

UTILITY BOARD/COMMON COUNCIL

Tuesday, September 8, 2020

5:30 P.M.

The Common Council and Utility Board of the City of Huntingburg met in joint session with the Huntingburg Board of Public Works and Safety and the Huntingburg Utility Rate Advisory Board on Tuesday, September 8, 2020 at the hour of 5:30 P.M. in the Council Chambers of the Huntingburg City Hall at 508 E. Fourth Street, Huntingburg, Indiana. Council/Utility Board members, Dubon, Bounds, Kissling, McPherron and Wehr were present. Board of Public Works and Safety members, Mayor Spinner, Souders and Blessinger were present. Utility Rate Advisory Board members, Bowman, Flick, Painter, and Young were present; member Thewes was absent. Also present were City Attorney Schneider and Clerk-Treasurer Dippel.

Mayor Spinner called the meeting to order.

A motion was made by Bounds, seconded by McPherron and carried to approve the minutes of the August 25, 2020 Regular, August 21, 2020, 9:00 A.M. and August 21, 2020, 1:00 P.M. meetings.

A motion was made by Wehr, seconded by Dubon and carried to approve the claims as presented.

With the consent of those present, Mayor Spinner presided. Mayor Spinner stated that the purpose of the joint meeting was to present the need for proposed improvements and replacements to the sewage works, and to consider recommendations for a new schedule of rates and charges necessary to pay operating costs, debt service, and other expenses of the sewage works.

Mayor Spinner introduced Theresa Criss-Hartwig, of Commonwealth Engineers, the City's consulting engineers. Ms. Criss-Hartwig described the current capacity and operating deficiencies of the plant and the need to replace most of the 70 year old treatment facilities to come into compliance with IDEM requirements. She described the proposed improvements and replacements which would nearly double capacity and provide more cost efficient treatment. She reviewed the total project cost estimates of approximately \$19,600,000.

Mayor Spinner then introduced Otto Krohn, of Krohn and Associates, the City's rate consultant. Mr. Krohn reviewed his accounting and rate report dated August 26, 2020, setting forth the revenue requirements necessary to fund operations and the project. He explained that the project is proposed to be funded with a USDA RD loan at a rate of 1.125% over 40 years, to include refunding approximately \$4,000,000 of existing debt. Interim financing for preconstruction planning, design and bidding, as well as construction financing would be funded with two bond anticipation notes (BANs) sold to the Indiana Bond Bank at the same rate of interest. The BANs would be refunded with the USDA RD loan upon completion of the project. He explained that an immediate rate increase of 8.5% should go into effect as soon as practical, followed by an 11.5% increase effective October 1, 2021 and a 10% increase effective October 1, 2022.

Questions by Board members followed. After discussion, upon motion by Sandra Bowman, seconded by Greg Painter, and unanimously carried, URAB Resolution 2020-01 recommending approval to the Board of Public Works and Safety and the Common Council of the proposed rate increases, phased-in over three years, was adopted.

URAB Resolution 2020-01 is entitled:

RESOLUTION OF THE HUNTINGBURG UTILITY RATE ADVISORY BOARD REGARDING WASTEWATER UTILITY RATES

After the Utility Rate Advisory Board made its recommendation for approving the proposed rate increases, a motion was made by Keith Souder, seconded by Kerry Blessinger, and unanimously carried, BPWS Resolution 2020-01, recommending

approval to the Common Council of the proposed rate increases, phased-in over three years, was adopted.

BPWS Resolution 2020-01 is entitled:

**CITY OF HUNTINGBURG, INDIANA BOARD OF PUBLIC WORKS
RESOLUTION NO. 2020-01
REGARDING WASTEWATER UTILITY RATES**

A motion was made by Spinner, seconded by Blessinger and carried to adjourn the Board of Public Works and Safety meeting at 6:20 P.M.

A motion was made by Flick, seconded by Young and carried to adjourn the Utility Rate Advisory Board meeting at 6:20 P.M.

The Mayor presented a proposed Sewage Works Rate Ordinance for consideration. Attorney Schneider explained the changes and noted the items not being changed.

A motion was made by McPherron, seconded by Wehr and carried to introduce Ordinance No. 2020-22 entitled:

**AN ORDINANCE AMENDING ORDINANCE NO. 2015-37 ESTABLISHING A
NEW SCHEDULE OF RATES AND CHARGES FOR USE OF AND SERVICES
RENDERED BY THE MUNICIPALLY OWNED SEWAGE WORKS OF THE
CITY OF HUNTINGBURG, INDIANA, AND MATTERS CONNECTED
THEREWITH**

A motion was made by Kissling, seconded by Bounds and carried to schedule a public hearing on the Wastewater Utility rates for 5:30 P.M. on September 22, 2020.

A proposed ordinance was presented for Sewage Works Revenue Bonds. Attorney Schneider explained the ordinance. He noted the maximum amount of the bond issue is not to exceed \$25 Million. He noted it would also authorize Bond Anticipation Notes (BANs) through the Indiana Bond Bank, to finance design and bidding procedures, and construction. The Bonds issue financing through the United States Department of Agriculture would then pay off the BANs after completion of the project. All rates for the financing are at 1.125%. The Bonds are to be 40 year bonds.

A motion was made by McPherron, seconded by Bounds and carried to introduce Ordinance No. 2020-23 entitled:

**AN ORDINANCE CONCERNING THE CURRENT REFUNDING
BY THE CITY OF CERTAIN OUTSTANDING BOND AND LOAN
OBLIGATIONS, THE CONSTRUCTION OF ADDITIONS AND
IMPROVEMENTS TO THE SEWAGE WORKS OF THE CITY OF
HUNTINGBURG, INDIANA, THE ISSUANCE OF REVENUE
BONDS TO APPLY ON THE COST THEREOF, THE
COLLECTION, SEGREGATION AND DISTRIBUTION OF THE
REVENUES OF SAID WORKS, THE SAFEGUARDING OF THE
INTERESTS OF THE OWNERS OF SAID REVENUE BONDS,
OTHER MATTERS CONNECTED THEREWITH, INCLUDING
THE ISSUANCE OF NOTES IN ANTICIPATION OF BONDS, AND
REPEALING ORDINANCES INCONSISTENT HERewith**

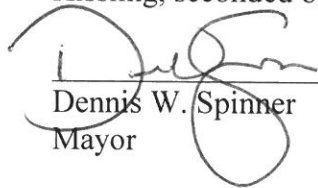
Engagement Letters/Agreements from Ice Miller; O.W Krohn and Associates and Philip C. Schneider, Attorney at Law; for services to be performed in connection with the proposed financing and bond issue for the Sewage Works of the City of Huntingburg, Indiana were presented for Council approval. It was noted that these are requirements for the applications for funding from USDA RD and EDA.

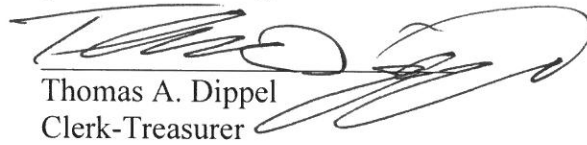
A motion was made by Bounds, seconded by McPherron and carried to approve the legal services agreement with Philip C. Schneider, Attorney at Law.

A motion was made by Wehr, seconded by Dubon and carried to enter into the engagement letter agreement with Ice Miller.

A motion was made by Kissling, seconded by Wehr and carried to approve the engagement letter with O. W. Krohn and Associates.

There being no further business before the Council, a motion was made by Kissling, seconded by Wehr and carried to adjourn the meeting at 6:27 o'clock P.M.



Dennis W. Spinner
Mayor

Thomas A. Dippel
Clerk-Treasurer