

MINUTES OF THE GREENVILLE TOWN COUNCIL, WATER UTILITY, MEETING, April 30, 1997.

Council President Janet Riggs called the meeting to order at 7:40 p.m. with all Councilmembers present.

Utility Superintendent Gary Getrost advised the Council that Ramsey Water Co. is contemplating removing their Company from the jurisdiction of the IURC. He also told the Council that he received information from Edwardsville Water Co. regarding a Wholesale Water Contract. Copies of the proposal was presented to Councilmembers, for their review.

Councilmember Ted Miller suggested the proposal be reviewed by the Town Attorney.

Gary suggested Greenville Town Council, Edwardsville Water Board, H.J. Umbaugh, and he, with appropriate legal counsel meet together to finalize a contract for water.

Councilmember Gerry Burkhart motioned the Council meet with Edwardsville Water Co. to iron out differences on changes. This motion was 2d by Councilmember Miller. Council voted 5-0, motion carried.

Gary also apprised the Council on the line relocation at Borden Road.


Councilmember Miller made a motion to increase Part Time help wages. President Riggs addressed the Council to consider Ordinance 1997-W-02, "An Ordinance Ammending Ordinance 1996-10" A roll call of the Council approved the Ordinance 1997-W-02 by a vote of 5-0.

Upon passage of Ordinance 1997-W-02, Supt. Getrost requested approval of a .50 per hour increase for the current employee. Council approved 5-0.

The Council discussed increasing water rates. Janice Gibson stated she could provide the necessary information. Councilmember Miller advised Gary to contact the Attorney for particulars of a rate increase.

Council approved the transfer of \$98.50 (Meter Deposit Fund- Unclaimed Checks) to Operating Fund.

  
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Janet Riggs, Council President

  
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Jack Sprigler, Clerk of the Council



**H.J. Umbaugh & Associates**

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 John M. Seever, CPA  
 Collette J. Irwin-Knott  
 Todd A. Samuelson, CPA

April 10, 1997

Ms. Mickie Boyd  
 Edwardsville Water Corporation  
 545 Maplewood Boulevard  
 Georgetown, Indiana 47122

Re: Proposed Greenville Wholesale Contract

Dear Mickie:

This letter is to follow-up on your conversation with Scott Miller of our office on Thursday, April 10. We thought this information would be useful to you and Don in presenting our opinion on Greenville's counterproposal to the Board.

On the surface, Greenville's proposal to establish a tiered service charge seems reasonable. Greenville will pay a reduced monthly service charge based on the allocation of Edwardsville's existing plant and debt service before the project. The month after Edwardsville sells the bonds to finance the project, the service charge to Greenville would then increase to include the allocation of the new debt service and debt service reserves. Language to this effect could be included in the water purchase contract which the Corporation and Greenville will enter into.

Greenville's concern about the eventual need for additional water also appears to be good news for the Corporation. Once Greenville is under contract, the Corporation will have a stable customer for at least the next twenty years. Should Greenville require more water, and assuming the Board desires to, the Corporation could design an additional expansion project to meet this new demand. At that time, Greenville's rate could be adjusted to help finance the new debt associated with additional expansion much like what is being done today.

In summary, we make the following suggestions:

- \* Greenville should be billed the \$0.95 flow charge and a service charge of \$2,850 per month until the proposed bonds are sold.
- \* The first month after the sale of the bonds to finance the project, Greenville's service charge would increase to include the allocated portion of the new debt service and debt service reserves. Based on current estimates, this would amount to approximately a \$1,000 increase or \$3,850 per month.

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- \* The institution of the increase in the monthly service charge would signal the beginning of the twenty year period covered by the water purchase contract.
- \* Periodic consultation with Greenville officials should take place to discuss the expected future water demand. Hopefully, these discussions would produce a time frame for additional projects needed by Edwardsville to continue to meet Greenville's demand.

It is our understanding that the Board would like to prepare a contract that both parties agree to in principal before proceeding with the thirty day filing with the Indiana Utility Regulatory Commission. Once an agreement is reached regarding the contract, please inform us so we can begin the thirty day filing procedures.

We hope this information will be useful to you and the Members of the Board. Please keep us appraised of the Board's decision and as always, if you have any questions or if we can be of further assistance, please do not hesitate to call.

Very truly yours,

H. J. UMBAUGH & ASSOCIATES

John M. Seever

JMS/SAM/jes

cc: Mr. Robert E. Curry  
Mr. Donald Woodward