

PRESIDENT
Greg Schafer

Ayersville Water and Sewer District
13961 Fruit Ridge Road
Defiance, OH 43512
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BOARD MEMBERS
John Miller
John Ehlinger
Frank D'Ambrosia

VICE PRESIDENT
Joanne Tuttobene

TREASURER
Robert Cooper

DISTRICT MANAGER
Caleb Antoine

SECRETARY
Ronda Phillips

Clerk
Gayle Decator

MINUTES FOR THE BOARD MEETING OF MARCH 21, 2016
MEETING STARTS AT 7:00 PM

A. Call to Order - The meeting was called to order in accordance with ORC 121.22 by president Greg Schafer at 7:00 p.m. at the District office.

B. Roll Call – Board members in attendance were as follows:

President Greg Schafer
Vice President Joanne Tuttobene
Treasurer Bob Cooper
Secretary Ronda Phillips
Member John Miller
Member John Ehlinger
Member Frank D'Ambrosia - absent

Non-Members in attendance were:
District Manager Caleb Antoine
Attorneys Carl Ireland and Rex Huffman

C. Reading and Approval of prior meeting's minutes – A few errors were found in the minutes of the February 18th meeting and it was determined that the minutes would not be signed until a corrected copy could be reviewed and motion made to accept at the next meeting.

D. Public Comment – There was two visitors in attendance: Steve Brown and Jerry Stevens. Steve Brown has recently got out of his fish business and no longer needs a separate tap at his garage. He doesn't mind leaving the tap in place, but wants to add the usage to his home bill, thus avoiding the minimum usage to his barn and having one bill per month. The Board currently has no regulations in place, and will refer the question to the Rules Committee for an answer, most likely by the next regular Board Meeting.

Mr. Stevens requested a list of the total assessments including court costs and lawyer's fees from the Phase B Sewer Project, stating the total cost of the project was approx. \$890,000, with \$320,000 paid by Phase B customers. He also had several opinions about the Phase B project, and how it compared to the Phase A project of which he was a party. He also requested that the assessment balance be added to the water bill so he would know the remaining balance. The Board stated that the website would be the best place to show the amortization balance, and we would make it available to the community through this location.

E. Correspondence – District Manager Antoine submitted a copy of the check in the amount of \$22,250 from the Ohio State Treasurer, from the insurance of Hope Okuley, to recover some of the loss to the District. The Board

would determine how to capitalize the check; Treasurer Cooper made a motion to deposit it to the Capital Water Fund, to the sub-account for Equipment in light of the current emergency expenses to cover two water pumps failures. The motion was made based on the pumps being capital goods with a greater than five-year life expectancy. There was much discussion about moving the money later if it was put in one fund, and it was decided that an adjustment would be made later, if necessary. The motion was seconded by John Miller. A roll call vote was taken with the YES votes as follows;

Joanne Tuttobene, Robert Cooper, Ronda Phillips, John Miller, John Ehlinger and Greg Schafer. Frank D'Ambrosia was absent.

DM Antoine also received an Interest Rate Buy-down Letter from the OWDA that would reduce the interest on the current loans as long as the District pays on time. The letter was turned over to Attorney Ireland for review and opinion, and he agreed that we should look into it, as it could potentially save the District some money.

Lastly, the insurance quote from Conrad Beck was received for the increase in the General Liability coverage for the employees, with the cost of the increase from \$50,000 to \$100,000 going from \$232/year to \$407/year.

F. Reports of Finances, from Officers, Committees and the District Manager

President –

- i) **Updates on the Phase A/Phase B numbers** and expressed the need to keep up with the numbers so when questions from the consumers arise, we can answer them in a reasonable amount of time.
- ii) **Water Certification Licenses** –DM Antoine has checked into the classes and has the book so that he may begin studying ahead of the classes. There are no classes offered at this time, but should have some coming up later this year
- iii) **Informal Water Rate Study** – Attorney Rex Huffman and DM Antoine have done an informal water rate supply to prepare to negotiate when our contract comes up in 2017 with the City of Defiance. The City of Defiance is conducting its own rate study. It would be beneficial to sit down with the four members of the Defiance Water Board and meet with them so we are on good terms before the negotiations, but until then, Treasurer Cooper has requested that copies of the current contracts be forwarded to all Board members and legal counsel, so that we can start the review process and become familiar with what's in store for the contract renewal.
- iv) **Current Water Rates (What We Pay to City of Defiance)** – we are currently paying the City of Defiance \$5345.25 for zero to 120,000 cu. ft., and \$39.20/cu. ft. over 120,000 cu. ft. This works out to \$1.68/cu. ft. up to 120k, and \$2.46/cu. ft. over 120,000. We in turn charge our customers \$4.17/gal. With the number of customers that we serve (617 for sewer, and 694 for water), our rates are among the lowest in the region. The question becomes, are we charging enough for the level of service provided? There have been no increases to the consumer, even as our rates from our supplier has continued to increase.
- v) President Schafer reminded us that **we are all ambassadors to the District**, and to think about how you have been a positive ambassador to the District.
- vi) **Monthly reports** – President Schafer requested monthly and year to date reports for the water we purchased vs. the water we sell, as well as the sewer we're charged for vs. what we are charging for, and a report on total expenses vs. revenue.

Secretary – There was no additional reports from the Secretary. Secretary Phillips will report out on the Audit Committee during the Committee Reports.

Treasurer –

- a) **Review of Bank Statements** – Treasurer Cooper asked for approval of the Bank Statements, bank reconciliation, purchase orders, adjustments and wages and overtime statements.
- b) **Page 2 of Bank Balances** – There was a \$3 discrepancy with the bank balances. Treasurer Cooper asked DM Antoine to consult with Gayle Decator for an explanation of the difference in the statement.
- c) **Glitches with Master Link Billing Company** – There are a several adjustments from billing that is happening through Master Link. The company was recently bought out by another company and it's hard to get answers about why the glitches keep coming up. They no longer seem to care about how the payments appear and the

problems caused by the glitches. We may need to look into a different payment clearing house if this continues to be a problem.

- d) **Wages and Overtime** – Treasurer Cooper asked about the system for tracking comp time. At this time, comp time is manually accumulated and tracked as such. We need to get rid of the handwritten ledger for tracking comp time and move to tracking it on Excel or another automated method. The employees can accumulate up to 40 hours, but we have no real method to show how and when it is used.
- e) **Motion to Approve the Bank Statements, Bank Reconciliation, Purchase Orders, Adjustment Report, Wage and Leave Statements and the Payment Listing by Member Miller, with a 2nd by Member Ehlinger. All in favor, with none opposed; motion carried.**

District Manager –

- a) **Coliform** – DM Antoine has asked Joe Ewers to put together a contingency plan for testing for coliform.
- b) **Lead tests** – tests we have for lead are current enough to be published.

Audit Committee

In accordance with Recommendation 5 of the Audit Committee's report, Secretary Phillips made a motion to increase the General Liability insurance for the District employees from \$50,000 to \$100,000, with a second by Member Ehlinger. Attorney Carl Ireland commented on the comfort level of the District board members being a factor in the increase for the General Liability insurance, but that the State could come back and collect to recover missing funds should monies ever come up missing again in the future. Roll Call vote was taken, with the YES votes as follows; Joanne Tuttobene, Robert Cooper, Ronda Phillips, John Miller, John Ehlinger and Greg Schafer. Frank D'Ambrosia was absent.

In accordance with Recommendation 2, Treasurer Cooper recommends the use of a company called DOXO to handle the online bill pay for District customers. DOXO was started by the founder of Amazon.com, and has a couple different options for customers;

1. Customer pays a nominal fee for service, usually \$2.50/transaction. This costs the District nothing.
2. District raises the rates across the board for everyone and buries the fees in higher rates.
3. We can start with DOXO and if it doesn't work out, then we can look into other options.

Motion was made by Treasurer Cooper to use DOXO as the District's online bill pay provider, with a second by VP Tuttobene. Voice Roll Call vote of YES went as follows; Joanne Tuttobene, Robert Cooper, Ronda Phillips, John Miller, John Ehlinger and Greg Schafer.

In accordance with Recommendation 4 of the Audit Committee report, we would ask to hold a working meeting on April 5, 2016 at 7:00 pm, to vote on the final draft of the Accounting Procedures manual, and any other agenda items deemed necessary by the Board. Gayle will send copies to the Board Members for review.

The next scheduled Audit committee meeting will be at the District office on March 28, 2016 at 3:00 pm to conduct an internal audit prior to the Bi-annual State Audit.

G. Old Business, per Agenda or Motion

Water Test for Lead – Reviewed in District Manager's report.

Bond Price update – Reviewed in District Manager's report

Safety Training – There is upcoming training being hosted by the City of Defiance. The cost is \$75 per person, as opposed to over \$300 plus travel to the closest location (Indianapolis). More information later as the date gets closer.

Water Treatment Certification – Fall 2016; Hosted by OTCO, Inc. – Columbus, OH, with testing being held in Toledo, OH. DM Antoine will forward to President Schafer when information is received.

Website Progress – DM Antoine and Ronda Phillips reported that a list has been handed over to DM Antoine and much progress has been made. All Agendas, Meeting minutes and Resolutions have been uploaded to the designer and we have a working list of all the items that we would like to have ready to load to the site.

Phase A & B project History and Resident Charges – Discussed in the District Manager’s report.

Motion to Approve Resolution 1603.1 assigning signatory authority for District Financial Accounts and Documents – This resolution will replace the last three resolutions that removed Gayle Decator as a signatory and inadvertently took away her administrative authority to make payments and cash transactions online. DM Antoine will attach all the previous resolutions cancelled by this new resolution. Member Ehlinger made the motion to accept Resolution 1603.1, with a second by Member Miller.

The following reports were requested by President Schafer in his president’s Report;

Upcoming meeting with City of Defiance to cover new contracts

Monthly Report Request

Water Bought vs. Water Sold in volume and dollars (monthly and YTD)

Sewer Volume charged by Defiance vs. AWSD charges to customers (monthly and YTD)

Overall Revenue vs. Expenses (monthly and YTD)

History of AWSD Water & Sewer charges and water charges; go back as far as we can, so we have the facts when customers ask questions.

Treasurer Cooper discussed the investment options available to the District. We have some excess cash that is currently earning very low interest rates. According to the Ohio Revised Code, there are options for some low risk investments that earn higher rates than traditional savings accounts. We need to develop a financial policy and follow it.

Our legal counsel noted that Regent Electric is thinking about suing for lack of payment. Their complaint is failure to buy wires deep enough, which cause the grinder pumps to short out. Hanks did not dig trenches deep enough and didn’t do proper inspections. Lawyers are meeting about the lawsuit and deciding how to proceed.

H. New Business

President Schafer spoke with Dan Bakle. The synopsis of the conversation is that he expressed his concerns about the District and its employees, and would like a history of his bills and rates, such as what they have been in the past.

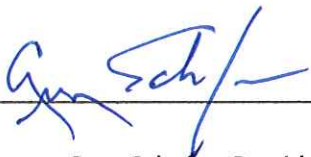
We discussed the progress in the back Storage Room. There was discussion about purchasing a fireproof office safe. DM Antoine had a quote for a safe that met the requirements at a price of \$995. The safe is listed as fire-safe up to 1400 degrees F. for ½ hour. Another quote came in from Office Max for \$1811.67.

DM Antoine also got an estimate for cutting and dropping some of the trees that are falling on the Dohoney Pump Station. The cost is \$500, and the property owner would need to be contacted to go onto the property and he would be responsible for the final removal of the trees after they are dropped.

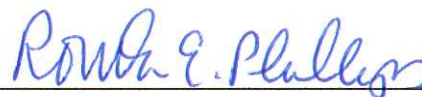
- I. **Enter into Executive Session, pursuant to ORC 121.22** – A Motion was made by Member Miller, with a second by Secretary Phillips, to enter into Executive Session at 9:25 pm, for the purpose of discussing the Finding for Recovery against the estate of Hope Okuley. All in favor; none opposed. Motion carried.
- J. **Return from Executive Session, pursuant to ORC 121.22** - A Motion was made by Secretary Phillips, with a second by Member Miller, at 9:35 pm. All in Favor; none opposed. Motion carried.
- K. **A special meeting will be scheduled for Tuesday, April 5, 2016 at 7:00 pm. The next regular Board meeting will be held on April 21, 2016 at 7:00 pm.**

L. **Adjournment** – A motion to adjourn the meeting was made at 9:36 pm by Secretary Phillips, with a second by Member Miller. In favor – ALL; Opposed – NONE. Motion carried.

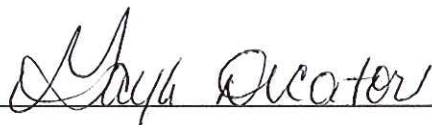
/s/ Ronda Phillips, Secretary

A handwritten signature in blue ink, appearing to read "Greg Schafer", written over a horizontal line.

Greg Schafer, President

A handwritten signature in blue ink, appearing to read "Ronda E. Phillips", written over a horizontal line.

Ronda Phillips, Secretary

A handwritten signature in blue ink, appearing to read "Gayle Decator", written over a horizontal line.

Gayle Decator, Clerk