Call to Order: The Special Property Owners’ meeting convened at 7:30 p.m. in the Choctaw Lake Lodge.

President David Wheatley welcomed everyone who attended and provided a summary of the meeting’s purpose which included information about CU, the state-of-the-art water treatment plant status, and an offer submitted by the Madison County Commissioners that has not been presented before.

Dave Wheatley introduced the Choctaw Lake Property Owners’ Association (CLPOA) board members; Brian Welch – Vice President, Suprena Lohrer – Treasurer, Christine Cooney – Secretary, Ken Petry – board member, Jim Price – board member.

Dave Wheatley introduced the CU (CU) representatives; Dave Lohrer – President, Scott Kutzley – CLPOA liaison, Doug Orange, Greg O’Brien, Bob O’Connor, Kent Felix, Andrew Beckman.

Dave Wheatley reported that the reason this is coming up now is that we have received three (3) bids to build the water plant. Also, the Ohio Legislature just passed a bill to transfer ownership of the LCI water plant to Madison County for $1 dollar. The Madison County Commissions were now able to provide a proposal to Choctaw Lake for the delivery, responsibility and administration of providing water to the Choctaw Lake community. If the property owners indicate they want to pursue this option, we will ask our attorneys to review it. Dave indicated that he had consulted with two attorneys that live here at the lake, who offered suggestions on items that needed clarification. With this offer we now have a good idea on what the costs are going to be.

Dave Wheatley reported that he is here to let the property owners know that he wanted this meeting so that the property owners would understand the costs and give us, your board, direction. Dave indicated that he has always said “he wanted you to tell me which way you want us to go”. The board has all along backed the CU, however we did not have this offer until now. Dave stressed that he wanted everyone to be aware of both options, consider both options and let us know if you prefer the county water option, or the CU water option.

Dave Wheatley also reminded everyone that tonight will not be an official vote because according to CU’s by-laws they can proceed with what they are doing. It will just allow us to gather input from the community so that this board, which was elected by the property owners, can understand the wishes of the community and get the direction the board should take, whatever that might be.

Comparison between CU and Madison County Water Treatment Plants:
Technical Discussion and Cost Comparison:
Scott Kutzley presented the CU water treatment plant pertinent facts slide. He informed the property owners of his background in power plants with AEP. His goal in the development of the slides was to make them non-biased and factual. He provided a brief history of how we got to where we are today, and why it was determined that the current 50-year-old plant was at its end of life and needed to be replaced.

He reported that the water usage has gone up since the plant was built, so the new plant will have increase capacity to support this larger community. He also stressed that one of our benefits is that we have very good water.

Dave Lohrer interjected that CU, last November, tested the wells for 24 hours, and were validated.

Scott Kutzley also relayed some of the benefits as our ability to contain the costs, price of the water plant, and future enhancements such as softened water. The plant operator is a member of the community and has been
very good at keeping this plant going and reacting to issues quickly. All the board members live in this community.

Dave Lohrer interjected that we understand that our plant manager may want to retire someday, so the plant is being constructed to allow for its management by any operator with a class 1 license.

He also conveyed to the property owners that the copper issue has not been fully resolved. Some consultants believe it is coming from the pipes in the homes that are using water softeners. The tests also indicate that it is not coming from the water plant, however CU is making modifications to the chemicals used and adjusting the ph levels.

CU is in compliance with all EPA requirements and has developed an asset management plan, validated by the EPA. The asset management plans define the possible failures of the plant and infrastructure, and how CU will handle the repairs. CU has accumulated assets to help offset large expenses.

Dave Lohrer reported on the CU’s asset management plan, which has been validated by the EPA, and with that CU is saving for a new water plant in the next 30 years. $0.12 cents monthly, is being set aside for the future replacement of the water plant. We are not anticipating future debt. The water tower regular maintenance, and any repairs are part of our operating budget. A water tower failure, for example, would be covered under the CU insurance for major failures.

Scott Kutzley summarized the Choctaw Lake community will get a brand new, state of the art, water plant which will be good for 30 years. We believe we have very good water quality. He also reminded everyone that business decisions are not all based on economics. Economics, technology and what is best for the community should all be considered.

Dave Wheatley presented and discussed the county proposal. The county has unused capacity. It’s rated at 1.5M gallons per day, however its current use is only 500,000 gallons per day. The county would assume all liability for our exiting waster infrastructure. Dave Wheatley stressed that liability is one of the main reasons he wanted to talk about the county offer. Liability is a big issue and with the control of the plant comes the big liability ownership. He asked that the property owners keep this in mind and reminded them about the Flint, Mi., and Newark problems. Lawsuits are prevalent everywhere. The county has significantly more funds to use in the event of a failure.

Dave Wheatley related the county’s expectation to bring water to Choctaw Lake in approximately 18-24 months. The county would take over all administration, maintenance and costs associated with changes in EPA regulations. With the county, there is no liability, CU keeps the cash asset, softened water, no infrastructure to maintain, and billing and receivables are handled by the county. There will be no charge for split or vacant lots. There is a future possibility for water meters. The water aquifer is shallow sand. The water plant is 30 years old, however the county is expected to upgrade the LCI plant at the cost of $2M. This cost will come out of the capital improvements budget and not absorbed by Choctaw Lake. The EPA and consultants are recommending that the county upgrade their softening structures. Choctaw Lake residents still may want to retain softeners because the county water, after softening is still considered hard.

Dave Wheatley also stated that the county will build the water line to Summerford, Lafayette, trailer courts, Farm Science Review, the airport and on over to US 42, connecting US 42 and I70, regardless of what CU does. The goal is to encourage development in this area. He stressed again that it is strictly up to what the Choctaw Lake property owners want.

Dave Wheatley asked for a statement from Jimmy Moran, our water plant manager for the last thirty (30) years. Jimmy stated that there was a lot of work and time that went into the new plant and as a result he believes that CU has a real solid plan. The county proposal came in later. If we do our due diligence, then they both need to be examined, and the people should decide. We have no idea what the future holds or what regulations might be required. We need to examine both.
Dave Wheatley stated that before we move on to questions and answers, he reminded everyone to be civil with one another and Deputy Rosales is here to escort anyone out that becomes unruly.

With that, Wheatley introduced Rob Slane and Mark Forest from the county and Bennett and Williams Environmental Consultants who were involved in the water aquifer assessment.

Dave Wheatley went on to open the floor to property owners’ comments and questions.

**Property Owners’ Time:**

Dinah Burns (Lot #773) reported on a new resident on Nextdoor felt that this was a new issue and it was being pushed through. Dinah also stated that she has been here for over two (2) years and this has been going on the entire time. She asked that everyone listen to the facts. In her opinion it just makes sense to retain our water.

Clem Estrada (Lots #263&264) reported that she is one of the people that owns two (2) lots. She reminded everyone that Dave Lohrer indicated that the quality of our water is superior. She asked who will be responsible for the balance of Jim Moran’s contract. Dave Wheatley answered that Jim’s contract is for two (2) years and the county water won’t be available for twenty-four (24) months, therefore it should be a wash.

Bob O’Connor (Lot #791.6) reported that he toured the water treatment plant and talked to the current engineer regarding the plant’s capacity. The engineer reported a capacity of 9M gallons per day from the current county water plant. In order to secure our loan, CU had to test and validate our claims that we can accommodate the increased gallons per day.

The representative from Bennett and Williams indicated that they performed the source water assessment in 2001 on both aquifers. She addressed the water quality concerns by scientifically explaining the status of the aquifers. The Choctaw Lake aquifer is made up of cracks, crevices and rocks from glacial deposits. This gives it good protection, but it is harder to get much water from the rock. At LCI, the aquifer is made up of alternating layers of sand and clay, 160 feet deep. She indicated that the protection issues come from the EPA. The consumer confidence reports didn’t show any difference in quality. Just because something shows it could be easily contaminated does not mean it ever will.

Tom Taylor – LCI operator addressed the capacity of the plant. He reported that the EPA did a survey in 2016 of the whole plant and rated it at 1.5M gallons per day, and the wells have the capacity to meet that. Dave Lohrer responded that CU has a certificate from the EPA that our source water and what we are doing to protect it is meeting their standards and we are expected to display this certificate.

Julie Hittle (Lot #806) commented that we have always been liable. Dave Wheatley responded that liability costs have increased, and suits are being brought for millions of dollars. He also reported that we asked six (6) insurance companies to provide quotes for CLPOA and only one was interested. Doug Orange reported that the county is capped at 12 months of the fees they charge for water, which is about $405,000 annually. Dave Lohrer said another liability is the water. The EPA tests on our raw water and determined that there is nothing organic in the water, only calcium and iron and we remove the iron. We don’t have lead in the system, either.

Rob Slane disagreed with the capping.

Julie Hittle (Lot #806) asked if the CU is dissolved and we go with the county, can we drill our own wells. CLPOA could issue a right to drill our own wells. She was concerned that this issue was not brought to everyone’s attention. Her opinion is that if something like this, which is a significant issue to the community, should have been delivered to her door or mailbox. Nextdoor is a horrible way of communicating.

She also asked how the estimated 7800 gals of water per household were derived. Christine Cooney responded that the EPA provided an average usage. A family of four (4) is estimated to be 8,000 – 10,000 gals per day. The average usage was divided by the total number of households.

Julie asked why would we, as property owners, want to get rid of a new plant and change to one that is 30 years old?
Dave Wheatley responded with $2M dollars. Why would we, as property owners, entertain an offer from a plant that has not been assessed? Rob Slane reported that there are two separate reports. The last one from 2016. He reported that they have been in the plant assessing everything. He stated they are in the process of developing the CIP, the assessment plan. He expects this to happen simultaneously as the distribution network is built.

Dave Wheatley responded to Julie’s concerns. He stated that we had not received anything from the county. CU is set with bids and ready to break ground in January, which is why there is a time crunch. We didn’t want to stop CU, because they would lose their funding and have to re-apply in March.

Alan Homewood (Lot #342) stated that we need to make a decision quickly. He wanted to know what we are voting on tonight? Dave Wheatley reported that CLPOA cannot dictate what CU can or can’t do. The only thing that the CLPOA board of directors can do is appoint the CU board. CU is on target to move forward. CLPOA has a limit on what we can spend on your behalf. CU does not. Dave Wheatley said all he wanted the property owners to do is say yes to $2M dollars or not. He also reminded everyone that this is not going to be an official vote. Only a straw vote, tonight. He reported that at the end of the night he will ask if the property owners want CLPOA to continue to negotiate with the county, for water or do you want us to drop it and go with the CU new plant. Dave also reported that once that happens, he will be satisfied that he has done his due diligence, and he and the board members will be behind you.

Dave Lohrer also responded that the bids were opened on November 1st and are good for 60 days. After that we would have to rebid. Interest rates keep going up, so dragging this out only costs more in interest.

Alan Homewood (Lot #342) reported that he was shocked that our by-laws for this community allow spending of $2M without property owner approval. Dave Lohrer stated that he and the CU board are sensitive to this issue and know that they have to deliver a good deal for this community. We have taken great lengths to inform the community. We produced a flyer that went out describing the costs. We also have had several meetings where we have provided this information, with our goal of educating and informing the community.

Alan Homewood asked about the offer from the county. Dave Wheatley said this was the first signed offer, and the attorney that reviewed it said that some language needed to be changed.

Rob Slane agreed and stated that he has been working with CU for over a year. The county did not have input from Choctaw Lake and the county didn’t have ownership of the water treatment plan. We have given some soft proposals in order to get input from CLPOA on what they wanted to see. The county expects to complete repairs to the LCI in the next 18 months and bring running water through Summerford and on down US40.

Alan Homewood expressed a concern that the $2M price tag sounded ridiculously low. He thought that our water plant was limping along and in some state of disrepair. How does this fit in with the timelines for the county and CU. Dave Lohrer reported that CU is under EPA mandate to replace our detention tank offline by June 2019. The current plan that we have addresses that. Jim Moran reported that the well was approved to be replaced by that date. Since that time, CU has developed the plan for the new plant and included replacing the detention tank in that plan. Scott Kutzley said the current plant will be run for two (2) years and the EPA will work with us should we decide to shut it down and go with the county.

Scott Kutzley’s opinion is that economically the two options are a wash. He reported that the property owners need to look at the quality of the water and who has control. A new plant or a refurbished plant. Who do you want to provide your water, the county or us?

Dave Lohrer’s opinion, after having been in some lime soda plants, and the fact that they are an older technology, I would much prefer my water to come from a filtration ion exchange plant than an old lime soda plant. This is also the direction that other plants are going, for example the London City treatment plant and St Mary’s treatment plants.

Will Platter (Lot #652) asked about the legal review? What would we use as leverage after 15 years? How soon would we have a legal review? Scott Kutzley responded that out contract documents are set up to cancel if
that’s what we really want to do. Dave Wheatley indicated that the document could change overnight if we went to the county with our demands. Dave Lohrer interjected that you cannot just go build a water plant overnight. CU has been on this project for a year and a half.

Rob Slane, County Administrator reported that the fifteen (15) years is an option to renew for another fifteen (15) years. The 2.5% escalator was at the request of CLPOA. Rob Slane said they came to the table with a 2-3 percent increase based on the operating costs and supplies. Dave Wheatley reported that it was better to have a fixed escalator. Costs don’t go down, so having the escalator tied to operating costs and supplies, we could be at 3 percent every year. The contract is still in the negotiation stage and not carved in stone even though it is signed. Rob Slane said that the county is willing to work with the community and would like to see what the community would like to have.

Brian Welch reminded everyone that the purpose of this meeting is tell you why the decision has been made to go with the new water plant. CU can make that decision because of their by-laws. The second purpose is to give you the background as to why we made the decision by both boards. The county is looking at 18-24 months. CU is looking at eighteen (18) months. The CLPOA board is here to share our thinking as to why we made the decision, but we would feel more comfortable if we know your preference.

Aleita Ailes (Lots #185&186) said that she thought this was a one-sided, vague contract, but does have a provision that everyone should be aware of: “This contract supersedes any oral or written contracts between the parties. Each party acknowledges that no representations, inducements, promises or agreements, written or oral have been made by either party or by anyone acting on behalf of any party that is not embodied in this agreement”. If it is not a contract it doesn’t exist. Dave Wheatley responded that he agreed, but we had to start somewhere. He believes that the county wants to work with us and the attorneys will look after our interest. This is why we are here tonight -- to hear what we have to say and what you have to say.

Steve Grapp (Lot #541) provided a history lesson of how CLPOA came to own CU and what the charters governing documents of the two entities actually state. CLPOA is responsible for supporting the CU, however CU has the responsibility of supplying water to this community and can make decisions without CLPOA approval. He also reminded everyone that we have put far more than $2M into our roads and dams. The property owners have the responsibility to elect CLPOA BOT members that represent all of us. CLPOA BOT assigns BOT board members to CU. Negotiations should be between the CLPOA and the county commissioners as opposed to the county commissioners and CU.

Jeff Niemeyer (Lot #735) remembered that in the last board meeting there was something mentioned about regionalization in five (5) or six (6) years and having to share the water with other communities. What is the status of that legislation and why are we spending $2M dollars on a project that we will have to share in five (5) years? Dave Lohrer reported that there is no precedent for the water begin taken over by anyone. Scott Kutzley interjected that regionalization is the direction that the EPA would prefer so that all small utilities would eventually go away. There is a problem in Ohio with small utilities not being able to provide water and remain financially solvent. We are very fortunate because we have great resources and CU has a great financial plan that has been vetted by the EPA. We don’t see regionalization as a possibility yet. Dave Lohrer also stated that this is the very reason CU has created an asset management plan which has been vetted by the EPA.

Jeff Niemeyer followed up with what happens if you go over the $2M? Who pays for the overage? Scott Kutzley reported that there are full set of drawings and over 900 pages of specifications that have been reviewed. He stated that the reason for going over is poor planning and specifications. The drawings and documents have allowed us to contain our costs. The contractor is already looking at ways to reduce costs. We believe we can get this down below the $2.05M dollars that it is right now. Jim Moran and Scott Kutzley will oversee the contractors work and welcome anyone with construction experience to stop by and view the work.

Dave Lohrer reported that we received 2 bids that were within $9k of each other, so we believe that the price is firm. The contract is a fixed fee contract.
Scott Kutzley also responded to Jeff Niemeyer about the 30% contingency. He stated that this was just when the engineers started putting together their preliminary estimates. The bids we have now have no contingency in them. The contract is fixed.

Phil Chin (Lot #424) commended the CUI board. This private community is way ahead of the curve and doing a hell of great job. He believes the county is behind the curve. He stated that our water is the most valuable asset we have.

Dave Stewart (Lot #525) stated his opinion is that the county is coming in for commercial use. They want Choctaw Lake to pay for the water to get the commercial use out of the land.

Dave Wheatley reported that the county will build the water and sewer lines to Summerford, Lafayette and all the way to US Rt. 42 and I70 for development, regardless of what Choctaw Lake does. The development is coming and that is something we have no control over. The county is investing $1.5M in the LCI plant and they are not interested in buying our water tower, water wells, and our water plant.

Andrew Hehemann (Lot #84) said he worked for Columbus water and has been on both sides of this. Ohio American water was their supplier to the community he was in before moving here three (3) years ago, and he was paying $200 per month. Andrew Hehemann was concerned that the PUCO could dictate cost increases like they did where he lived. Dave Lohrer replied we are a for-profit entity operating with a PUCO exemption. PUCO does not dictate rates because we are wholly owned by the customers we serve. We have operated with a PUCO exemption for several decades, so it is not an issue. Dave Lohrer elaborated that the system is fifty-five years old. The research we have indicates that our pipes should last about 100 years. In the last couple of years, we directed a valve exercise program, so we know the status of them. We installed hydrants; we only had three (3) or four (4) leaks that were fixed within days. With our asset management plan, we are planning for replacing the distribution system. Andrew Hehemann asked about the asbestos lines and what happens if the EPA decides they have to be replaced? Dave Lohrer responded that his experience with the EPA over the last two (2) years has been good and he expects the EPA to continue to work with CU on any mandates that come down.

Adrian Terry (Lot #175) asked when was the last water assessment? Dave Lohrer replied that the EPA does not do the assessment. Our water was tested earlier this year, with samples from all three (3) wells, and test came back that there is calcium in the water. Everything else came back below the detectable levels. Adrian Terry then asked, what about the county? Rob Slane responded that regular mandatory testing is required and there were no findings against the plan. The EPA requires testing on a monthly basis.

Dave Wheatley exhibited two jars of water. One from a Choctaw Lake property owner’s home and one from the prison farm. He reported that he was currently drinking the water from the prison farm and it is good water. He stated that he brought some extras if anyone wanted to try.

Ryan Peters (Lot #369) asked, how much longer do we negotiate this contract before we impede progress of the CU water plan? Dave Wheatley replied that if we have a mandate to go with the county, then we will send the contract to the attorneys and negotiate.

Ryan Peters restated how long do we have before we have a contract set in stone? Then what do we do? Dave Wheatley replied that expects the vote tonight to be tight. He also stated that he wanted to make sure that all the property owners’ questions were asked and answered.

Michelle Goodyear (Lot #183) asked what happens when Scott Kutzley and Dave Lohrer are not on the board anymore? Who is going to take over the building of the water plant? Dave Lohrer responded that this is the reason we have an asset management plan. Scott Kutzley responded that he is on the board for another fifteen (15) months and the goal is to have the plant operating in twelve (12).

Ann Petry (Lot #994) stated her opinion that this is the softest contract she has ever seen. This contract does attempt to limit the amount of money we owe. Anyone here who has purchased a utility, Television, DirectTV, your phones, etc. There is a base rate and then an additional assessment not included in the base rate. Her
The prediction is that is what is going to happen with the rate we have been quoted. She continued that this rate is for a plant that is already forty (41) years old. Our rate of forty-three ($43) is for a brand-new plant with the most advanced technology. Who is going to pay for any of the improvements? Dave Wheatley reported that the county will pay for improvements. What happens if the county cost is unacceptable after fifteen (15) years and we have already dumped our plant? We don’t have anything to negotiate with.

Rob Slane suggested that Choctaw Lake write the contract and provide it to the county and we will take it back and look at it.

Vince Cyran (Lot #915) reminded everyone that there is a potential that the EPA could put requirements on us that make it impossible to survive. Does anyone have any factual data that this is likely to happen? Dave Lohrer responded that CU has been in discussions with the EPA and they are mindful of any regulations that put an undue burden. The EPA has reviewed and approved our asset management plan and our budgeted costs.

Vince Cyran followed up with the question about what happens to the copper corrosion issue? Dave Lohrer responded that CU found out that they were using an incorrect orthophosphate product. CU has submitted the change to the EPA for approval. We expect to see those number change. Once we got our plant operating within the design parameters, the last three (3) NPDE tests came in below the forty-four (44) microgram limit. The county engineer responded that over the last three (3) years, the average coming into the plant was 322 micrograms per liter. We expect less than 100 micrograms per liter. The county problem resides with the sludge. The sludge is taken to the city of London waste water plant. London does not want to take our sludge anymore, unless we can reduce the copper. The copper hasn’t gone down since 2017. We are still maintaining about 322 micrograms per liter. Dave Lohrer asked the county if there was any validity to Vince Cyran’s concern regarding the cost to remediate the problem, which was reported to be $500 thousand to $1M dollars. The county engineer responded that the only number he has is for some of the electrical, mechanical treatment that we know about, and has not received anything from the engineering company. Dave Lohrer asked the county of they could direct some of the monies reserved for meters towards remediation of the sewer plant? Rob Slane provided a corrected statement that the county said meters are a possibility down the road. He didn’t say that the county, definitely would be installing meters. There was a continued discussion about the EPA mandating meters and who would potentially pay.

At this time Dave Wheatley informed the crowd that he would take two more questions and then we would conduct a straw vote.

Sener Calis (Lot #966) thanked CLPOA and the CU boards for their work.

Angela Watson (Lot #637A) stated that the Ohio EPA website had a $6.8M estimate to replace the prison water plant. Rob Slane reported that he is not sure what document she was referring to. He asked what the date was on the report. The property owner responded it was 2016. Rob Slane responded that this is not expected to be done all at once, and that capital improvements are completed over time.

Dave Wheatley stated that this is not an official vote, but that a straw vote will be taken. Do you want to go with the county or do you want to stay with CU and build the plant? A question was asked what Dave Wheatley’s preference would be. He responded that he was for the county. When he voted at the November CLPOA board meeting, he abstained. He wanted to hear from the property owners and he would follow their lead.

A majority of the property owners indicated by a raising of the paddle, that they wanted to stay with CU and build our own water plant.

Meeting adjourned at 9:35 p.m.

Minutes compiled by Barbara Moore.