

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS FOR THE
DAMON RUN CONSERVANCY DISTRICT
August 25, 2014

The Board of Directors of the Damon Run Conservancy District met at 5:00 P.M. on August 25, 2014 at the Valparaiso Public Library, 103 East Jefferson Street, Valparaiso, Indiana. Directors present were Richard Hardin, Jack Barko, Jennifer Beauchamp and Don Wilhelm. George Grace was absent. Also present was Bill Ferngren of Ferngren Law, Chris Pruitt of USC, and Charlie Ray of The Duneland Group.

Mr. Barko called the meeting to order.

The meeting minutes were then distributed. After review of the minutes, Mr. Wilhelm made a motion to approve. Ms. Beauchamp seconded. Motion carried unanimously.

Mr. Barko submitted a list of claims for review.

Mr. Hardin made a motion to approve the claims. Mr. Wilhelm seconded. Motion carried unanimously.

Mr. Ferngren presented Resolution 2014-02 to address unpaid accounts. The SBOA wanted to see a process to follow in regard to unpaid accounts. The resolution is in accordance with Indiana State law and is under the direction of the SBOA. Delinquent accounts will receive a reminder notice upon being 60 days delinquent. Upon reaching 90 days delinquent, another letter will be sent as a reminder and payment must be rendered in 10 days. If the balance remains unpaid, a lien will be placed on the property to be collected on the property tax bill. Mr. Wilhelm made a motion to approve. Ms. Beauchamp seconded. Motion carried 4-0.

Freeholder Katie Rizer submitted a request to be included on the agenda and took the floor. The board also granted other freeholders in attendance to ask questions of the board.

Mrs. Rizer asked if director George Grace had resigned. The board responded that he had not and was still a property owner and can legally remain on the board through the end of his term.

Mrs. Rizer asked how the District was responding to a recently passed ordinance by the Town of Chesterton implementing the "4 mile rule" for all sewer connections. Mr. Ferngren responded that this was an ordinance passed by the Town of Chesterton and there isn't much the district can do. We do not believe the ordinance is valid, however the board does not see where any action can or should be taken at this time.

Freeholder Stephanie Campana asked the board if there was an official tally of the homes that have been built. Mr. Ferngren responded that there is and is determined by the county

effective on March 1 of each year to be included in the Assessed Value. The District does not yet have the official AV as determined by Porter County and will have that at the October Budget Introduction meeting.

Mrs. Rizer asked about the management company hired by Damon Run. Mr. Barko responded that it was Indiana Utility Management. Mrs. Rizer asked if it was Mr. Barko's company and Mr. Barko responded that it was. Mr. Ferngren advised that all conflict of interest statements have been filed where appropriate and Mr. Barko has abstained from any potential conflict of interest votes as a director of the board.

Mr. Barko also advised that Indiana Utility Management handles the day to day operations of the District while Utility Services Corp has been retained to maintain the lift stations and pumps. Mr. Barko also noted that Indiana Utility Management has billed the District for service rendered but as of yet has not collected any money and has been working with the District while cash supplies are tight.

Mrs. Rizer asked about the employees of Indiana Utility Management. Indiana Utility Management was formed to handle the day to day operations of Damon Run Conservancy District. It was noted that Ms. Beauchamp is not an employee of Indiana Utility Management, rather an employee of Nardo Builders. She is not being paid by Indiana Utility Management.

Mrs. Rizer asked what the monthly rent being charged was. Mr. Ferngren will review and Ms. Beauchamp will have the Indiana Utility Management contract added to the website if it is not already present.

Freeholder Dan Eland asked if there was a website where all of this information could be accessed. Mr. Hardin responded that it is all included at damonrunconservancy.com. Mr. Eland then asked about the purpose of the property tax, and the payoff time frame. Mr. Ferngren asked if this could be taken offline in a separate discussion as this has been an ongoing discussion since 2006. The freeholders asked if we could discuss it now, which the board obliged. Mr. Ferngren and Mr. Barko explained the bond, assessed value, and how they work together. Growth increases assessed value and drives down tax rates.

Freeholder Angela Roadhouse asked about the flooding issues and stated that property values were going down due to the flooding. She stated that it is a Damon Run Conservancy District issue.

Mr. Ray of the Duneland Group explained that the flooding experienced during the recent 6" rainfall event is based on several instances. At the time of development, the county did a study and approved all plans. Water to the north travel through St. Andrews subdivision and Timberland. The state cleaned out under 49 and it increased the water flows to the south. Additionally, a restrictor is being reviewed on the hospital property. The issue is that others are not properly detaining water. A solution was presented to the developer in 2010 or 2011 and the decision was made by the developer to not implement the plan.

Mrs. Rizer asked who the decision maker was. Mr. Ray responded that the plan was not implemented. The original plan was to drain to the wetland. Daylight windows that were already installed dropped the elevations by three to four feet. Slug comes in, hits, and backs into St. Andrews.

Mr. Ferngren asked to move forward from the stormwater issues. The county has adopted a board and is moving forward with implementation regarding stormwater issues. The District has elected to participate and suggested contacting the county.

Mrs. Rizer asked if Damon Run is responsible for stormwater. Mr. Ferngren stated that it is among the 9 items that a conservancy district can elect to cover. To date, the District has not collected any fees to cover stormwater.

Freeholder Dennis Fencl stated he sent a "mole" into the county. He asked who is the county commissioner who dug the retention ponds. He then asked if Timberland was putting water back into St. Andrews. Mr. Ray responded that this was the case. Mr. Barko asked what he meant by this. Mr. Ray said that toppers go back to St. Andrews.

Mr. Fencl asked who inspected the properties and asked if a natural spring was hit. His "mole" was sent back to the Damon Run board. He asked who he needed to talk to. He then asked about the bank heights of the Damon Run Tributary between Dickens and London Lane. He stated that Mr. Barko doesn't seem to know about sending stormwater back to St. Andrews.

Mr. Ferngren stated that the drainage was all designed by a Professional Engineer and was reviewed and approved by Porter County. He suggested that a conversation be had with the County. Mr. Wilhelm noted that Damon Run Conservancy District is not the developer. There is nothing hidden and all information is on the website.

Freeholder Kris Borsodi asked about the recent lift station flooding that caused a backup into her house. Chris Pruitt of Utility Services Corp (USC) responded. USC maintains and checks the lift stations. Inspections of the lift stations happen three times a week – Monday, Wednesday, and Friday. Ms. Borsodi asked if the lift stations also handled storm water. Mr. Pruitt explained that while there are some lift stations that are designed to handle both, the Damon Run lift stations only handle wastewater. He also noted that with a 6" rainfall event there will be some infiltration and inflow. Mr. Pruitt also noted that besides the excessive rainfall, there was a mechanical failure with the pumps at this lift station that contributed to the sewage backup.

Mrs. Borsodi asked if anything could be done about the odor from the lift station. Mr. Pruitt stated that he would look into it. It was noted that the 55 gallon drums at the lift station are chemicals being infused to help control the odor.

Freeholder Mark Wertzberger asked who is responsible for ditch maintenance. Freeholder Lisa Gonzalez immediately asked if Damon Run was planning to approach

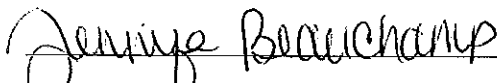
the County Commissioners and ask for relief as they have given to Chesterton on the 49 corridor project. Mr. Wilhelm stated that that is one option among others that are being explored. Mrs. Gonzalez asked who was responsible for St. Andrews detention pond. Mr. Wilhelm responded that this would be the St. Andrews developer. Mrs. Gonzalez asked who was responsible for the flooding. Mr. Wilhelm noted that the flooding discussion would be best for a different meeting.

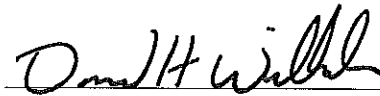
Freeholder Zac McConnell asked how the Chesterton ordinance would affect the District. Mr. Ferngren indicated that we had discussed that earlier in the meeting prior to Mr. McConnell's arrival and would discuss offline. Mr. Ferngren noted that a side by side analysis was presented to Ethan Lowe, Attorney for the Fox Chase Homeowners Association, John Marshall of 1st American Management, appointed receiver for Fox Chase, and Mayor Snyder of Portage comparing the costs of joining Damon Run Conservancy District or joining Chesterton Utilities. Numbers provided by Damon Run were based on the Memorandum of Understanding submitted by Chesterton which the board does not believe is a complete estimate of costs.

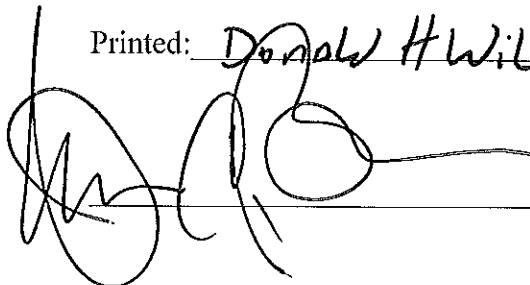
Mr. McConnell asked if Water and Sewer Rates were going to triple as he had heard. Ms. Beauchamp stated that the City of Portage adopted an ordinance that will increase sewer treatment fees, but not by triple. Without exact numbers, it is estimated at 3 to 5%. The rates are listed on the website.

Mrs. Campana asked if legal action would be required regarding the Chesterton "4 mile rule" ordinance. Mr. Ferngren stated that it still remains to be seen if there would be a need for legal action. He noted that there would be significant legal, engineering, and accounting expenses incurred should legal action be required.

There being no further business to come before the Board, Ms. Beauchamp moved to adjourn the meeting, Mr. Wilhelm seconded. Motion carried by unanimous voice vote.



Printed: Jennifer Beauchamp


Printed: Donald H. Wilhelm


Printed: _____

Printed: John C. Barbo

ATTEST:


Printed: RICHARD W. HARON