

Town of Russiaville, Indiana  
Public Hearing on Proposed Sale of Water Utility  
Regular Town Council Meeting  
March 17, 2014

Town Council President Jeff Lipinski opened the Public Hearing on the proposed sale of the water utility at 7:00 pm on March 17, 2014 at the Russiaville Town Hall. Jeff Henson, Mike Ward and Josh Cox were present from Indiana American Water. After a very thorough presentation describing their company and service they offering Mr. Henson stated that it was up to the residents of Russiaville to determine what was best for the Town. It was noted that if the utility was sold, the town's current water utility bond of \$927,000 would be paid off and the Town would receive just under \$900,000. Another financial benefit derived from the sale would be that the annual property taxes paid by Indiana American Water Co. could come directly to the town. The Town would need to set up a TIF District to accomplish this and then the \$40,000 to \$60,000 of annual property tax would be returned to Russiaville. Jeff Lipinski stated that it has been a difficult and time consuming process for the Council to get to this stage. The sale has been a topic of discussion at Council Meetings for over a year. Jeff stated he was happy to see so many residents in attendance but said that the normal meetings have just a handful participating. The number of empty houses, the unfunded mandates, the increases in operating costs will make it necessary for us to increase rates substantially if we keep the utility. Russiaville is like a lot of other communities that are struggling financially to maintain the basic services. He expressed the devotion of the Council members to the town and the respect he has for each of them and raising both the water and sewer rates is a big concern. The Town gets just under \$8,000 in Local Road and Streets for paving streets and the condition of some of our streets is a major concern for the Council and the residents. It may be time to think about doing business differently because the times are different. Jeff stated it had even been suggested to him by a resident that we get reduce our police department. Jeff asked for comments from the guests. Bonnie Ferguson of 407 South Union asked how much bills would go up. She said they struggle now making ends meet. Mark Brookes, with the Utility Workers Union of America who is responsible for the negative press concerning the sale of the water utility stated that this is a decision the townspeople should make. He expressed concerns with Indiana American Water. Council Members Don Parvin and Rob Hewitt stated that Russiaville has been caught up in a dispute between a corporation and union and the way it was handled by the union was not good. Don stated that this board has to move forward. We do not receive the funding we have in the past. Taxes are down. Roads are not fixed. Repair costs are increasing and rates will have to go up. Larry Grider of 325 East Kinsey stated he was concerned about losing control of the water utility. Marty Fisher of 325 E. College asked what might be some areas where cuts could be made. She stated that it has been suggested making cuts of employees. Is this a possibility? Tracy Oberholtzer of 312 N. Union St. stated that the infrastructure is falling apart and our repair cost will only increase which will add to increases in rates. Matt Armstrong, Russiaville's Wastewater Superintendent stated the majority of the water and wastewater lines in ground have been there since the late 1960s. Council Member Greg Landrum stated he is just very happy to have water to drink, shower and wash clothes whether it comes from a well owned by Russiaville or someone else. He also noted that because Councils have probably considered the stress on residents, bills probably were not increased at a rate they should have been. The utilities have been run under the 'good old boys' system. Part time councils may not be good utility managers. Gregory Steele of 255 South Liberty St. asked representatives of Indiana American Water what their vision was for the Town. Do they have a five or ten year plan? Jeff Henson stated that would fall into place once they began operating the system and determined what is needed. The system will be maintained. Douglas Edison of 8040 Circling Hawk Dr. was present to state that the United Auto

Workers Union ?? had passed Resolution opposing the sale of the Russiaville Water Utility to Indiana American Water. (I need to get a copy of that resolution). Greg Stephens 411 Pebble Court talked about the system at Honey Creek Hills. Council Member Cindy Aeschliman stated that in the beginning she was against the sale but she has checked with other utilities that have had to sell and learned about the benefits she has changed her perspective. Lance Shelby of 384 N. Union St. mentioned Gov. "Mitch's" sale of the toll road and the benefit that was to be financially but we are not realizing that benefit. His question was will we spend the money wisely? The Council Members stated that has been a concern of the council and if the utility should sell they would like to see a committee of citizens get together to figure out the best use of the monies. Jack Talbert of 305 E Main talked about an expanded customer base but that also takes money. Pat Sipes of 359 Carter Street stated she was confused by the information from the UUWU. She knows we have a hardworking Town Council that is not doing anything to hurt the town and she was offended by the language used in the letter. George Moss was present to state he is not a customer but is an elected union official and there are a number of union members in Russiaville whose opinion should be considered. Dennis Schermer of 341 East Street was present to express his surprise at the number of people present. He stated that if folks would attend the meetings regularly the motives of the council would be apparent. It has been a lengthy, information seeking, tough decision for the members. Not something being made in haste. If we would take the opportunity to attend more meetings we would know some of the things they struggle with daily. Jeff Condo discussed some the problems with other municipalities and credited the Board for investigating the options. John Newlin and Jeff Stout stated they appreciated the Council's hard work and efforts to keep rates down. Marty Fisher asked where they would get the plant's workers. Mike Ward stated they would be from the area.

Greg Landrum stated his displeasure at being caught in the middle of a conflict between a union and a corporation. Pat Reel of 264 S. Liberty St. would like to see hydrants upgraded. Many of them cannot be used by the fire department because they are flush hydrants. Jeff Lipinski stated he has been in government for twenty five years and it can be a frustrating hobby. He commended the council for being a unit that generally works well together. Don Parvin stated he heard many good comments tonight. He stated he has been divided 50/50 on his decision but has made up his mind tonight. There are still issues that need to be negotiated but can be worked out. No one wants to give up control. Don quoted some bottom line expense figures for water and said a good size increase will have to be made. There being no further comments, Jeff Lipinski asked for a motion. Rob Hewitt made a motion to suspend the rules for the first and second reading on Ordinance 2014-01, the ordinance authorizing the sale of the Town's Water Utility. Greg Landrum seconded the motion and the motion carried with Rob Hewitt, Greg Landrum and Cindy Aeschliman voting for passage and Don Parvin opposing. Motion was made by Rob Hewitt and seconded by Greg Landrum to pass Ordinance 2014-1. The motion carried with Rob Hewitt, Greg Landrum and Cindy Aeschliman voting for passage and Don Parvin opposing. The affirmative vote determines the decision will go to the voters of Russiaville to decide whether or not to sell the Water Utility. The Public Hearing portion of the meeting was closed

The Regular Town Council Meeting was opened by Council President Jeff Lipinski with all Council Members present. The minutes of the previous meeting were presented and approved. The Clerk Treasurer reported that the Planning Commission Executive Secretary Mike Kanable had issued two permits. One was for Mark Fisher for a storm shelter and one for a . Josh Welch was present for the Park & Tree Board with a plan for the plantings at the community center. He also asked for Council approval for the plantings at the interurban. On motion by Don Parvin and seconded by Cindy Aeschliman the Council approved Josh Welch, Rick Homkes, Sabrina Parnham, and Misha Jefferson to select approximately seven trees for placement of trees at the interurban when the construction is completed. Josh Welch announced the Chrysler Corp. is interested having their employees volunteer to help with the plantings and it looks like May 10<sup>th</sup> may be a good target date. Western High School Seniors will help with the plantings around the Town Hall area and thanks to a donation from Jeff Stout, the circle in front of the Community Center will be landscaped. The Council viewed a rendering prepared by Sabrina Parnham of the proposed plans for both projects. The plans were approved on motion made by Don Parvin and seconded by Rob Hewitt. May 22<sup>nd</sup> is the target date for these projects. The website for the community center should be up by April 4<sup>th</sup>.

The Summer Fest is planning a fundraiser that will bring a circus into town. The Council asked about the insurance for the event. The Clerk reported that the circus will put Russiaville on a rider that adds us to their policy for the time the event is here. About nineteen years ago the Lions Club sponsored the Circus a few times over a period of years. It is exciting to think about it happening again. The tentative dates are the first weekend in June. Josh stated that he thought Rhiannon wanted the parking lot at the community center. Don Parvin objected to using the parking lot because it would be needed for parking. It was noted that there are large grassy areas that could be used. Motion was by Cindy Aeschliman and seconded by Greg Landrum to approve holding the circus. Voting for the circus was Greg Landrum, Cindy Aeschliman and Rob Hewitt. Don Parvin voted to oppose the circus because there was no representative from the Festival in attendance making the request. The Council expressed its appreciation to Josh and his committee for all their hard work with their various projects.

Matt Armstrong was present with the Utilities Report. He stated that at this time everything is good. He is now licensed to operate the Russiaville Wastewater Facility. A letter is needed for Russiaville and New London. Jeff Lipinski noted that Matt has \$1,000 coming as a bonus for receiving and he will get it as soon as funds are available. The Russiaville Wastewater facility was at 76% capacity last month and it was noted that last year at the same time it was at 140% capacity. The Council approved a salary increase to \$16.30 per hour for Matt retroactive to March 3<sup>rd</sup>. Ryan Williams has taken a part time job at Western School Corp. It was noted that he may be available for part time here if it doesn't conflict with the school. Ryan has been a valuable asset to the Town and whatever his schedule will allow will be appreciated. Zach Parvin also stated he was available in a pinch. Applications will be taken until March 24<sup>th</sup> at 4 p.m. and the Council will meet at 6 p.m. to review them. Addendum #2 for the Wastewater Project covers all work over and above the original scope including blower & repair of clarifier this includes the contract with Millennium Environmental. Ethel Morgan discussed the potential for a grant to pipe New London's waste to Russiaville was discussed. There is no funding available this year but may be next year. Jeff stated that whatever the match is Howard County will pay what is over and above \$2,000. Ethel will talk with Tina Henderson about grant administration. We will authorize final release for the wastewater project next month.