#### INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT



100 N. Senate Avenue • Indianapolis, IN 46204 (800) 451-6027 • (317) 232-8603 • Fax (317) 233-6647 • www.idem.IN.gov

Mike Braun
Governor

Clint Woods
Commissioner

September 18, 2025

#### **VIA ELECTRONIC MAIL**

Marshall County Regional Sewer District c/o Christopher Nusbaum, Attorney 112 W. Jefferson Street Plymouth, IN 46563 cnusbaum@carsonllp.com

## **RE: Marshall County Regional Sewer District Plan**

Dear Board of Trustees,

On August 28, 2025, the Indiana Department of Environmental Management ("IDEM") received resolutions from the Marshall County Council and the Marshall County Board of Commissioners requesting the dissolution of the Marshall County Regional Sewer District (the "District") pursuant to Indiana Code ("IC") § 13-26-6-4. Specifically, the Council and Commissioners allege that the project or operation of the District is "not economically feasible, fair or reasonable." Enclosed are copies of Resolution No. 2025-9 and Resolution No. 2025-10.

Following IDEM's December 2022 order approving the Board of Commissioner's petition to establish the District and pursuant to IC § 13-26-2-10, the District submitted to IDEM a district plan. On January 17, 2024, IDEM notified the District that the plan was determined to be complete. IDEM was recently notified by the District that there have been significant changes in the proposed plan. IDEM now requests that the District submit a modified plan pursuant to IC § 13-26-1-2(a)(1).

In addition to the modified Plan, IDEM requests the District provide any additional information relevant to IDEM's evaluation of whether the District's "project or operation of the district" is "economically feasible, fair, or reasonable," including the District's use of Financial Capability Assessment guidance or other criteria for evaluation. Please also include any information related to the potential distribution of assets owned by the district after the payment of liabilities pursuant to IC § 13-26-6-4(2) and IC Ch. 13-26-7.

Considering the concerns raised by elected officials and community members, IDEM also reminds the District that pursuant to IC §§ 13-26-11-12 and -13, when introducing and/or passing an ordinance establishing initial rates and charges, the District is obligated to provide public notification and an opportunity for petitions objecting to the rates and charges to be heard by the district authority. The district authority, which is spelled out in greater detail in IC § 13-26-11-15, shall hold a public hearing to hear evidence to determine whether the District board "followed the procedure required by this chapter" and whether the sewer rates and charges



established by the District board "are just and equitable rates and charges" in a manner consistent with IC § 13-26-11-9. The district authority will determine whether to sustain the ordinance or to sustain the petition objecting to the ordinance.

Please provide a written response to IDEM, including the above requested items, by October 3, 2025. IDEM intends to make any related requests, findings, declarations, or orders pursuant to IC § 13-26-6-4 and this specific matter by October 31, 2025.

You may submit relevant documentation via email to <a href="mailto:efaust@idem.in.gov">efaust@idem.in.gov</a> or at the following address:

Ms. Emily Faust
Office of Water Quality
Indiana Department of Environmental Management
100 North Senate Ave., IGCN-1255
Indianapolis, Indiana 46204

If you have any questions, please feel free to contact Emily Faust at 317-232-5727 or the email provided above.

Respectfully,

Clint Woods Commissioner

Indiana Department of Environmental Management

cc:

Marshall County Council
Marshall County Board of Commissioners

Enclosure(s)



#### **RESOLUTION NO. 2025-9**

202503856 JANET HOWARD

MARSHALL COUNTY RECORDER

A RESOLUTION OF THE 08/21/2025 01:12 PM
MARSHALL COUNTY BOARD OF COMMISSIONERS REC FEE: 0.00 PGS: 7
REGARDING THE PROPOSED DISSOLUTION OF THE Recorded as Presented MARSHALL COUNTY REGIONAL SEWER DISTRICT

WHEREAS, on March 7, 2022, and March 14, 2022, respectively, the Marshall County Board of Commissioners ("Commissioners") and the Marshall County Council ("Council") adopted a joint resolution supporting the filing of a petition with the Indiana Department of Environmental Management ("IDEM") for the establishment of a regional sewer district, to be known as the Marshall County Regional Sewer District ("MCRSD"), to provide sewer service to unincorporated areas of Marshall County. Thereafter, on or about April 29, 2022, the Commissioners filed their Petition to Establish a Regional Sewer District with IDEM.

WHEREAS, on December 12, 2022, IDEM entered an Order establishing the MCRSD. As part of IDEM's Order, the agency found, in part, that the MCRSD "appears capable of accomplishing the purposes of the district in an economically feasible manner." At this time, the Commissioners no longer believe that statement holds true. For various reasons, the MCRSD is not economically feasible, fair, or reasonable.

WHEREAS, Indiana Code § 13-26-6-4, which applies to regional sewer districts, provides that if IDEM "determines that the project or operation of the district is not economically feasible, fair, or reasonable . . . [IDEM] may declare the district dissolved and enter an order for the distribution of all assets owned by the district after the payment of liabilities." The purpose and intent of this resolution is for the Commissioners to approve petitioning IDEM to dissolve the MCRSD.

#### NOW, THEREFORE, BE IT RESOLVED by the Commissioners as follows:

<u>Section 1.</u> For many reasons, the MCRSD is not economically feasible, fair, or reasonable. Some of those reasons are outlined below:

A. The MCRSD is unreasonable because the Council was not made aware of the actual estimated monthly service rates when it authorized its creation. If the Council had been aware of the proposed rates, it likely would not have voted to authorize the district's creation.

The Council is the fiscal body for Marshall County. Indiana Code § 13-26-2-2(a) provides that a petition to establish a regional sewer district may only be filed with IDEM "after being authorized by the fiscal body".

As shown below, a divided Council provided its authorization by a 5-2 vote on March 14, 2022.

Resolution 2025-9

PASSED and ADOPTED this 14th day of March, 2022.

MARSHALL COUNTY COUNCIL

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Tim Harman

Jessie Böhannan Tagasa Zahannan

Jan Masterson, Vice President

Steve Harper

Jon V- Vester 4EA

ATTEST:

Julie A. Fox, Auditor

At the time the Council gave its authorization, it was only presented with the Marshall County Clean Water Task Force report, as shown below, that estimated monthly sewer rates to be between \$75-\$85 per month.

ESTIMATED COMMUNITY SEWER COSTS - PER HOME					
\$12 - \$20 per foot for 50 foot house lead	\$600 - \$1,000				
Yard, Landscape, etc.	\$200 - \$500				
Pump and Abandon Septic Tank	\$350 - \$500				
Depending on Who Issues Permit	\$75 - \$200				
otal Estimated Cost	\$1,225 - \$2,200				
ited Monthly Sewer Rate	\$75 - \$85				
	\$12 - \$20 per foot for 50 foot house lead  Yard, Landscape, etc.  Pump and Abandon Septic Tank				

There were concerns about the monthly rates raised in the Council debate even when the rates were proposed at \$75-85. However, only after the horse was out of the barn and the Council gave its authorization, on April 2, 2022, the project's financial advisor issued its Preliminary Rate Analysis shown below, which then set the estimated monthly bill between \$95.00-\$208.27.

#### MARSHALL COUNTY REGIONAL SEWER DISTRICT

# SUMMARY OF ESTIMATED RATES (Total Blended Rate)

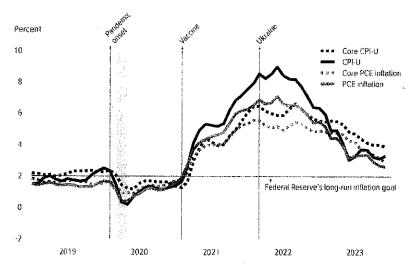
	\$0 Grant (pages 5 - 6)	\$15,625,000 Grant (pages 7 - 8)		
Estimated Monthly Bill	\$208.27	\$95.00		

That increase is approximately 26% to 245% more than the proposed rates pitched to the Council and upon which it gave its authorization. That is unreasonable. Only 3 of the present members of the Council were members in 2022, and of those members 2 voted against the establishment of the district. A majority of the current Council membership opposes the district.

## B. The MCRSD is not economically feasible because the economic landscape is drastically different now than when this project was first conceived.

The MCRSD is an outgrowth of the work of the Marshall County Clean Water Task Force, which began in 2019. Since that time, the global, national, state, and local economy has changed dramatically. Marshall County, like its sister counties, weathered the global pandemic and soaring inflation.

## Inflation From 2020 Through 2023



Inflation initially declined when the pandemic began in 2020 and then surged starting in March 2021.

Inflation has fallen since summer 2022 but by the end of 2023 remained higher than before the pandemic.

Shaded areas represent recessions

(Source, Congressional Budget Office, A Visual Guide to Inflation From 2020 Through 2023).

The country has been mired in social and political unrest, with ripple effects being felt from city Main Streets to the campaign stump to the halls of government to Wall Street. Wars have broken out throughout the world and global trade has been disrupted. All of these factors have impacted financial markets and the pocketbooks of Marshall County residents.

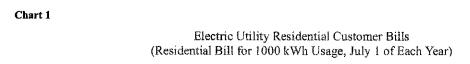
The state has been in a property tax crisis, with gross assessed values for commercial, industrial, and residential properties throughout Indiana collectively rising 12% from 2024 to 2025 alone. That is following prior years of growth. As shown below, Marshall County has felt those increases.

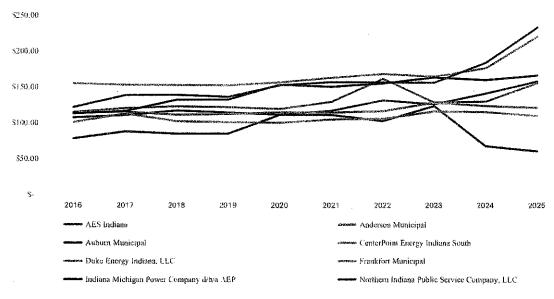
#### Gross Assessed Value ("GAV") Comparison Sales Ratio Study Values 2022-2025 Assessment Years

			2024 - 2025 G	rowth %			2022 - 202	5 CAGR %	
County			### 100 PEN 10	sidential	2. 12.7% <b>对</b> 被编节等		別人を表現しませた。 本外	Residential	
Code	County Name	Total	otal To	tal T	otal AV	Total	Total	Total	Total AV
49	Marion	23.80%	24.21%	9.88%	13.64%	9.50%	8.24%	7.57%	8.05%
50	Marshall	16.36%	30.01%	7.14%	9.35%	8.12%	10.94%	7.18%	7.53%
1					]				

(Source, Department of Local Government Finance, for property taxes due and payable in 2026).

Energy prices of all kinds have skyrocketed. A recent study, as shown below, revealed that, from July 2024 to July 2025, among Indiana's 5 investor-owned electric utilities bills went up 17.5%, or \$28 a month on average statewide.





(Source, Indiana Utility Regulatory Commission, 2025 Electricity Residential Bill Survey).

Approximately 44.3% of Marshall County residents are older adults and seniors, a rate nearly 3% more than the statewide statistics; additionally, the County's per capita personal income is just 87.5% of the statewide statistics. (Source,

https://www.stats.indiana.edu/profiles/profiles.asp?scope\_choice=a&county\_changer=18099 (last accessed Aug. 19, 2025)). In light of the County's population the Commissioners have heard many concerns about the impact the proposed sewer project will have on seniors on fixed incomes, such as that shared by Frank Endres:

#### Frank Endres - 17106 Mill Pond Trail

Q: I don't have any elaborate words, but I just wanted to say I don't think it is a good idea. A lot of people have moved out to the country to get away from city water, sewage, and stuff of that nature. A lot of our elderly communities are living on the lakefront and are on a fixed income and may not be able to afford to have the extra \$75-100 a month. So, I was hoping that I would come in here and hear it would be an optional hook-up. I fear that it not being optional, you're going to force a lot of people out of their homes. Thank you

(Source, Minutes of February 21, 2022 MCRSD Public Meeting).

County residents have been walloped by the economic turmoil discussed above. Help is on the way with initiatives like the Governor Braun's Freedom and Opportunity Agenda delivering historic property tax relief, and the Trump Administration's One Big Beautiful Bill delivering no tax on social security and permanently increasing the Child Tax Credit for our younger families. However, those efforts are just the first steps in helping dig the County's residents out of a big hole not of their own making. The looming costs of the MCRSD threaten to undo the gains made for the residents of the district. For all these reasons the MCRSD is not economically feasible.

## C. The MCRSD is not fair because it is not responsive to the people it proposes to serve.

When the Commissioners petitioned IDEM to establish the MCRSD they envisioned the entity as one that would be responsive to the people of Marshall by being responsive to the elected officials who appointed the individual Trustees who govern the MCRSD. The petition, as shown below, addressed vacancies on the governing board, providing:

e. Upon a vacancy on the Board of Trustees, for any reason, the appointing authority for that Trustee shall be required to appoint a replacement Trustee to complete the term of the Trustee who vacated his office within 45 days of the notification of the vacancy.

With that provision, including the "vacancy... for any reason" language, the Commissioners intended the Trustees of the MCRSD to serve at the will of the authority who appointed them. Indiana courts have recognized such language to be synonymous with "At-Will Removal. Appointees serve at the pleasure of some entity and may be removed <u>for any reason</u> or no reason at all." Waller v. City of Madison, 183 N.E.3d 324, 330-31 (Ind. Ct. App. 2022) (emphasis added).

Earlier this year, the Commissioners invited their appointee, President of the MCRSD Board of Trustees Thomas McFadden to attend a Commissioners meeting to discuss the many

Resolution 2025-9

concerns about the MCRSD that residents had been raising. Mr. McFadden decided not to attend the meeting. Mr. McFadden's actions prompted the Commissioners to adopt Ordinance No. 2025-16, which reaffirms their intent, at the time of the MCRSD's establishment, that the Trustees serve at the pleasure of their appointing authority. The ordinance further exercised the Commissioners' Home Rule authority to presently declare that members of the Board of Trustees of the MCRSD are subject to at-will removal. Thereafter, the Commissioners declared Mr. McFadden's Trustee seat vacant and appointed a new member to replace him.

Mr. McFadden does not recognize the Commissioners' authority to remove him and has refused to vacate his office, asserting that he will fulfill his remaining 4 year term and is only removable for cause. The Commissioners and Mr. McFadden are now engaged in litigation over his refusal to leave office in the Elkhart Superior Court 2, Cause No. 20D02-2507-CE-000005.

Unlike the board the Commissioners created, the MCRSD has become an insular entity with a single minded focus on building a sewer and an unwillingness to entertain the diverse opinions of and solutions raised by the residents they serve.

Additionally, as shown below, the entity the Commissioners petitioned IDEM to create was to be served by an advisory board of public officials.

- 13. Review and Consulting Board. The Marshall County Regional Sewer District Consulting Board (Consulting Board) shall be a non-voting entity that will provide technical assistance to the District. The Consulting Board shall consist of the following:
  - a. Representatives of the Marshall County Health Department.
  - b. Representatives of the Marshall County Surveyor's Office.
  - Representatives of the Marshall County Commissioner's Office.

The Review and Consulting Board would have been yet another measure of oversight linking the MCRSD to elected officials who are responsive to the people of Marshall County. The MCRSD has never formed convened the Review and Consulting Board.

The Commissioners understand that the MCRSD is an independent municipal corporation. However, they did not establish the MCRSD to be an insular and unaccountable institution. They intended the Trustees that lead the MCRSD to serve at the will of the Commissioners, the Council, and the Mayor of Plymouth, the elected officials who appoint them. The MCRSD Trustees have gone rouge and are not responsive to the people and that is not fair.

Section 2. Pursuant to Indiana Code § 13-26-6-4, upon dissolution of a sewer district, IDEM must consider "payment of liabilities" of the district. At this time, the MCRSD has sold a \$3,075,000 Bond Anticipation Note ("BAN") to Star Financial Bank, which is to be repaid upon the issuance of bonds to finance the construction of the district's first sewer project. To facilitate the dissolution of the MCRSD, the Commissioners stand ready to provide funding to retire the MCRSD's obligations under the BAN.

Section 3. The experiment of the MCRSD has revealed that a county-wide regional sewer district is not the right fit for the residents of Marshall County. It presents an expensive, one size fits all solution. The Commissioners believe that many septic issues can be addressed utilizing new technologies for system replacement, while working with the Marshall Health Department under 410 I.A.C. 6-8.3-53(i). Going forward, if local residents determine a need to develop sewer

services, individual conservancy districts formed by a majority of willing participants would be a better option. The MCRSD, as its Board of Trustees views it, is not responsive to the people. The Commissioners are responsive to the people, and in the spirit of Indiana Constitution, Article 1, Section 1, they are exercising the peoples' "indefeasible right to alter and reform their government." The Commissioners urge IDEM to dissolve the MCRSD.

**PASSED AND ADOPTED** by the Marshall County Board of Commissioners this 20th day of August, 2025.

Stan Klotz, President

Jesse Bohannon, Vice President

Adam Faulstich, Member

ATTEST:

Sean M. Surrisi, County Attorney

#### **RESOLUTION NO. 2025-10**

# A RESOLUTION OF THE MARSHALL COUNTY COUNCIL REGARDING THE PROPOSED DISSOLUTION OF THE MARSHALL COUNTY REGIONAL SEWER DISTRICT

WHEREAS, on March 7, 2022, and March 14, 2022, respectively, the Marshall County Board of Commissioners ("Commissioners") and the Marshall County Council ("Council") adopted a joint resolution supporting the filing of a petition with the Indiana Department of Environmental Management ("IDEM") for the establishment of a regional sewer district, to be known as the Marshall County Regional Sewer District ("MCRSD"), to provide sewer service to unincorporated areas of Marshall County. Thereafter, on or about April 29, 2022, the Commissioners filed their Petition to Establish a Regional Sewer District with IDEM.

WHEREAS, on December 12, 2022, IDEM entered an Order establishing the MCRSD. As part of IDEM's Order, the agency found, in part, that the MCRSD "appears capable of accomplishing the purposes of the district in an economically feasible manner." At this time that statement no longer holds true, as the MCRSD is not economically feasible, fair, or reasonable.

WHEREAS, Indiana Code § 13-26-6-4, which applies to regional sewer districts, provides that if IDEM "determines that the project or operation of the district is not economically feasible, fair, or reasonable . . . [IDEM] may declare the district dissolved and enter an order for the distribution of all assets owned by the district after the payment of liabilities." The purpose and intent of this resolution is for the Commissioners to approve petitioning IDEM to dissolve the MCRSD.

## NOW, THEREFORE, BE IT RESOLVED by the Commissioners as follows:

<u>Section 1.</u> For many reasons, the MCRSD is not economically feasible, fair, or reasonable. Some of those reasons are outlined below:

A. The MCRSD is unreasonable because the Council was not made aware of the actual estimated monthly service rates when it authorized its creation. If the Council had been aware of the proposed rates, it likely would not have voted to authorize the district's creation.

The Council is the fiscal body for Marshall County. Indiana Code § 13-26-2-2(a) provides that a petition to establish a regional sewer district may only be filed with IDEM "after being authorized by the fiscal body".

As shown below, a divided Council provided its authorization by a 5-2 vote on March 14, 2022.

## PASSED and ADOPTED this 14th day of March, 2022.

MARSHALL COUNTY COUNCIL

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Tim Harman

Jessie Bohannan Taria Carhannan

Masterson, Vice President

Steve Harper

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ATTEST:

Julie A. Fox, Auditor

At the time the Council gave its authorization, it was only presented with the Marshall County Clean Water Task Force report, as shown below, that estimated monthly sewer rates to be between \$75-\$85 per month.

20 per foot for 50 foot house lead	\$600 - \$1,000	
	4000-41,000	
Yard, Landscape, etc.	\$200 - \$500 \$350 - \$500	
mp and Abandon Septic Tank		
pending on Who Issues Permit	\$75 - \$200	
	\$1,225 - \$2,200	
r Rate	\$75 - <b>\$8</b> 5	
	Yard, Landscape, etc.  mp and Abandon Septic Tank  pending on Who Issues Permit  t	

There were concerns about the monthly rates raised in the Council debate even when the rates were proposed at \$75-85. However, only after the Council gave its authorization, on April 2, 2022, the project's financial advisor issued its Preliminary Rate Analysis shown below, which then set the estimated monthly bill between \$95.00-\$208.27.

#### MARSHALL COUNTY REGIONAL SEWER DISTRICT

# SUMMARY OF ESTIMATED RATES (Total Blended Rate)

	\$0 Grant	\$15,625,000 Grant	
	(pages 5 - 6)	(pages 7 - 8)	
Estimated Monthly Bill	\$208.27	\$95.00	

That increase is approximately 26% to 245% more than the proposed rates pitched to the Council and upon which it gave its authorization. That is unreasonable. Given the substantial increase in rates a majority of the current Marshall County Council opposes the district.

The MCRSD was required to comply with Indiana Code 13-26-2-3 when providing numbers to the Marshall County Council. Accurate estimated costs of operating and maintaining the sewer works are required to be included in the estimates provided to the Council, but the numbers provided by the MCRSD to the Council were grossly inaccurate. There are no interlocal agreements in place, the estimates did not accurately reflect the costs of operating or maintaining the sewer works, and the engineers for the project recently stated that monthly user charges would be a minimum of \$150 could increase to \$400 per month when the cost of construction, financing, operation, and maintenance are finalized. Recent comments from the MCRSD included the possibility of foreclosing on the homes of those who do not have means to pay the MCRSD's monthly rate. Given the drastic increase in monthly rates needed to sustain the district the Marshall County Council finds the district is not economically feasible, fair, or reasonable.

# B. The MCRSD is not economically feasible because the economic landscape is drastically different now than when this project was first conceived.

The MCRSD is an outgrowth of the work of the Marshall County Clean Water Task Force, which began in 2019. Since that time, the global, national, state, and local economy has changed dramatically. Marshall County, like its sister counties, weathered the global pandemic and soaring inflation.

(Source, Congressional Budget Office, A Visual Guide to Inflation From 2020 Through 2023).

The country has been mired in social and political unrest, with ripple effects being felt from city Main Streets to the campaign stump to the halls of government to Wall Street. Wars have broken out throughout the world and global trade has been disrupted. All of these factors have impacted financial markets and the pocketbooks of Marshall County residents.

The state has been in a property tax crisis, with gross assessed values for commercial, industrial, and residential properties throughout Indiana collectively rising 12% from 2024 to

2025 alone. That is following prior years of growth. As shown below, Marshall County has felt those increases.

#### Gross Assessed Value ("GAV") Comparison Sales Ratio Study Values 2022-2025 Assessment Years

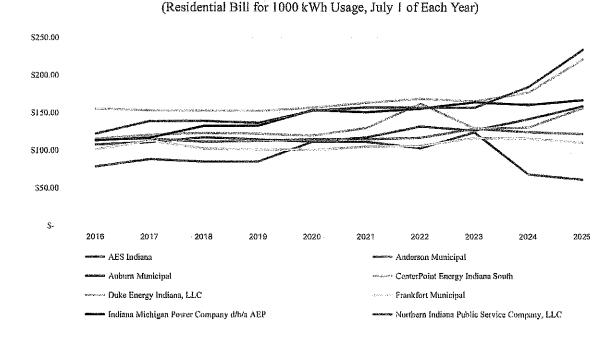
			2024 - 202	5 Growth %		10/4/09/305	2022 - 202	25 CAGR %	
County		Commercial	industrial	Residential		Commercial	Industrial	Residential	
Code	County Name	Total	Total	Total	Total AV	Total	Total	Total	Total AV
49	Marion	23.80%	24.21%	9.88%	13.64%	9.50%	8.24%	7.57%	8.05%
50	Marshall	16.36%	30.01%	7.14%	9.35%	8.12%	10.94%	7.18%	7.53%
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(Source, Department of Local Government Finance, for property taxes due and payable in 2026).

Energy prices of all kinds have skyrocketed. A recent study, as shown below, revealed that, from July 2024 to July 2025, among Indiana's 5 investor-owned electric utilities bills went up 17.5%, or \$28 a month on average statewide.

Chart 1

Electric Utility Residential Customer Bills



(Source, Indiana Utility Regulatory Commission, 2025 Electricity Residential Bill Survey).

Approximately 44.3% of Marshall County residents are older adults and seniors, a rate nearly 3% more than the statewide statistics; additionally, the County's per capita personal income is just 87.5% of the statewide statistics. (Source,

https://www.stats.indiana.edu/profiles/profiles.asp?scope\_choice=a&county\_changer=18099 (last accessed Aug. 19, 2025)). In light of the County's population the Commissioners have heard many concerns about the impact the proposed sewer project will have on seniors on fixed incomes, such as that shared by Frank Endres:

#### Frank Endres - 17106 Mill Pond Trail

Q: I don't have any elaborate words, but I just wanted to say I don't think it is a good idea. A lot of people have moved out to the country to get away from city water, sewage, and stuff of that nature. A lot of our elderly communities are living on the lakefront and are on a fixed income and may not be able to afford to have the extra \$75-100 a month. So, I was hoping that I would come in here and hear it would be an optional hook-up. I fear that it not being optional, you're going to force a lot of people out of their homes. Thank you

(Source, Minutes of February 21, 2022 MCRSD Public Meeting).

County residents have been walloped by the economic turmoil discussed above. Help is on the way with initiatives like the Governor Braun's Freedom and Opportunity Agenda delivering historic property tax relief, and the Trump Administration's One Big Beautiful Bill delivering no tax on social security and permanently increasing the Child Tax Credit for our younger families. However, those efforts are just the first steps in helping dig the County's residents out of a big hole not of their own making. The looming costs of the MCRSD threaten to undo the gains made for the residents of the district. For all these reasons the MCRSD is not economically feasible.

# C. The MCRSD is not fair because it is not responsive to the people it proposes to serve.

When the Commissioners petitioned IDEM to establish the MCRSD they envisioned the entity as one that would be responsive to the people of Marshall County by being responsive to the elected officials who appointed the individual Trustees who govern the MCRSD. The petition, as shown below, addressed vacancies on the governing board, providing:

e. Upon a vacancy on the Board of Trustees, for any reason, the appointing authority for that Trustee shall be required to appoint a replacement Trustee to complete the term of the Trustee who vacated his office within 45 days of the notification of the vacancy.

With that provision, including the "vacancy . . . for any reason" language, the Commissioners intended the Trustees of the MCRSD to serve at the will of the authority who appointed them. Indiana courts have recognized such language to be synonymous with "At-Will Removal. Appointees serve at the pleasure of some entity and may be removed <u>for any reason</u> or no reason at all." Waller v. City of Madison, 183 N.E.3d 324, 330-31 (Ind. Ct. App. 2022) (emphasis added).

Earlier this year, the Commissioners invited their appointee, President of the MCRSD Board of Trustees Thomas McFadden to attend a Commissioners meeting to discuss the many concerns about the MCRSD that residents had been raising. Mr. McFadden decided not to attend the meeting. Mr. McFadden's actions prompted the Commissioners to adopt Ordinance No. 2025-16, which reaffirms their intent, at the time of the MCRSD's establishment, that the Trustees serve at the pleasure of their appointing authority. The ordinance further exercised the Commissioners' Home Rule authority to presently declare that members of the Board of Trustees of the MCRSD are subject to at-will removal. Thereafter, the Commissioners declared Mr. McFadden's Trustee seat vacant and appointed a new member to replace him.

Mr. McFadden does not recognize the Commissioners' authority to remove him and has refused to vacate his office, asserting that he will fulfill his remaining four year term and is only removable for cause. The Commissioners and Mr. McFadden are now engaged in litigation over his refusal to leave office in the Elkhart Superior Court 2, Cause No. 20D02-2507-CE-000005.

Unlike the board the Commissioners created, the MCRSD has become an insular entity with a single-minded focus on building a sewer and an unwillingness to entertain the diverse opinions of and solutions raised by the residents they serve.

Additionally, as shown below, the entity the Commissioners petitioned IDEM to create was to be served by an advisory board of public officials.

- 13. Review and Consulting Board. The Marshall County Regional Sewer District Consulting Board (Consulting Board) shall be a non-voting entity that will provide technical assistance to the District. The Consulting Board shall consist of the following:
  - a. Representatives of the Marshall County Health Department.
  - b. Representatives of the Marshall County Surveyor's Office.
  - c. Representatives of the Marshall County Commissioner's Office.

The Review and Consulting Board would have been yet another measure of oversight linking the MCRSD to elected officials who are responsive to the people of Marshall County. The MCRSD has never formed or convened the Review and Consulting Board.

The Commissioners understand that the MCRSD is an independent municipal corporation. However, they did not establish the MCRSD to be an insular and unaccountable institution. They intended the Trustees that lead the MCRSD to serve at the will of the Commissioners, the Council, and the Mayor of Plymouth, the elected officials who appoint them. The MCRSD Trustees have gone rouge and are not responsive to the people and that is not fair. Even if the Commissioners are unsuccessful in their litigation to ensure their appointments to the MCRSD serve the people of Marshall County and are accountable at all times to their appointing body, this will only delay the inevitable. The Marshall County Commissioners have four appointments to the MCRSD that are coming up in the next nineteen months and the Marshall County Council has one appointment. It will only take four members of the MCRSD to vote to suspend the operations of the district.

Section 2. Pursuant to Indiana Code § 13-26-6-4, upon dissolution of a sewer district, IDEM must consider "payment of liabilities" of the district. At this time, the MCRSD has sold a \$3,075,000 Bond Anticipation Note ("BAN") to Star Financial Bank, which is to be repaid upon the issuance of bonds to finance the construction of the district's first sewer project. The MCRSD has stated it has no idea on how to repay the BAN if the sewer works is not built. The MCRSD believes this makes the sewer works inevitable, even if residents of the district must lose their homes because they cannot afford the monthly sewer rates. To facilitate the dissolution of the MCRSD and protect the most vulnerable homeowners in the district, the Council stands ready to provide funding to retire the MCRSD's obligations under the BAN in exchange for the assets of the MCRSD. The engineers for the MCRSD recently stated that the design work has a long shelf life and can be used in the future in the event a sewer project does, in fact, become economically feasible, fair, and reasonable.

Section 3. The experiment of the MCRSD has revealed that a county-wide regional sewer district is not the right fit for the residents of Marshall County. It presents an expensive, one size fits all solution. The Commissioners believe that many septic issues can be addressed utilizing new technologies for system replacement, while working with the Marshall County Health Department under 410 I.A.C. 6-8.3-53(i). Going forward, if local residents determine a need to develop sewer services, individual conservancy districts formed by a majority of willing participants would be a better option. These conservancy districts would have the completed design work at their disposal. The MCRSD, as its Board of Trustees views it, is not responsive to the people. The Commissioners are responsive to the people, and in the spirit of Indiana Constitution, Article 1, Section 1, they are exercising the peoples' "indefeasible right to alter and reform their government." The Marshall County Council urges IDEM to dissolve the MCRSD.

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PASSED AND ADOPTED by the Marshall County Council this 21 day of August, 2025.

Tim Harman, President

Pack Clock IES

Brandon Schadek, Member

Will Patterson, Member

Jim Masterson, Member

Jim Masterson, Member

ATTEST:

Marcellus M. Lebbin, Council Attorney