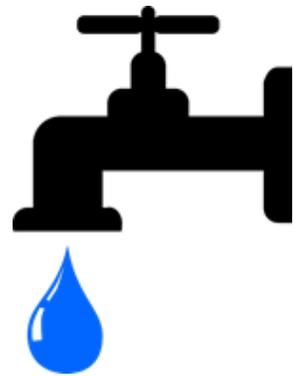


Lake Santee Regional Waste & Water District
Meeting Minutes

Meeting of January 18, 2018

3:30 PM

Lake Santee Community Room



1. Call to Order

a. Roll Call

President Frank Erdosy called the meeting to order and requested a roll call. Members present were Frank Erdosy, Clair Fredrickson, Scott Gibbs, Kathy Tarzwell, Paul Gosnell, Jim Hornig, and Larry Kiernan. Also in attendance were Brad Jones, Utility Administrator, Brandon Litmer, Utility Superintendent, and Anne Poindexter, the District's attorney. No guests were present.

b. Welcome Larry Kiernan

Larry Kiernan is a new Board Member appointed to a four year term by the Decatur County Commissioners. Frank welcomed Larry to the Board and we look forward to his future contributions.

c. Election of Officers for 2018

Frank opened the floor to nominations. Jim nominated the existing Officers to retain their current positions. There being no further nominations, Frank closed the floor to nominations. A motion was made by Kathy and seconded by Jim to accept the nominations of Frank as President, Clair as Vice-President, Scott as Secretary, and Kathy as Treasurer. Motion carried.

2. Consent Items

a. Minutes of December 21, 2017 Meeting

b. Financial Report

c. Register of Claims – Water

d. Register of Claims – Sewer

A motion was made by Jim and seconded by Kathy to accept the consent items with the following exception: hold the payments for the JUS software support contract until the under billing issue is resolved. Motion carried.

3. Superintendent's Report

a. Sewer Status Report

Brandon reported that everything is operating well and all tests are normal. The cold temperatures did cause the return line to freeze up. Brandon sped up the flow in the return line to keep that from reoccurring.

b. Water Status Report

The water plant is operating on a normal basis with no problems and all tests in the normal range. The cold temperatures broke a pressure sensor in the water tower; Brandon replaced the sensor/line and installed additional insulation and heat tape. REMC hit a service line near Lot 884 while auguring in a support cable – this has been repaired. Brandon has not been contacted by any customers so far with frozen pipes or leaks from the cold.

4. Administrator's Report

a. Status Report

Brad reported there were 12 credit card transactions, 176 ACHs, 7 valve turns, and 1 shut off with all back on.

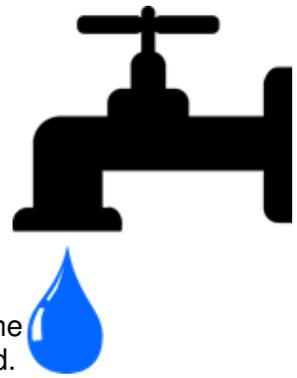
b. Write-Offs / Adjustments

Lot 402 was invoiced incorrectly during the sale/closing of the property recently. A

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motion was made by Jim and seconded by Kathy to correct/prorate the invoice and issue a credit to the appropriate accounts. Motion carried.

5. Attorney's Report – See items below.
6. Old Business
 - a. Outdated Ordinances
Anne reported she would like to conduct a final review of the work her law student performed on reconciling the outdated Ordinances; then, she will send to Clair for his final review. Anne will prepare a single new Ordinance to clean up the outdated Ordinances and have ready for the February meeting. Anne reminded the Board there will be no charge for this work.
 - b. Jesse sewer license test – Jesse's test is scheduled for 1/30/18.
 - c. Napoleon Water Interconnect
Gene from Napoleon Water is still awaiting the easement paperwork from the last land owner. It has been nearly one year since the contract with Napoleon Water was signed and they still have not obtained all the easements. Frank asked Anne to contact Napoleon Water's attorney for a status update and to offer assistance to get this last easement resolved.
 - d. Tower security – barriers
This project has not been started. Brandon to have this completed next month.
 - e. Customer billing errors
As reported in last month's minutes, the JUS software that is used to read the water meters and create the customer invoices had been miscalculating water usage for 17 specific customers. The software was reading only 6 digits on the meter and should have been reading 7 digits, thus under reporting the actual water usage. The software was corrected and is now functioning properly. It is clear this issue caused an under billing situation for these 17 customers; however, the exact amount owed by each customer can only be estimated at this time. Based on this, Kathy made a motion and Jim seconded that the District not pursue collecting the under billed amounts from these 17 customers. Motion carried.
 - f. List of Customers owing funds – Name, Address, Amount, Reason
Brad prepared a list of customers who have outstanding balances with the District. There are currently nine accounts past due totaling approximately \$2400. Tax Liens have been filed against all accounts that qualify. Frank distributed a list of the current properties against which the District has filed Tax Liens with the County.
7. New Business
 - a. Collections Policy 2000-01-19
New Resolution 01-18-2018A for Classification of Delinquent Accounts was created to combine and update two old governing documents. This new Resolution will replace and supersede Policy 2000-01-19 (Collections) and Resolution 11-15-12 (Classification of Delinquent Accounts). A motion was made by Jim and seconded by Clair to accept Resolution 01-18-2018A. Motion carried.
 - b. Resolution 09-17-08 --- Resolution 01-18-2018 – Payment of Claims
New Resolution 01-18-2018 for Payment of Claims was created to update the approved vendors list within the old Resolution. This new Resolution will replace and supersede Resolution 9-17-01 (Payment of Claims). A motion was made by Kathy and seconded by Paul to accept Resolution 01-18-2018. Motion carried.

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- c. Internal Controls Standards Oversight Committee – Clair & Larry
Clair and Larry have both agreed to serve on the Internal Controls committee this year. A copy of the most current set of documents was distributed to Clair and Larry. Frank asked the committee to update these documents to include the new security measures at the plants and the water tower.
 - d. Review and Looking Forward – Frank
 - i. Financial Analysis Reports 2016 and 2017 – Frank distributed a summary financial analysis for each of the plants for both 2016 and 2017. This will be updated and reviewed monthly going forward.
 - ii. Review of 2017 accomplishments – Frank distributed a list of the items accomplished in 2017. Significant items include the upgrades to the water tower, replacing the Gator, upgrading the security at the plants, the SBOA audit, and onboarding/training Michelle (Debbie's replacement).
 - iii. Computer operating systems / software – During the year, Frank will be researching operating systems and software that the District currently uses and what, if any, changes should be considered to stay current with cyber security measures, software/hardware support, accounting, etc.
 - iv. This spring, Frank and Brandon will review the condition of the buildings and start generating a list of recommendations for any maintenance or upgrades that are needed or should be considered so these projects and costs can be incorporated into future plans.
 - v. District owned lots at the north end of the lake – The District owns several lots near the north end of the lake subdivision. The question has arisen again about whether it makes sense to sell any of these lots.
 - vi. The POA is looking into protecting (possibly installing riprap) a portion of the creek bank near the north end of the lake. This may abut some District property or the POA may need access across District property to install the riprap – more details will follow as the POA gets closer to approval from the governing authorities to install this work.
8. Trustee Reports and Comments
- a. Clair Fredrickson – Would like to list the names in the Minutes of any guests that attend the District meetings. Scott will start adding that information to the Minutes.
 - b. Scott Gibbs
 - c. Kathy Tarzwell
 - d. Paul Gosnell – The rate Ordinance from 2015 outlining the updated rates was published in the January Smoke Signals – should it be published in the February Smoke Signals? The consensus of the Board was to publish it again.
 - e. Jim Hornig
 - f. Larry Kiernan
9. Guest Comments – 2 minutes each – none this month.
10. Adjourn

Respectfully Submitted by
Scott Gibbs, Secretary

These minutes are subject to approval by the LSRWWD Board at the 2/15/2018 meeting.