

ACRSD Board
Meeting Minutes
January 9, 2025

The following persons were present:

Shannon Smitley, Chairman
Nate Rumschlag, Secretary
John Carroll, Board Member
Josh Zimmerman, Board Member
Jim Franz, Board Member
John Summers Board Member
Deon Shoaf, Board Member
Nathan Scherer, Superintendent
Noah Brite, Field Technician
Jane Kaverman, Billing and Accounting Clerk
Mark Burry, Attorney
Brooke Hindenlang, Paralegal to Mark Burry

APPROVAL OF MINUTES

MOTION TO APPROVE MINUTES MADE BY JIM FRANZ AND SECONDED BY JOHN CARROLL. Approved 7-0.

PRESENTATION BY REBECCA COCHRAN

Becky Cochran presented an explanation of the various financial accounts that the District currently has.

BONY – This is really 3 different accounts, a transfer is made to that account each and every month (\$308+). This is then split between 2 accounts to fund the payment of the SRF Loan – 17K each month and another amount is submitted 2 times per year. Around \$100,000.00 is withdrawn to pay around 3 loans, consisting of mostly interest and around \$3,600 goes into the debt service reserve. This goes on for several more years.

- At the end of 2024, it had 186k in it.
- Deon Shoaf asks about the debt reserve money.
- This will accumulate until it turns off and then it will stop; based on the existing debt.
- The District earns interest on this.

BONY (Project 5) - This is the account that started at 3 million, this money sat there and accumulated interest around 14K per month, starting in May, out of 3 million there is a little less than 1 million available.

- Ben Adams and Mark Burry discuss contingencies. Some fees were not spent.

- Deon Shoaf asks about what the money can be used for.
- Ben Adams discusses that the District has to ask SRF to use it.
- John Summers wants to know where the interest goes – it stays in the account.

Gold Money Market account (FBOB) – This account was set up to pay the first loans the District had with USDA. 17K goes in there each month to be applied towards the loan payments. There is also 8K short term asset reserve. This could be used for maintenance. Semi-annual payments are around 50K. It is basically an in and out account. This account is a 40 year account based on the loans.

- In addition, it was calculated that \$7.61 per customer has to go into the maintenance fund. Currently the District has 1096 customers.
- Ben Adams explains that a new calculation is done for every new project for cost of pumps and other items.
- Deon Shoaf asks if the District could apply the excess Project 5 money to the maintenance fund?
- Ben Adams is not sure.
- Deon Shoaf believes that it is something to consider
- Nathan Scherer advises that he and Noah Brite are trying to keep the inventory up to date.
- Mark S. Burry doesn't think the District can put the remaining Project 5 funds in a rainy day fund.
- John Summers believes that it needs to be looked at like ARPA.
- John Summers also asks about the current rates.
 - The District borrowed money cheap and is providing good returns

In summary, per Becky Cochran, everything is flowing pretty well.

Becky Cochran and Jane Kaverman further explain that based on the recent Audit, recommendations have been made, and they have implemented the necessary changes.

REORGANIZATION OF THE BOARD:

MOTION FOR CHAIRMAN SHANNON SMITLEY TO BE REAPPOINTED MADE BY NATE RUMSCHLAG AND SECONDED BY JIM FRANZ. Approved 7-0.

MOTION FOR VP JIM FRANZ TO BE REAPPOINTED MADE BY JOHN CARROLL AND JOHN SUMMERS. Approved 7-0.

MOTION FOR SECRETARY/TREASURER NATE RUMSCHLAG TO BE REAPPOINTED MADE BY SHANNON SMITLEY AND SECONDED BY JOHN SUMMERS. Approved 7-0.

MOTION FOR MARK BURRY TO BE REAPPOINTED AS COUNSEL FOR THE DISTRICT MADE BY JOHN SUMMERS AND SECONDED BY JIM FRANZ. Approved 7-0.

MOTION FOR BROOKE TO REMAIN ASSISTANT SECRETARY MADE BY JOHN SUMMERS AND SECONDED BY JIM FRANZ. Approved 7-0.

MOTION FOR NATHAN SCHERER TO REMAIN AS DISTRICT SUPERINTENDENT MADE BY JOHN CARROLL AND SECONDED BY JOSH ZIMMERMAN. Approved 7-0.

APPROVAL OF CLAIMS & BANK RECONCILIATION

Bank Reconciliation information:

FBOB – \$570,170.55

FBOB - \$382,261.90

BONY - \$308,773.67

BONY (p 5) \$977,564.91

MOTION TO APPROVE BANK RECONCILIATION MADE BY JOHN CARROLL AND SECONDED BY DEON SHOAF. Approved 7-0.

Vouchers in the sum of \$6,889.03 for payroll and monthly claims in the sum of \$78,053.13 submitted for approval:

MOTION TO APPROVE PAYROLL CLAIMS IN THE SUM OF \$6,889.03 AND MONTHLY CLAIMS IN THE SUM OF \$78,053.13 MADE BY NATE RUMSCHLAG AND SECONDED BY JOSH ZIMMERMAN. Approved 7-0.

SRF Claim submitted for approval:

Project 5 – Commonwealth \$2,561.00

MOTION TO APPROVE THE SRF CLAIM OF \$2,561.00 MADE BY NATE RUMSCHLAG AND SECONDED BY JOSH ZIMMERMAN. Approved 7-0.

DISTRICT SUPERINTENDENT REPORT

Nathan Scherer updates the Board as follows:

- Nathan recently met with Mark Burry and Brooke Hindenlang to discuss the next step for those that have failed to connect in Project 3. There are only 4 non-compliant people from Project 3. A few others haven't connected but they are waiting on loans. At least one person is working with the USDA but they are very slow. He also reported that there is a new contact person with the USDA – Gennifer.
 - Legal action will be taken against these individuals – liens are currently being filed.

- Project 4 – There is only 1 property remaining to be hooked-up. They are needing to rewire their house.
- Project 5 – Contractors are working, it has slowed down. Weather/holidays have also impacted the work. Nathan Scherer will be reaching out to contractors to find out who doesn't have a contractor lined up.

- Nathan Scherer and Noah Brite went to Topp Industries, had a great day with them. They discussed upgrading Project 1 stuff (what is it going to take). Nathan Scherer explains in further detail. Might be able to engineer our own fit for these things. They will mock one up in house. Nathan Scherer thinks he and Noah Brite can install the modifications themselves.
- An Individual had a house fire, will be tearing the house down and rebuilding, should be able to file a non-occupancy affidavit. Once occupancy permit is obtained, then they will have the billing start back up.
 - Per Josh Zimmerman it might be a 1.5 year wait before the new home is up.
 - Nathan Scherer said he will likely pull the pump and cap it.
- Nathan Scherer introduces information about 8 additional customers.
 - 2k tap fee will be assessed
 - \$75 inspection fee will be assessed
 - Need to discuss this further
- Future Purchases
 - Regarding the purchase of a Vac Truck, the price is too great, doesn't make any sense at all to go this route.
 - Nathan Scherer has quotes for vac trailers. He obtained three quotes, with different styles. The quote for a 600 gallon vac trailer is 150K, it would have a jetter, all the vac, heater, and pressure washer.
 - John Carroll asks questions about the tandem.
 - Nathan Scherer explains that we need to flush lines (lateral), big issue is the manholes. If there are major problems, the District will still need to get Decatur if available they are available. For maintenance use and preliminary maintenance would be nice to have our own.
 - John Carroll asks about the current PU. SRF will not let the District buy a truck, but Nathan Scherer thinks the District would be allowed to buy a service body (60K quote so far). The District needs a service truck.
 - John Carroll thinks maybe a 3/4 ton to pull the trailer.
 - Nathan Scherer prefers a service vehicle plus a trailer.
 - Nathan advises that regarding the price on a 1 ton truck – the District would be able to get \$100 off on the government side of it.
 - John Carroll believes a heavy-duty truck might be better.
 - Nate Rumschlag wants to review this a little more.

- Mark Burry suggests that Nathan Scherer get quotes to submit to SRF and then bring them to the Board at the next meeting.

ENGINEER'S REPORT

Ben reports that there is nothing new to report other than there is a survey going on for new areas.

John Carroll asks about the future project areas.

- The potential list is 200 E, 100 E, Wyneken area and to replace the force main around the Monmouth area.

DISTRICT ATTORNEY REPORT

Mark Burry addresses the Board as follows:

There was a notification, back in November, from the BONY 2021 bond issue. In all the bond issues, you have complete reporting every 5 years and there is a rebate calculation for the bond issue. Basically, you agree at the time of signing that you are going to file the reports. Mark Burry spoke with Baker Tilly about completing this and he received an agreement for this service from them. They will charge their standard hourly rate.

MOTION TO HIRE BAKER TILLY FOR THE BONY 2021 BOND ISSUE MADE BY JOHN SUMMERS AND JIM FRANZ. Approved 7-0

Mark Burry reviews the year end summary as prepared by Becky Cochran.

- Discussion held regarding the budgeted amounts versus the actual, including treatment costs which exceeded the budgeted amount.
 - Josh Zimmerman and Nathan Scherer are going to look at manholes around Monmouth and try to figure things out. Where is the problem? They ran for 8 hours straight during the rain last week.
- Also, the net income was greater than the budgeted amount. The District may need to look at expected revenues and put it in rainy day fund.
- The District is still waiting on Baker Tilly to provide feedback on the rate evaluation.
- Jane Kaverman recommends, that based on prior budget classes she participated in, the District should have 50% in cash.

PUBLIC COMMENTS

None

MOTION TO ADJOURN BY JOHN CARROLL AND SECONDED BY JOSH ZIMMERMAN. APPROVED 7-0.

Minutes approved by:

Shannon Smitley, Chairman



Nate Rumschlag, Secretary

Deon Shoaf, Board Member

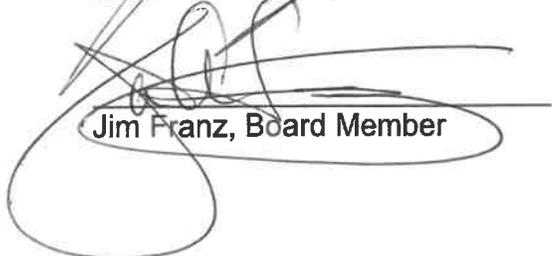


John Summers, Board Member



John Carroll, Board Member

Josh Zimmerman, Board Member



Jim Franz, Board Member