influenced by how much water he wastes or how much trash he puts out. He stated that it should not be just across the board. Mr. Harmon stated that there are Airbnb's all over the city and are in residential. He stated that if a business can get labeled as a residential, a business that is using more water than he is as a business. Mr. Harmon stated that he is going to be charged because of that water usage. He stated that you cannot just charge one group of people, and not the other. Mr. Harmon stated that he would like his bills to reflect the wastewater if it is wastewater treatment, or trash. He stated he would like it to be reflected in a bill that he receives. Mr. Harmon stated that instead of just a blank bill he has to call and figure out what is going on. He stated that he liked it when he could come to this building and pay his bill and talk to the people here and they could answer my questions. Mr. Harmon stated that now he has no idea where to go and he cannot just come to pay my bill. He stated he used to pay it out front, it would always be late, and he would get a late fee. Mr. Harmon stated if he mailed it to Fort Wayne, it would always be late, no matter what, my private check. He stated that he started paying online and there is a \$2 service fee. He asked where he could go just to pay his bill in person with cash. Mr. Harmon stated that when there is a new building, he thinks he should be able to go out to that building and pay for it in cash. He stated that now you cannot do that, and it has been made hard for somebody to pay the bill. Mr. Harmon stated that the rates have increased, and it does not reflect the bill. Mr. Leach recommended he speak to Ms. Cox, the finance manager. He stated you can still pay your bill in that corner.

Consideration of Minutes: Mr. Leach entertained a motion to approve the minutes as presented. Mr. Clark moved to approve the Board Meeting Minutes as submitted for the meeting of January 22, 2025. Mr. Smith seconded the motion. The motion was passed (5-0).

Consideration of Claims: Mr. Leach entertained a motion to consider the register of claims totaling \$1,230,712.12. Mr. Seley moved to approve the consideration of the claims. Mr. Overton provided a second. Motion passed (5-0).

District Administrator Update – Mr. Conrad Stated that last year there was a lot of talk about the levee tieback project where MSD is trying to realign the center line of protection for the levee. He stated that MSD has been working with the Corps to make sure all of the legally required procedures are followed through them to make sure this goes as smoothly as possible. Mr. Conrad stated that there have been quite a few different obstacles added to this in the past and is still awaiting the approval. He stated recently there was some good momentum here, and he is still cautiously optimistic that the project will be finished on time, which will help the Kitzelman folks who are working on another project in the same area. Mr. Conrad stated that for anyone who was listening to last year, the update is that we are still moving, still trying to meet all those requirements from the Army Corps. He stated an update on the long -term control plan. He stated that this is the unfunded mandate from the federal government to separate combined sewer overflows or at least mitigate them. Mr. Conrad stated that negotiations with IDEM are continuing. He stated that he thinks those are optimistic as well. Mr. Conrad stated that there is a good opportunity to reduce the total cost of that project. He stated that IDEM has been fairly reasonable with MSD, and everything is going fairly well. Mr. Conrad stated approval has not been received yet, but MSD is still looking forward to it. He hopes to receive that within the next month, and then a much better final idea of what the obligations will be to them. Mr. Conrad reminded me that the big project driving rate increases is dealing with that long -term control plan. Mr. Leach asked Mr. Conrad for the estimated cost for that long -term control plan compliance. Mr. Conrad stated that it is at \$160 million left, that is on top of the \$90 million we have already spent. He stated that is if we get approval for the project and the alternative plan as proposed. Mr. Conrad stated that if the proposed alternative plan is not approved it is well over \$300 million.

Department Head Update – Chuck Jones, Director of Bureau of Water Quality. Mr. Jones gave a recap of last year with some numbers and some highlights of each department. He stated the laboratory worked 365 days last year. Mr. Jones stated that BWQ successfully hired a full-time lab analyst and a weekend intern. He stated that they completed over 24,000 analyses. Mr. Jones stated that BWQ added total nitrogen and is ready to add oil and grease to the testing portfolio. He stated that for oil and grease, there is a shortage of hexane that is needed to be used for that test. Mr. Jones stated that once the hexane is available, BWQ will be running oil and grease in-house as well. He stated that the lab earned the IWEA Laboratory Excellence Award for 2024. Mr. Jones stated the surveillance section pulled over nine hundred river samples. He stated that they pulled approximately 1,200 analyses on the industries and observed and videoed a river otter that was confirmed and added to the DNR database. Mr. Jones stated the stormwater department has approximately fifty stormwater construction permits out and seventy-two inspection sites. He stated that BWQ responded to eight incident responses. Mr. Jones stated that those are complaints that we responded to about stormwater. He stated that the FOG program currently has over three hundred permitted and inspected food establishments. Mr. Jones stated that it is a number he did not realize there were many. He stated that the biology section had a successful internship over the summer. Mr. Jones stated the Macro Biologist, Sam Gradle, completed a six-year Delaware County West Fork White River Muscle Survey. He stated that Mr. Gradle surveyed thirty-one miles of the White River throughout the county and surveyed 53,765 mussels. Mr. Jones stated the fish crew sampled sixty sites, surveyed fifty-five species of fish, and 12,470 total fish. He stated that of those fish, 47% sampled on the White River, were considered dead, and they were considered intolerant of pollution. Mr. Jones stated that 20% were pollution tolerant. He stated the muscle propagation facility transitioned last year. Mr. Jones stated that numerous scientific experimentations of waters were completed that were used for propagation. He stated that there are currently over 1,800 mussels growing out at the facility. Mr. Jones stated that of those are two species, the

wavy rayed lamp mussel which is a state special concern species. He stated that the current mussels are approximately a year away from being added to the river, and we expect increased numbers this year. Mr. Jones stated the education facility opened in June, and since that time in June we have hosted 492 people. He stated varying from school groups, Cub scouts, Ball State, the Association of Lifelong Learners, and other groups. Mr. Jones stated that BWQ has currently successfully housed twenty-five species of native fish in the ED building. He stated that those are the same fish as June when we started. Mr. Clark thanked Mr. Jones. He stated that he had a small group of kids that went to the education center. He stated that it was a really good tour and recommended everyone to have a tour. Mr. Clark asked if BWQ monitors restaurants grease. Mr. Jones stated it is food establishments, anybody who produces food. He stated that it could be churches or schools. Mr. Jones stated that we monitor and inspect the interceptors to make sure that the sewers are not clogged up, which then leads to a backup and then leads to sewage to the river. Mr. Clark asked if this was an annual inspection. Mr. Jones stated that is correct. Mr. Overton gave appreciation to Mr. Jones' work in filling Rick's large shoes. Smith stated that BWQ does fantastic work in the lab and is proud of BWQ. He gave me congratulations on the award. Mr. Leach stated that it is just as important for the community to know that BWQ is the gut check on how good a job the water pollution control facility and storm water maintenance is being done. He stated that BWQ is the quality control of our entire process. Mr. Leach stated that it is an important role that Mr. Jones plays, and the reports and testing are mandated and required and gives us confidence in saying that it is a job well done. He thanked Mr. Jones and his staff.

Old Business: None.

New Business:

1. Professional Services Contract Renewal for John Barlow – Rick Conrad.

2. Professional Services Contract Renewal for Phil Reagan – Rick Conrad. Mr. Conrad stated that this is a renewal of a professional services contract that we had originally signed last year with Mr. Barlow, the former District Administrator. He stated that Mr. Barlow was at the plant for over 40 years and has a wealth of knowledge out there and it is becoming particularly important as we are looking for a plant contract. Mr. Conrad stated that this gives MSD the ability to call on Mr. Barlow periodically, use Mr. Barlow's expertise, pick Mr. Barlow's brain, and get some valuable information. He stated that this is an effort to make sure that we are not letting all of that walk out the door. Mr. Conrad stated that this is a continuation of what we did last year on an as needed basis. He stated that it is very minimal usage and is extremely valuable. Mr. Conrad stated he talked to Jason Ingram, our plant superintendent, where it was said that this has been extremely valuable to the plant and MSD. Mr. Leach estimated the total cost for both of them is \$1,000.00. He stated that the contracts with items 1 and 2, the rates are not onerous by any means. Mr. Conrad corrected that it was his typo, the amount was under \$5,000.00. Mr. Leach stated that it is still excellent value for 40 years of institutional knowledge. He stated the ability to call on Mr. Barlow for plant issues is well worth it. Mr. Leach entertained a motion for approval of the professional service renewal contract for Mr. John Barlow and Mr. Phil Reagan. Mr. Clark made a motion to approve the professional service contract renewal for Mr. John Barlow and Mr. Phil Reagan. Mr. Leach provided second. Motion passed (5-0)

3. Release of Retainage to Bowen Engineering - Deana Cox. Mrs. Cox stated that this is a release of retainment to Bowen Engineering for the amount of \$245,993.10. She stated that this is for the completion of the 2021 bond projects, which are for CSO 13, and the McCullough Park lift station. Mr. Leach stated that this is the final step in all the work for this particular bond project. He stated there are no other items out there currently, so this is the end camp. Mr. Leach stated that work has been completed and inspected by a third party, as well as accepted by our plant superintendent. Mr.

Leach entertained a motion to approve the release of retainage to Bowen Engineering. Mr. Smith made a motion to approve. Mr. Leach provided second. Motion passed (5-0).

4. Introduction of Resolution 2024-02 Amending and Fixing the Schedule of Sewer Rates and Charges to Add Non-Profit Billing Line – Tim Overton. Mr. Overton stated that as most of them are aware, MSD has an unfunded mandate from the EPA saying to separate sewage from the water runoff from the streets. He stated that when it rains a lot, untreated sewage ends up in the river. Mr. Overton stated the Environmental Protection Agency is mandating the separation and fixing it. He stated that the cost of this project is \$250 million to \$300 million. He stated to keep that in mind, Muncie has roughly \$600 million, that is 70,000 citizens. Mr. Overton stated that \$250 million, divided by 70,000, would mean each person in the city of Muncie is responsible for over \$3, five hundred in debt. He stated that \$300 million, divided by 70,000, is up to over \$4,000. Mr. Overton estimated \$3,000 per person, a family of four is going to be paying \$12,000 for this. He stated that the money has to be borrowed in bonds, which now there is compound interest working to increase the debt. Mr. Overton stated this is no small mandate from the federal government that MSD has no control over. He stated that MSD had to institute rate hikes. Mr. Overton stated there is a base rate because at times there will be somebody who has a rental house, but they are not renting at the moment. He stated that this means the service is not being used, but the debt still has to be paid. Mr. Overton stated that is why there is a base rate for everyone. He stated that nonprofits and charities were really struggling to adjust to the fee schedules, and there was not a place for them. Mr. Overton stated that they are not really institutional, so they were moved to commercial. He stated that they are not really commercial either. Mr. Overton stated that this resolution simply creates a nonprofit line, allowing churches and charities to have their own rate that better fits what they do in the nonprofit sector. He stated that the board is trying to be responsible and responsive to the various needs. Mr. Overton stated the library came to speak. He stated that an appeal process has been instituted. He stated that he understands that it is difficult and painful. Mr. Overton stated that the federal government is requiring the separation costing 250 to 300 million dollars. He stated that this motion simply creates a line for churches and charities, nonprofits at the rate schedule of a \$20 base fee and a \$10 user fee. Mr. Overton stated to be aware that as we make these adjustments at the end of the year, there will have to be more adjustments. He stated that this is an effort to get everybody in a proper category and a fair usage and a fair fee system so that the task from the EPA can be completed. Mr. Overton made the motion that the resolution is being introduced. Mr. Selvey provided a second. Motion passed (5-0).

Additional Board Topics:

1. Mr. Overton expressed his appreciation to the board and MSD staff as tremendous adjustments and changes are underway. He stated that it is not a small lift, and he appreciated the responsiveness and attention to detail. Mr. Overton stated he thinks this is being navigated the best way possible. He appreciated everyone's good heart and good faith efforts.

2. Mr. Leach gave appreciation to all the hard work that MSD staff puts in and does things safely. He stated that MSD has 160 employees doing tasks varying from mopping the floors at the water pollution control facility to our district engineer redesigning parts of our system. Mr. Leach stated that it is big, it is complicated, it is expensive, whether in the form of picking up trash which is paid through taxes, or you know providing our sanitary services. He stated that it is done in a safe and professional way. Mr. Leach stated it is done with a high standard of excellence. He appreciates MSD department heads working toward that standard excellence and everybody that goes out and represents Muncie Sanitary District on a daily basis.

Adjourn: Mr. Leach stated our next regularly scheduled meeting will be held on Wednesday, February 19, 2025, at 11:30 a.m. in the City Hall Auditorium. Mr. Leach stated he would accept a motion to

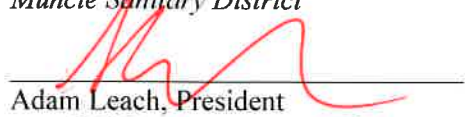
adjourn. Mr. Overton made a motion to adjourn the meeting for February 5, 2025. Mr. Leach seconded the motion. Motion passed (5-0).

Respectfully Submitted,



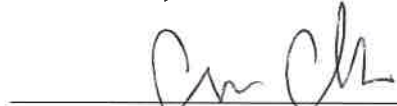
Maggie Bales, Executive Office Manager

*Approved by the Board of Sanitary Commissioners
Muncie Sanitary District*


Adam Leach, President


Tim Overton, Vice President


David Smith, Secretary


Aaron Clark, Board Member


Steve Selvey, Board Member