Lakeland Regional Sewer District
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OFFICE OF
WATER QUALITY

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December 15, 2008

Thomas W. Easterly, Commissioner IDEM
Lynne L. Newlon, Regional Sewer & Water District Coordinator IDEM
INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
100 North Senate Avenue
MC65-40 IGCN 1255
Indianapolis, IN 46204-2251

Subject: Lakeland Regional Sewer District – Extension of time to submit District Plan.

Dear Commissioner Easterly and Ms. Newlon:

The Lakeland Regional Sewer District (Lakeland RSD) Board of Trustees is requesting the Commissioner of IDEM to grant an 18 month extension for completing the District Plan. The "ORDER ADOPTING THE FINDING OF FACT AND RECOMMENDED ORDER OF THE HEARING OFFICER FOR THE ORGANIZATION OF THE LAKELAND REGIONAL SEWER DISTRICT" stated that *"On or before December 31, 2008 the Lakeland RSD shall file with the Commissioner of IDEM, a detailed plan (the "District Plan") for the construction and operation of the Lakeland RSD's facilities."* The Lakeland RSD is requesting an extension for submitting the "District Plan" to June 18, 2010.

This request for extension of time is being made due to unexpected developments that have occurred in the past few months, which may possibly change the total number of properties to be served by the District, as well as the need to further evaluate sewage treatment options. The Lakeland RSD Board of Trustees believes that the additional time is necessary to assure that the most cost effective solution for the installation of sanitary sewers is chosen for all freeholders. Please note the following developments that have occurred in the past few months, which require additional evaluation.

1. Two (2) lake communities (Tippecanoe Lakes & Chapman Lakes) have petitioned the Kosciusko County Commissioners to be added to the Lakeland RSD. The Lakeland RSD is currently waiting for a decision from the Kosciusko County Commissioners about forwarding the petitions to the Lakeland RSD Board of Trustees. Chapman Lakes would add approximately 1,400 properties and Tippecanoe Lakes would add approximately 1,900 properties.
2. The town (municipality) of Winona Lake, Indiana, has approached the Lakeland RSD about jointly building a new Sewage Treatment Plant. This has the potential to add an additional 1,900 customers.

The possible addition of one or more of these areas would potentially add 1,400 to 5,200 properties to the current 2,500 properties within the District. This would raise the total number of properties serviced to 3,900 minimum, or 7,700 maximum. Addition of one or more of these areas will most likely change the District's original treatment plan for the Barbee Lakes area, which was to send sewage to the North Webster, Indiana Sewage Treatment Plant. Based on North Webster's current capacity of 500K gallons/day, the plant would need to be expanded by adding another 500K gallons/day capacity for the Barbee Lakes area. It is unknown if the North Webster plant could expand to handle more than the additional 500K gallons/day. Consequently, the question exists if the cost for expansion of the North Webster plant is the best option verses building our own plant. Thus, additional evaluation needs to be performed on treatment options to assure the most economical solution is chosen for all freeholders.

Our engineering firm is currently working on the District Plan, as well as a number of "what if" scenarios regarding the possible addition of one or more of the areas identified above. We have asked the engineering firm to provide an analysis on the options of building our own plant verses using the North Webster plant. In addition, we have asked the engineering firm to provide "what if" evaluations to determine what impact the addition of one or more of the above identified areas would have on the District. It appears that building our own plant may be more cost effective with the greater number of properties serviced resulting from the addition of one or more of these areas. Spreading the cost of the plant and plant overhead/maintenance over the greater number of customers we believe will lower the monthly rates to the Barbee Lakes area, as well as the other areas.

Since the ORDER to establish the Lakeland RSD was issued by IDEM in March 2008, the following are key tasks that have been accomplished.

- Appointed Board of Trustees in April 2008.
- Board meetings are held the 1st Thursday of each month; the first meeting held in May 2008. Meetings have been more frequent as necessary.
- Established an office.
- Bylaws created and approved.
- Received $358,970.38 in funding. Note: This was money remaining from the dissolved Barbee Lakes Conservancy District which was held in trust by the Kosciusko County Circuit Court for a future sewer project around the Barbee Lakes. The Lakeland RSD petitioned the Circuit Court for release of the funds to the Lakeland RSD and was awarded the funds for the new sewer project.
- Contacted Indiana State Board of Accounts to set up accounting procedures.
- Contacted Indiana RCAP for planning assistance. The Lakeland RSD has been added to the RCAP client list and they are providing ongoing assistance.
- Hired an attorney/law firm: Richard Green – Green, Cates & Grossnickle, LLP
- Hired an engineering firm: DLZ

- Authorized the engineering firm to develop the District Plan and perform "what if" studies for sewage treatment options and "what if" studies for the possible addition of their lake areas that have approached the District.
- Met with the town of North Webster concerning sending sewage to the North Webster Sewage Treatment Plant and the plant expansion.
- Met with Chapman Lakes and Tippecanoe Lakes concerning the possible addition of these areas to the Lakeland RSD.
- Met with the Town of Winona Lake concerning the possibility of jointly building a new sewage treatment plant.
- Met with County, State and Federal entities as needed for accomplishing the business of the District.
- Kept in contact with IDEM (Lynne Newlon & Mike Aylesworth) this year to provide updates on District progress, as well as request support when necessary.

On the basis of the continued progress of the Lakeland RSD, the need for additional evaluation of sewage treatment options and the potential addition of additional areas to the District, the Lakeland RSD Board of Trustees requests that the Commissioner of IDEM grant the request for an eighteen (18) month extension to submit the District Plan. Please feel free to contact me with any questions. Thank you for your time and consideration with this matter,

Regards,

David L. Doctor
President, Board of Trustees
Lakeland Regional Sewer District