

**MINUTES
BOARD OF TRUSTEES MEETING
LORAIN COUNTY RURAL WASTEWATER DISTRICT
DECEMBER 8, 2005**

Call to Order

The regular meeting of the Board of Trustees of the Lorain County Rural Wastewater District was held at the LORCO office, 22898 West Road, Wellington, Ohio pursuant to written notice. President McConnell called the meeting to order at 8:05 p.m. with the pledge of allegiance.

Trustees in Attendance –

James Woodrum	Ernie Walker	Ed Born
James Wright (8:10 pm)	Ernest Hartman	Barbara Harper
John Piwinski	Gerald Cowie	Dennis Shumaker
Thomas Lahetta	Dwaine Clinker	Jim McConnell
Neil Lynch (8:20 pm)		Dorothy Collins

Also in attendance were Rich Radachi, CPA; Dennis O'Toole, Attorney to the Board; Fred Alspach, Executive Director and Becky Haines, Administrative Assistant.

Absent –

Rick Hutman, Dominic Ferritto

Approval of Minutes

President McConnell noted that the minutes of the regular meeting held November 10, 2005 were mailed to all board members and called for any corrections or additions. **It was moved by Gerald Cowie, with a second by Ernest Hartman to approve the minutes as written. All voted yea. Motion carried.**

Old Business

Executive Director Alspach stated that the updated Table of Contents for the Personnel Policy manual had been mailed with the board packet and members should replace the old with the new.

New Business

President McConnell suggested mailing an invitation to the newly appointed township trustees and councilmen for an orientation with LORCO officials to introduce our organization and discuss our goals and objectives. In addition, to this he would like to invite the area trustees who are not currently members of LORCO to attend and learn of our progress and upcoming events.

CPA Radachi presented the 2005 Permanent Adjusted Budget and the 2006 Temporary Budget for review and discussion.

RESOLUTION NO. 2005-31 It was moved by Thomas Lahetta, with a second by James Wright WHEREAS, the Lorain County Rural Wastewater District appropriations for 2005 need to be amended to reflect actual expenditures through November 30, 2005, and;

WHEREAS, the list of actual expenditures is attached hereto, which reflect the requirement for additional appropriations, and;

WHEREAS, full discussion has been held.

LORCO RURAL WASTEWATER DISTRICT

Estimated/Budgeted Expenses for 2005

Temporary/Permanent Budget for 2006

	<u>ESTIMATED</u> <u>2005 EXP</u>	<u>PERMANENT</u> <u>2005</u> <u>BUDGET</u>	<u>OVER(UNDER)</u> <u>BUDGET</u>	<u>RE-</u> <u>APPROP</u> <u>2005</u>	<u>TEMP/PERM</u> <u>2006</u> <u>BUDGET</u>
REVENUES:					
SEWER USAGE FEES					
PENALTY INCOME					
OTHER INCOME					
INTEREST INC. - ESCROW					
5/3	100	0	100	100	600
TOTAL REVENUE	100				600
OPERATING EXPENSES:					
BANK FEES AND ADJ	800	275	525	525	500
MILEAGE	1,725	1,400	325	325	2,000
RENT	3,000	3,000	0		3,000
TELEPHONE	575	650	(75)		650
OFFICE EQUIPMENT	3,493	3,500	(7)		500
POSTAGE	907	560	347	347	1,000
OFFICE EXPENSE	3,356	1,900	1,456	1,456	3,500
INSURANCE	1,500	2,500	(1,000)		2,500
LEGAL COUNSEL	55,000	50,000	5,000	5,000	75,000
PROF. FEES (BOND					
COUNCIL)	6,756	0	6,756	6,756	0
PROF. FEES (ENG)	575,000	800,000	(225,000)	(225,000)	900,000

ADMINISTRATIVE FEES	41,855	41,000	855	855	52,000
ADMINISTRATIVE WAGES	31,010	45,000	(13,990)	(13,990)	60,000
ACCOUNTING FEES	25,000	25,000	0		45,000
AUDIT FEES	4,500	4,000	500	500	10,000
COMMITTEE MEETINGS	0	350	(350)		500
EASEMENT & ACQUISITION	575	0	575	575	300,000
FEASIBILITY STUDY	8,000	0	8,000	8,000	10,000
CONSTRUCTION	0	0	0		15,000,000
TRAVEL & EDUCATION	2,760	0	2,760	2,760	3,000
MISCELLANEOUS	0	0	0		1,000
WSOS ENVIRON REVIEW	2,000	4,000	(2,000)		10,000
INTEREST EXPENSE	45,000	155,000	(110,000)	(110,000)	500,000
TOTAL EXPENSES	812,813	1,138,135			16,980,150
2004 EXP PAID IN 2005	48				
2005 ACCOUNTS PAYABLE	106,305				106,305
2004 ACCOUNTS PAYABLE	0	114,361			114,361
2003 ACCOUNTS PAYABLE	0	84,158			84,158
2002 ACCOUNTS PAYABLE	0	108,330			108,330
2001 ACCOUNTS PAYABLE	0	55,477			55,477
2000 ACCOUNTS PAYABLE	0	31,338			31,338
1999 ACCOUNTS PAYABLE	0	34,250			34,250
GROSS OPERATING INC	(706,306)	(1,566,049)			(17,514,369)
LESS BANK LOAN PRIN PMT	300,000	300,000	0		1,600,000
LESS BANK LOAN INT PMT	19,897				31,044
ESCROW FDS. TRANSF. TO 5/3	4,000	0			0
LESS TWP/COMM LOANS	0	0			79,500
LESS OWDA LOAN PRIN PMT	0	0			0
TOTAL DISBURSEMENTS	(1,030,203)	(1,866,049)			(19,224,913)
USDA LOAN (4%)	0	0			25,000,000
BOND SALE (5%)	0	20,000,000	(20,000,000)		
FIRST MERIT BANK	1,008,738	1,600,000	(591,262)		
CASH CARRYOVER	9,514	9,514			150
ADD'L OWDA LOANS	0	0			0
ADD'L TOWNSHIP LOANS	0	0			0
AMHERST TWP. STUDY ESCROW FUNDS RECEIVED	8,000	0			0
	4,000				

COLUMBIA TWP APP FEE	0		
TOTAL CASH	1,030,252	21,609,514	25,000,150
EXCESS CASH FOR C/O	150	19,743,465	5,775,237
TOTAL ESCROW AT 5/3	24,000		24,000

NOW, THEREFORE BE IT RESOLVED

- 1) The Lorain County Rural Wastewater District 2005 Amended Budget is hereby approved with Exhibits attached.
- 2) That it is found and determined that all formal actions of the 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: 13 yea 0 nay. Motion carried.

RESOLUTION NO. 2005-32 It was moved by Barbara Harper, with a second by Ed Born;

WHEREAS, the Lorain County Rural Wastewater District temporary budget was approved in accordance with Ohio Law on June 9, 2005, and;

WHEREAS, the Lorain County Rural Wastewater District budget for 2006 is hereby attached, and;

WHEREAS, full discussion has been held.

	<u>TEMP/PERM 2006 BUDGET</u>
REVENUES:	
SEWER USAGE FEES	
PENALTY INCOME	
OTHER INCOME	
INTEREST INCOME - ESCROW 5/3	600
TOTAL REVENUE	600

OPERATING EXPENSES:

BANK FEES AND ADJ	500
MILEAGE	2,000
RENT	3,000
TELEPHONE	650
OFFICE EQUIPMENT	500
POSTAGE	1,000
OFFICE EXPENSE	3,500
INSURANCE	2,500
LEGAL COUNSEL	75,000
PROFESSIONAL FEES (BOND COUNCIL)	0
PROFESSIONAL FEES (ENG)	900,000
ADMINISTRATIVE FEES	52,000
ADMINISTRATIVE WAGES	60,000
ACCOUNTING FEES	45,000
AUDIT FEES	10,000
COMMITTEE MEETINGS	500
EASEMENT & ACQUISITION	300,000
FEASIBILITY STUDY	10,000
CONSTRUCTION	15,000,000
TRAVEL & EDUCATION	3,000
MISCELLANEOUS	1,000
WSOS ENVIRON REVIEW	10,000
INTEREST EXPENSE	500,000
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TOTAL EXPENSES	16,980,150
2004 EXP PAID IN 2005	
2005 ACCOUNTS PAYABLE	106,305
2004 ACCOUNTS PAYABLE	114,361
2003 ACCOUNTS PAYABLE	84,158
2002 ACCOUNTS PAYABLE	108,330
2001 ACCOUNTS PAYABLE	55,477
2000 ACCOUNTS PAYABLE	31,338
1999 ACCOUNTS PAYABLE	34,250
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GROSS OPERATING INC	(17,514,369)
LESS BANK LOAN PRIN PMT	1,600,000
LESS BANK LOAN INTEREST PMT	31,044
LESS TWP/COMM LOANS	79,500
LESS OWDA LOAN PRIN PMT	0
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TOTAL DISBURSEMENTS	(19,224,913)
USDA LOAN	25,000,000
CASH CARRYOVER	150

ADD'L OWDA LOANS	0
ADD'L TOWNSHIP LOANS	0
MISC. REFUNDS/CREDITS	0
TOTAL CASH	25,000,150
EXCESS CASH FOR C/O	5,775,237
TOTAL ESCROW AT 5/3	24,000

NOW, THEREFORE BE IT RESOLVED

- 1) The Lorain County Rural Wastewater District 2006 Permanent Budget is hereby approved with Exhibits attached.
- 2) That it is found and determined that all formal actions of the 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: 13 yea 0 nay. Motion carried.

Bob Smallwood provided board members with an in depth update of the status of the engineering on Phase I force main and collection lines. Currently 49 of the 55 miles of pipeline have been surveyed. The design plans are being updated with the elevations, property lines, existing utilities, and right of way information. Easement acquisitions and the permitting processes have begun and the easement descriptions are being prepared and forwarded to the LORCO office for preparation of easements. The Ohio Environmental Protection Agency will require wetland delineation to determine any negative impact during construction as part of our Permit to Install (PTI).

Attorney O'Toole stated he had hoped that funding would be completed and submitted to the USDA Rural Development office for approval but unfortunately it was not accomplished by the meeting. Further information will be forthcoming at the January meeting.

Administrative Assistant Haines reported that the NISC accounting software is working well and the November end of the month reports printed

without problem. During the next two weeks all 2005 information will be posted to the software and payroll accounting setup will be completed.

RESOLUTION NO. 2005-30 It was moved by Ernest Hartman, seconded by Ed Born:

WHEREAS, the following have been submitted:

LMRE – November rental fee	\$	250.00
LMRE – Reimbursement of conference fee to NISC St. Louis	\$	340.00
Radachi & Company – accounting services	\$	2,494.00
LMRE – Administrative contract	\$	4,257.36
Verizon – telephone	\$	47.53
PayChex – payroll for 10/22/05 through 11/04/05	\$	1,755.87
OPERS – retirement contribution for October	\$	763.28
GRW Engineers – Update final engineering study	\$	6,000.00
GRW Engineers – engineering fees for Phase One	\$	75,000.20
PayChex – payroll 11/5/05 through 11/18 /05	\$	1,755.87
PayChex – account maintenance fees	\$	86.38
First Merit Visa	\$	25.24
Schottenstein, Zox & Dunn	\$	6,756.25
Baumgartner & O’Toole – legal services for October 2005	\$	4,501.50
Baumgartner & O’Toole – legal services for November 2005	\$	4,318.50
Lorain County Clerk of Courts – notary renewal	\$	35.00

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: 14 yea 0 nay.

Executive Director Alspach proceeded with the Administrative Report in which he reviewed the current bank balance, expenditures, time sheets and news articles.

Finance Audit Committee Chairman, John Piwinski, stated that the committee had met earlier in the evening with Mike Kiley, Senior Auditor with the

State Auditor's office to review the 2003 and 2004 audit findings. The final published report should be completed by the end of December.

Other Business

There were no additional meetings scheduled for December. President McConnell scheduled the next LORCO meeting to be held on Thursday, January 12, 2005 at 8:00 p.m.

Adjourn

President McConnell called for a motion to adjourn. **It was moved by Ernest Hartman, second by Thomas Lahetta to adjourn at this time 8:55 p.m. All voted yea. Motion carried.**