

**NASHVILLE UTILITY SERVICE BOARD MEETING
WEDNESDAY, AUGUST 18, 2021**

Commission members present in person: President Roger Kelso, Secretary Alyn Brown, Member Pam Gould, Member Bob Kirlin. Commission member not present: Vice-President Bob Willsey. Also in attendance in person: Municipal Operations Consultant Dax Norton, Town Administration Manager Phyllis Carr, NMU Water/Sewer Utility Operator Robin Willey and Records Clerk Sandie Jones.

COMMISSION BUSINESS

1) CALL TO ORDER

President Kelso called the meeting to order at 6:01 pm and did the roll call.

2) APPROVAL OF MINUTES – 6-16-2021 MEETING

Member Kirlin made a motion to approve the 6-16-2021 meeting minutes as presented. Member Gould seconded the motion. All were unanimously in favor.

3) MONTHLY REPORTS

A. BUDGET/REVENUE MANAGEMENT REPORT

MOC Norton:

- Made a few corrections based on entry error, and then triple checked
- OCRA Funded the COVID-19 Phase 3 grant. The Town temporarily borrowed funds from the Wastewater fund. Once OCRA pays the Town back the \$250,000, the money goes back into the sewer funds and will not see the negative amount after this.
- President Kelso asked if the withdraw that the Council did a customary thing?
 - This one was done as a reimbursable, but it seemed odd.
 - Does this take into account the fund balances or operating funds?
 - This report is a step in the right direction. May want to coordinate this with the Clerk-Treasurer's office.
- MOC Norton – Overtime is concerning –
 - We know from Administration Manager Carr, NMU Water/Sewer Utility Operator Willey that much of this is due to understaffing
 - President Kelso asked to include large loans in the summary, and MOC Norton asked if we need a debt management sheet also.
 - President Kelso asked about adding a section for expenses to the report that shows how we are tracking for the year.
- Member Kirlin asked about the upfront payments that we pay up front (Insurance) – MOC Norton explained that many of these come out in the first quarter.
 - On this sheet we are keeping up.
 - But does not mean that the -44 on the water side is alarming.
- Member Kirlin asked for MOC Norton to explain the Sales Tax –
 - It is wrapped up into the rate, and the consumer does pay it.
- President Kelso asked if there was anything else?
 - Member Kirlin asked if we have enough money to pay the bills.
 - President Kelso suggested that once the fund is added to the balance sheet, we will be able to see it at a glance.
 - MOC Norton explained that there is money to operate the utility, but we still want

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a strong operating balance.

- President Kelso asked MOC Norton for an update on the proposed increase for the tracking fee and the increased connection fee.
 - MOC Norton called our financial advisor to start working on a process to fix 3 issues:
 - 1) Wheeling or tracking fee with BC Water
 - 2) Sanitary Sewer site with cost of equipment
 - 3) When BC water increased the rate to us, there was no tracking factor in place to pass that on to the customer, so it is being absorbed by the utility
 - With tracking we will be able to increase the rate as our rates increase.
 - President Kelso believes that the process is two public hearings, 10 days apart, with 30 day public notice before we applied it to the bills.
 - MOC Norton explained that on the electric, when you have tracking, the rate will go down when the rate goes down. BUT Wholesale cost of water does not fluctuate, but if it did go down the consumer would have a decrease based on the wholesale cost from BC water.
 - MOC Norton will start putting the language and details together to figure out how to do this.
 - Member Kirlin asked why we were told we could not do this, but it appears that we can. May have been incorrect information.
 - Member Gould asked –
 - If we get a notice from BC Water that the rates will go up, do they need to give us notice?
 - President Kelso explained that this is regulated by the Indiana Regulatory Commission.
 - Administration Manager Carr believes that this has been going on for over 1 year, we have been absorbing this since July 2020.
 - There may be a month delay between us getting the notice of increase, and the increase that we could pass along.
 - President Kelso believes we could hold the two hearings, and propose the ordinance to Council
 - Member Gould asked if this was the only increase that we have seen since the last rate adjustment we did in 2012.
 - MOC Norton –
 - There was a conversation with council members about whether the water utility could absorb this, and it was left alone.
 - President Kelso pointed out that this has prevented us from funding our depreciation accounts.
 - Member Gould asked if we would do both a rate increase and wholesale tracking at the same time –
 - MOC Norton that yes, we would add both. The wholesale rate increase is something that we do not have control over but need to be able to make adjustments for.
 - President Kelso wants to see how the tracking will project out. This could be a good bump for the utility.
 - Member Kirlin asked for a time frame for this; What will be the fastest we can get this done?
 - Will there be an ordinance presented to Council at the next meeting? Not for tomorrow

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- We could ask them to start the process tomorrow and have the first read in two weeks.
- Losing \$1.71 per 1000 gallons.
- We do not have money to replace things, no money to hire staff, etc.
- MOC Norton suggested that if there was an ordinance created by legal tomorrow we could present it.
- President Kelso wrote the 1990 version - 1 page thing.
- Member Kirlin asked if the ordinance needed to be written by an attorney, and the answer is no. But likely needs to be reviewed by one.
- Member Kirlin asked what we can do to speed this through.
- MOC Norton – Plan for tomorrow –
 - Will get the ordinance updated for tomorrow and try to get it scheduled for public hearing and for first reading.
 - Member Gould asked if we need to review it before it is presented.
 - Change it from \$1.71 per thousand to \$3.42 per thousand.
 - Fund balance sheet
- Member Kirlin asked if we were going to have another budget meeting.

B. OPERATIONS REPORTS

Water/Sewer Operator Willey

- Keeping up with leaks, and working on the drying beds to start getting ready for winter
- Will start looking at snowplows and salt spreaders to start getting ready.
- Operator Willey reached out to Bob Curry at the State Park to see where they were and found out when they are projecting their project and they are talking about starting this fall. They are on the top of the funding report and said that our wastewater is on the top of the list also.
- MOC Norton suggested that the big, rehab project is on the top of the list, and we will find out more at the end of August.
- President Kelso asked MOC Norton when he would be presenting schedules.
 - MOC Norton will present a 1-page Gantt chart. MOC Norton will send this out.
 - This project has a significant enough impact on the Water and Sewer revenue that we need to see when it will hit.
 - We need to nail down what the state will be paying as a rate.
- Town Administration Manager Carr
 - Water adjustment amount \$60K, Sewer was \$36K. 835K Gallons adjusted in 2018.
 - If it is a leak on the town side, we probably need to separate that out.
 - Separate client from our write offs.
 - 2019 fills two binders.
 - President Kelso asked – In 2018 we wrote off 5% of the billing in the water department.
 - Member Gould pointed out that when the new meters were installed it was off by a factor of 10, so make sure we take that into account.
- Member Gould asked what does this cost us?
- Member Kirlin asked if 100% of our hydrants worked –
 - They do not. How many do not work? At least 4 or 5?
 - President Kelso asked if we can we outsource the repair of those?

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- Water/Sewer Operator Willey said that we would still have to send someone out with them.
- President Kelso suggested that Water/Sewer Operator Willey to prioritize the hydrant over fixing leaks.
- Member Kirlin asked if we can set a goal to get these all operational within the next 30 days.
- If the water leak is not causing an outage, or a health issue, we need to focus on the hydrants first.
- We need to prioritize public safety issues.
- Water/Sewer Operator Willey explained that most of them just need to be rebuilt.
 - President Kelso asked if there is any way to pair a contractor with a staff member to get more done, and Operator Wiley asked how to do this with the budget.
 - Operator Wiley will focus on hydrant repair.
- President Kelso explained that we have a few unfilled positions.
 - If we had 2 more people, we would be able to get more of this done.
- MOC Norton asked how many hydrants we have?
 - Approximately 200, and we have a list of where they are.
 - Do we know the age and inspection? Yes – List
 - MOC Norton recommended a Capital Improvement Plan for the hydrants.
 - Member Gould asked if this was typically part of an asset management plan? – Yes
 - MOC Norton said that some of this is in the draft of the new infrastructure plan. Part of new lift station, new towers, etc, and hydrants.
 - President Kelso asked if we could get a draft of this.
 - Member Kirlin asked how many are going in the new development? - 2
 - Member Kirlin – Can we find some money to get artist to paint these?
 - NOC Norton will look into the regulations for artistic hydrants.
 - But we believe this is against the national fire protection rules.
- Anything else about operations?

4) ADJUSTMENT REQUESTS

The following adjustments were presented to the board for their approval:

Acct #20100009 - C. Salisbury - \$11.86

Acct #80008000 - J. Hansen - \$230.07

Acct #100061000 - J. Snyder -\$339.26

- Member Kirlin asked Water/Sewer Operator Willey if the adjustments looked ok. Operator Review line will be added to the next report.
- Member Kirlin made motion to approve the three adjustment totaling \$581.19, Member Gould seconded the motion. All were unanimously in favor.

5) BUDGET WORKSHOP

- MOC Norton presented a draft water fund budget for review.
- President Kelso asked to add numbers to the new positions. MOC Norton will coordinate with staff to figure out what numbers should be included for this.
- Any other budget discussion?

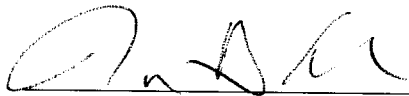
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- Calendar dates for Sewer Budget –
- MOC Norton reports that there are a few he works with that do not have a budget.
- Should we move the next meeting to the week before or after?
- Regular meetings will be the 4th Wednesday of the month at 6:30pm.
- Budget Work Sessions
 - Monday 30th 6 p.m., and Wednesday 1st at 6 p.m.
- Member Kirlin asked if we will see an estimate on water? Plus the State Park projected water usage.
 - This will come from Krohn and Associates.
 - Secretary Brown asked if the workshops should be moved to after the next meeting. Discussion
- MOC Norton may have a fire hydrant solution – Thinks we outsourced it.

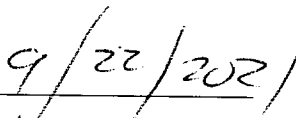
6) ADJOURN

Member Kirlin made a motion to adjourn the meeting. Member Gould seconded the motion. President Kelso adjourned the meeting at 7:16 pm.

The audio recording made at the Nashville Utility Service Board meeting on 8-18-2021 is retained in the office of the Town Clerk-Treasurer.



President Roger Kelso


Date