

**NASHVILLE TOWN COUNCIL AND UTILITY SERVICE BOARD MEETING
WEDNESDAY FEBRUARY 23, 2022**

Town Council Members present in person: President Nancy Crocker, Councilmember Jane Gore, Councilmember Tyra Miller, and Councilmember Dave Rudd. Town Council Member not present: Vice-President Anna Hofstetter. Utility Service Board Members present in person: President Bob Willsey, Vice-President Bob Kirlin, Secretary Alyn Brown, Member Pam Gould, Member Dan Klaker. Also in attendance in person: Municipal Operations Consultant Dax Norton, Town Clerk-Treasurer Brenda Young, Town Administration Manager Phyllis Carr, NMU Water/Sewer Utility Operator Robin Willey and Records Clerk Sandie Jones.

BUSINESS

1) CALL TO ORDER

USB President Willsey and Town Council President Crocker called the meeting to order at 6:30 pm and did the roll call.

2) UTILITY SERVICE BOARD ADJUSTMENT REQUESTS

Water/Sewer Operator Willey advised that he has approved all but one of the adjustment requests. USB Vice-President Kirlin asked about the adjustment requests. Discussion.

USB Member Gould would like to make changes to the current adjustment policy. USB President Willsey suggested that the USB look at the adjustment policy at a future meeting. Discussion.

USB Vice-President Kirlin moved to approve the adjustment requests that were approved by Water/Sewer Operator Willey. USB Member Klaker seconded the motion. All but USB Member Gould voted in favor of the motion and the motion passed 4 to 1.

3) STATUS OF MOU WITH DNR

MOC Norton reported that DNR will accept \$4.63 water rate for the water supplied to the Brown County State Park. He advised that we would have a hard time justifying anything over \$5. Based on this rate the State Park will be paying about \$8,000 more annually and the Utility will receive \$10,000 to \$15,000 a year from the State Park. USB Vice-President Kirlin noted that last week the Town Council and USB approved of \$7 rate. MOC Norton explained that we can't make a case for a \$7 rate. Discussion. MOC Norton advised that the State Park rate will increase with future water rate increases and tracking fees.

USB Vice-President Kirlin moved to approve the \$4.63 rate for the State Park and any increases will be tied to the rate. Discussion. USB Member Klaker seconded the motion. All but USB Member Gould voted in favor of the motion and the motion passed 4 to 1.

Town Council President Crocker asked what the number is based on. MOC Norton explained that the number came from our costs plus 41%. Town Councilmember Rudd moved to approve the \$4.63 rate, attached to the tracker and rate increase which is in the MOU. Town Councilmember Gore seconded the motion. All were unanimously in favor by roll call vote.

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4) WATER RATE INCREASE

MOC Norton advised that they need a 10.8% water rate increase, or they will be operating with a \$250,000 deficit. USB Member Gould advised that the USB went through a 6 month process of going through the budget in detail to get to where we are now. She noted that we haven't had a rate increase since 2014. USB Member Gould explained that they need this increase to fix their water infrastructure. She would like to see incremental increases in the future instead of having large increases every few years. Discussion. Town Councilmember Gore thanked the USB for their work on the water and wastewater utility.

MOC Norton read from a 2009 Bynum Fanyo study on the Town's water and wastewater utility that reported an aging water system that needs immediate attention. MOC Norton noted that some things were done since the 2009 report such as water main extensions, pump station on schooner valley and demolished old buildings. He advised what they need to do is find out if we are losing water through the distribution lines. Discussion.

Clerk-Treasurer Young commented that one year there is a 40 year loan that is a water project, and then because of that loan they didn't do a rate increase for Sewer. She advised they have just paid off a loan from 1987 for a sewer project that included a 62% rate increase. Discussion. USB President Willsey pointed out that the debt staggering is good to do. He advised that they need this 10.8% increase to meet the budget that we have already approved.

USB Member Klaker moved for 10.8% water increase. USB Vice-President Kirlin seconded the motion. All USB members were unanimously in favor.

Clerk-Treasurer Young asked when the rate increase will be in effect. MOC Norton advised that the Town Council will need to create a new rate ordinance, hold a public hearing, have a second reading of the ordinance and adoption. The new rates will be published in the local newspaper before the new rates go into effect. This will be a several month process before the new rates go into effect.

Town Council President Crocker asked if the Town Council needs to do anything at this time. MOC Norton suggested they pass the motion to create the ordinance. Town Council President Crocker moved to approve the creation of the ordinance for a 10.8% water rate increase. Town Councilmember Gore seconded the motion. All Town Council members were unanimously in favor of the motion.

Town Councilmember Rudd asked if they could have the first reading of the ordinance at the March 3, 2022 Town Hall meeting. Town Council President Crocker advised this could be done if they have the ordinance ready. Records Clerk Jones to contact Town Attorney Jones about creating the new ordinance.

5) CAPITAL IMPROVEMENT PROJECTS

MOC Norton reported that the Town has received \$2 million in SWIF funds. He advised that only 22 communities received this funding. The funds are to be used toward the sanitary sewer projects. Due to conditions at plant, and the agreed order with IDEM they need to complete these projects. MOC Norton explained that they originally asked for 4.5 million to do the work, but with inflation they are looking at \$7-9 million to do the work. The State is asking daily for updates on the work in the agreed order.

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USB Vice-President Kirlin asked for someone to recap this for us in simple terms: Water/Sewer Operator Willey and MOC Norton explained the wastewater treatment improvement plans include: replacement of Brown County Inn lift station, moving the alum tank building, moving the sludge drying beds, I & I cure in place project, etc.

USB Vice-President Kirlin summarized that we have mandates from the state to do about \$9 million dollars' worth of projects and they expect us to raise the rate to cover the \$9 Million? MS Engineer DeLisle advised that IDEM want us to stick to the agreed to order and raise rates to do so. MOC Norton advised that they cannot pare down the project list. They can take out a loan and raise the wastewater rates by 40.2% to do the agreed upon projects.

USB Vice-President Kirlin asked how long they have to do something before we lose the money. MS Engineer DeLisle explained that the timeline in the agreed order is that this would be completed by December of this year. They can ask for a one year extension.

The USB asked what are the options for financing this? MOC Norton advised that a USDA 40 year term is the best rate out there. A SRF loan would require a raise in the wastewater rates by 50%. USB President Willsey asked how quickly can we put together terms, interest rate, etc. MOC Norton advised it will take six months to get a loan. He advised that they are using ARPA money, so the projects have to be started by December 2024. Discussion.

USB President Willsey asked what we need to do if we want to get this rolling. MOC Norton advised they should meet face to face with Jim McGoff, Indiana Finance Authority COO & Director of Environmental Programs to show what the impact to the rates looks like and ask for rate relief. Mr. McGoff will then advise what finance options are available for the Town. The Town Council and USB will determine who will be meeting with Mr. McGoff. USB Vice-President Kirlin hopes to have an update on this meeting at the March 9, 2022 USB meeting.

Town Council President Crocker announced that this is a fair warning to our customers that we are going to have to do some rate increases. She has an idea to set up an emergency fund to help people with the difference between what they are paying now and what the new rate will be. She has asked the Brown County Community Foundation and BC Chamber to help create and facilitate this program.

6) ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL & BOARD

USB Vice-President Kirlin would like the Town Attorney to review the contract that we approved last week with MS Consultants, Attachment G to create a water utility master plan. All agreed.

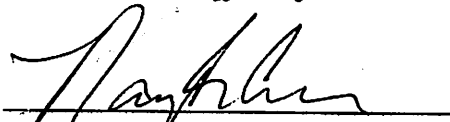
USB Vice-President Kirlin asked if there is in anything in the 2016 report from BLN that could be used? He suggested Water/Sewer Operator Willey review the report.

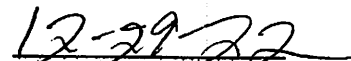
7) ADJOURN

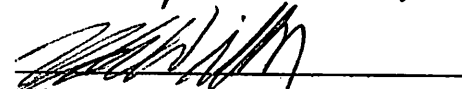
USB President Willsey and Town Council President Crocker adjourned the meeting at 8:03 pm.

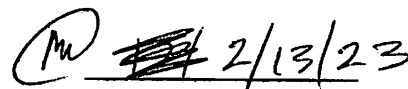
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The audio recording made at the Nashville Utility Service Board meeting on 2-23-2022 is retained in the office of the Town Clerk-Treasurer.


Town Council President Nancy Crocker


Date


USB President Bob Willsey


Date

