

**MINUTES
BOARD OF TRUSTEES MEETING
LORAIN COUNTY RURAL WASTEWATER DISTRICT
MAY 14, 2009**

Call to Order:

The regular meeting of the Board of Trustees of the Lorain County Rural Wastewater District was held at the LORCO offices, 22898 West Road, Wellington, Ohio. President McConnell called the meeting to order at 7:00 p.m. with the pledge of allegiance.

Trustees in Attendance:

Scott Grills	James Wright	Doug Edwards
Rick Hutman	Dominic Ferritto	Howard Born
Ernest Hartman	Rita Canfield	John Piwinski
Gerald Cowie	Thomas Lahetta	Dorothy Collins
Cindy Kurpely	Neil Lynch	James McConnell

Also in Attendance:

John Kniepper, Chief Utilities Director, ALMU
Matt Dooley, Attorney
Helen Haddox, Office Manager
Fred Alspach, Executive Director

Oath of Office:

Due to the resignation of Joseph Knoble, it has been determined that Howard Born is appointed by the Henrietta Township Trustees to serve as their representative. This term of office will expire March 27, 2010. Matt Dooley, Attorney to the Board, gave the oath of office to Mr. Born.

Approval of Minutes:

President McConnell announced that the minutes of the regular meeting held on April 9, 2009 and the minutes of the special meeting held April 23, 2009 had been mailed to all the trustees and called for any additions or corrections. It was moved by Cindy Kurpely, with a second by James Wright to approve the minutes of the April 9, 2009 meeting as written. All voted yea. Motion carried. It was moved by Ernest Hartman, with a second by Doug Edwards to approve the minutes of the April 23, 2009 meeting as written. All voted yea. Motion carried.

Old Business:

Executive Director, Alspach reviewed a letter notifying Country Place residents that their private street in Eaton Township had been included, by their petition, in the construction bids and can receive service at a cost equal to the general area for existing residential sewer taps. The Country Place homeowners are to make a final decision soon to be included in the construction. Another issue was the presentation of a Household Sewer Treatment System (HSTS) fact sheet. This information was provided by the Lorain County General Health District. The Ohio Township Association is on record in support of SB-110 regarding HSTS on a statewide basis.

New Business:

President McConnell informed the board that Wellington Township alternate, Dennis Schumaker, has resigned. However, a replacement has not yet been named.

Township Fiscal Officer, Louise Grose, was present at this meeting to learn more about LORCO. Mr. McConnell went on to note that LORCO representatives attended a public comment hearing held by the Ohio EPA in Columbus, which dealt with the full explanation of the American Recovery and Reinvestment Act (ARRA) awards. LORCO is listed to receive \$5,000,000 in an ARRA forgivable principal loan along with \$13,102,905 in a low interest Ohio EPA- Water Pollution Control Loan. Mr. McConnell explained that this will considerably reduce the debt service to the LORCO sewer project and any savings will be passed along to the benefited users.

Vice-president Lynch, who attended the OEPA meeting noted that numerous entities were there to give testimony regarding their projects that were not considered for ARRA loans. However, LORCO is one of only three Lorain County entities to win the ARRA loan, in the water and wastewater category.

RESOLUTION NO. 2009-12 It was moved by Tom Lahetta, with a second by Scott Grills, WHEREAS, the following have been submitted:

Payrolls disbursed on – 04/08/09 & 04/22/09	\$	2,211.54
Ohio Bureau of Workers' Compensation	\$	923.96
Village of Grafton – Wastewater Treatment	\$	623.55
OPERS – contributions 03/21/09 – 04/17/09	\$	592.13
North Coast Administrators – monthly health insurance	\$	526.66
Computers by Steve (2008 Web Hosting)	\$	300.00
First Merit – federal payroll taxes for April	\$	226.44
LMRE – NISC accounting software (2 mos.)	\$	191.71
Fred Alspach – LORCO petty cash reimbursement	\$	171.16
First Merit – monthly analysis fee	\$	57.24
Verizon – landline	\$	54.82
LMRE – administrative contract for March	\$	7,174.94
Stumphauzer O'Toole – legal fees for 03/03/09 – 03/24/09	\$	4,384.50
Radachi & Company – accounting fees for 03/04/09 – 03/27/09	\$	1,392.00
LMRE – first quarter postage	\$	289.92
LMRE – first quarter mileage	\$	438.90
LMRE – first quarter copies and faxes	\$	229.10
LMRE – rent for February	\$	250.00
GRW – Sewer Line & Force Main Design (03328-02)	\$	8,030.00
GRW – Pumping Station Design (03328-03)	\$	4,000.00
GRW – Design, Easements, Permits & Approvals (03328-04)	\$	15,499.82
GRW – Collector & Interceptor Sewers, Pumping Station and Force Main Designs, Bidding/Award Services (03328-05)	\$	64,500.00

NOW, THEREFORE BE IT RESOLVED,

- 1) That in anticipation of receiving permanent construction funding with a financing guarantee from the USDA/ Rural Development, the LORCO Rural Wastewater District may be required to expend or incur cost for planning and/or fees for the purpose of making capital improvements to their wastewater collection facility, which costs expended or incurred will be considered a part of the total USDA/Rural Development construction loan and the LORCO Rural Wastewater

District may claim such costs as reimbursable expenses through the loan.

- 2) That it is found and determined that all formal actions of this Board of Trustees concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board of Trustees, and that all deliberations of the Board of Trustees and of any of its committees resulting in such formal action were in meetings open to the public, in compliance with the law, including Section 121.22 of the Revised Code of Ohio.

Vote resulted as follows: 15 yea. 0 nay. Motion carried.

RESOLUTION NO. 2009-13 Following explanation by Executive Director Alspach, this resolution was not recommended for board consideration. President McConnell voiced his concern for potential cost increases to those existing homes who would benefit from future sewer taps to the LORCO lines. However, the issue here is Facility Planning Areas (FPA), which are governed by the Northeast Ohio Areawide Coordinating Agency (NOACA) and until such FPA issues are resolved, LORCO can not provide sewer service outside of its area.

There was no legal report given at this time.

Executive Director, Fred Alspach, continued with Mr. Lynch's report regarding the Ohio EPA meeting in Columbus and presented a cost estimate of the project and its financing components, which are known at this time. Several letters supporting LORCO in its effort to receive the ARRA and OEPA-WPCLF loans were distributed.

A recent manager's forum was held involving eleven rural water and wastewater systems. Part of the discussion was better legal representation and legislative update information. A presentation by the law firm of Stumphauzer and O'Toole was provided to offer a vehicle to accomplish these management goals through a unified approach to the protection of service territory. The "Rural Water Alliance" provides a synergy to make daily problem solving and administration easier, more uniform and most cost effective. It was moved by Dominic Ferritto, with a second by Cindy Kurpley to join and participate in the Rural Water Alliance. All voted yea. Motion carried.

Mr. Alspach reviewed the updated LORCO time line and various newspaper articles.

The April list of deposits, disbursements and deferrals was reviewed.

Other Business:

Mr. Milum inquired why North Island Road, north of Dye Road was not being served. It was explained that two lift pump stations would need to be installed and the numbers of homes, at this time, does not support the cost. Also why is South Reed Road, south of the railroad not being served. This area is not in LORCO's Facility Planning Area. Another question was regarding Mr. Milum's email messages being blocked by Fred Alspach at LORCO. Alspach has no knowledge of how to block messages and certainly does not know what the problem with Milum's email may be. Mr. Milum questioned why LORCO's service area is not being expanded with consideration of lower costs. Notwithstanding Milum's ongoing objections to LORCO's cost on everything, it was noted that the current plan is what is being funded and can't be changed. The lower costs are being considered as lower costs to the benefited users.

Mr. Del Roig presented his list of sewer tap and monthly fee rates for surrounding wastewater systems i.e., Elyria, North Ridgeville, Avon, Avon Lake, Oberlin, Grafton, Amherst and the yet to be finalized rates for LORCO. He questioned the costs of LORCO in comparison with these areas. Because Mr. Roig's list shows a disparity of existing tap fees from \$600.00 to \$6393.58 and existing monthly rates from \$-0- to \$36.00 it is difficult to reconcile such a comparison based in part on taps to an existing system versus the tap-construction cost for a new system. Mr. Roig's sentiments were echoed by another Eaton resident. President McConnell informed the audience that the LORCO board is giving every consideration, based on the final numbers, to lowering costs to the benefited users and a rate study will be undertaken during the course of construction, which will determine the true costs to each benefited user.

Mr. Carl Denk remarked that the LORCO board may want to give consideration to equipment purchasing and headquarters location at this time with the lower cost of money. Mr. McConnell noted that all these issues will be given due consideration.

Executive Session:

It was moved by Ernest Hartman, with a second by Rita Canfield to go into executive session to discuss potential litigation at 8:27 p.m. A roll call vote was taken showing all 15 members present voted yea and 0 nay. Motion carried.

It was moved by Ernest Hartman, with a second by Scott Grills to return to regular session at 9:18 p.m. All voted yea. Motion carried.

Adjourn:

With no further business to come before the Board, it was moved by Cindy Kurpley with a second by Ernest Hartman to adjourn at this time 9:20 p.m. and meet again in regular session at 7:00 p.m. on Thursday, June 11, 2009 at the LORCO offices, 22898 West Rd. Wellington, OH. All voted yea. The motion carried.

President

Secretary-Treasurer