

**STEUBEN LAKES REGIONAL WASTE DISTRICT
BOARD OF TRUSTEES MEETING
AUGUST 30, 2023
23-08R
6:00 P.M.**

MEMBERS PRESENT:

Craig Rice
Larry Keeler
Rob Moreland
Kelly Johnson
Abby VanVlerah

MEMBERS ABSENT:

Renee Clauss
Jon Flaugh

Also Present

Andrew Boxberger – Carson LLP
Steve Henschen – Jones Petrie Rafinski

Rob Moreland called the meeting to order at 6:00 p.m.

Rob Moreland read the following statement: At the end of the meeting, the public will be given an opportunity to speak. In the interest of time, each person shall be limited to three minutes. Your comments will be part of the public record of the meeting, so we ask that you present them in a professional manner and speak only to the matters at hand.

APPROVAL OF THE JULY 2023 MEETING MINUTES CHANGES OR ADDITIONS.

The Board presented minutes of the JULY 26, 2023, board meeting minutes for review and approval. Upon motion duly made by Abby VanVlerah and seconded by Craig Rice, the Board unanimously approved the board meeting minutes JULY 26, 2023.

FINANCIAL REPORTS

The financial reports, check register, project check register, bank account report, and claims for JULY 2023 were presented for review.

The Revenue Report, Appropriation Report, Capital Expenditures, Accounts Payable Register, Fund Report with Investments, and Monthly Budget Report with Capital for JULY 2023 were presented for review. Abby VanVlerah moved, and Kelly Johnson seconded the motion, to accept and approve the JULY 2023 financial reports as submitted, which motion was unanimously approved.

Superintendent Bryan Klein presents the comparison for our new health insurance renewal and the purposed budget for 2024. The health insurance went up just over 16%. It was \$607 to \$719 per employee. That is an increase of an estimated \$24,000 for the year. A

comparison was made to our old insurance (PHP) which had an equivalent increase but with much higher deductibles. The original increase presented was 32% but was brought down to 16%. This increase is reflected in the purposed budget for 2024.

The budget does include a purposed wage increase of 2.5% across the board. Collection System salaries and wages went down by \$62,550 due to the retirement of our collections system coordinator whose duties will be absorbed by our lead maintenance technician, combining those two positions into one salary position. Treatment plant salaries and wages budget decreased by \$5436 due to the retirement of one of our plant employees. These wages are decreasing due to two of our long-term employees retiring and their replacements coming in at a lower wage. The asset replacement has doubled from \$400,000 to \$800,000 to make up for projects that were planned and unlikely to get grant money. With at least 10 lift stations needing full rehabs, we have to plan ahead to have those available capital funds without depleting all capital funds. Thankfully with the way we have structured things, this last rate increase could be sufficient for the next 7 years. There are things we cannot predict that can change that hope and we cannot guarantee no rate changes moving forward. This budget is to protect the rate payers as much as possible. Moving funds from the annual budget surplus (operating funds) to capital in addition to the regular asset replacement transfers is a goal of ours and is evaluated yearly. The proposed 2024 budget has been introduced at this meeting and will be motioned at the next board meeting (September 27, 2023).

Steve Brock confirms NED II Contract C which is at a cost of \$9,500,000 has been denied by the SRF for grant funding and will not fund anything connected to Pokagon State Park as off a week and a half ago. Trying to find a way to fund Contract C without a rate increase has been difficult. Looking at our current debt outstanding and one of our bond issues falls off in 2043. It is possible to get a RAF amortization schedule where we only pay a \$1000 in the frontal payments and then start paying the principal in later years. The SRF has two limitations on loan terms. One is 20 years for non-piping projects and the other is 35 years for piping projects. Steve Henschen confirmed his calculations of Contract C at 90% non-piping and 10% piping. Steve Brock asked the SRF for three additional considerations which was the RAF amortization schedule and they said yes, an extended loan term, and zero percent interest on both the 20 year and 35 year and they said yes. Eliminating interest may be close to an estimated \$250,000 a year which is the same as a grant of something of \$5,000,000. Steve Brock to run numbers with Steve Henschen's calculations for Contract C. He will ask the SRF for more consideration if needed. Andy Boxberger asked if we could get an extension for an answer by September 12th. Steve Brock can ask for an extension and the Board will need to arrange a special meeting as a decision cannot be made tonight. The special meeting is set for 4:00pm on Wednesday, September 5th.

ATTORNEY REPORT

- A. District Response to Attorney General Notice: The Attorney General received a letter from our customer. Warren Halls complaining about the existence of the District, being 'socialists in our free country', and our rate. We had 15 business days from the date of the letter to respond. Presented is the response from Andy Boxberger to the Attorney General. This should be the end of this matter.

- B. Will the District Begin the Disconnection of Delinquent Customers: Disconnection was contemplated prior to COVID. This would be done to cut back on the average of 270 delinquencies, which would condemn the homes. Currently liens are filed. Disconnection means disconnecting the gravity line from the home to the tank. Rob Moreland asked if our new monthly billing statements have decreased these past due accounts, it is too early to tell. Disconnection would happen after 2 liens are filed on a property which amounts to 6 months of unpaid bills. Disconnections would not improve our public relations. Disconnections would involve the health department as it would condemn the home as soon as it is disconnected. This subject was brought up prior to COVID with the thought of disconnecting past due accounts like other utilities do and requiring a reconnection fee. Unless a property is sold, liens can remain unpaid for years while the District continues to process the wastewater. Craig Rice moved, and Renee Clauss seconded the motion, to table the discussion of disconnection of delinquent customers as submitted, which motion was unanimously approved.
- C. Reserving Capacity on the System: Ordinance NO. 2023- Due to capacity of our current treatment plant filling up, this ordinance will allow a developer/single homeowner to reserve capacity for their subdivision/home for 5 years. This is mostly for subdivisions. The fee would be \$500 per EDU for reservation of capacity for a 5-year period. This capacity fee reservation fee is not transferable/refundable. This fee is NOT the same as the capacity fee paid per unit/home at the time of permit. Abby VanVlerah moved, and Craig Rice seconded the motion, to introduce Subdivision Control Ordinance NO. 2023- at the price of \$500 per EDU as submitted, which motion was unanimously approved.

ENGINEERS REPORTS

- A. NED-2 Funding Update: Kick off meeting with both contractors who are not planning to start until late this year or early next year. Selge who is doing the three largest pump stations will be waiting until every piece of the equipment is in as they are renting significant equipment to do bypass pumping. They want to be able to move that equipment from site to site without any time in between. The long lead time items right now are standby generators which are anywhere from 48-51 weeks which exceeds his contract time.
- B. INDOT is planning a culvert replacement on State Rd 120 next to what was formally The Hangout, currently The Lake Shack. We have two sewer lines that cross that culvert. INDOT has been very cooperative and was planning on starting this work in 2024 but they will push it back as far as July 2025. Our contractor does not have to be contractually done until December 2025. With that 6-month gap we would like to have the old 2 lines abandoned and the new line going deep enough to avoid any construction. If not, we will have to do some temporary lines in the culvert at the cost of an estimated \$90,000 that is built into the contingency, but we are trying to avoid that cost. Niblock said there is a high probability that they will be done with the entire project by July 2025 which would avoid the temporary lines. We told INDOT the workplan says we won't do the two temporary lines until June 2025 with hopes the project will be completed by then and the temporary lines no longer needed.

OLD BUSINESS

- A. Remote Participation: Almost complete. John McCoy to get each board member guest access tonight.
- B. Website: District staff still working with Asher.
- C. Monthly Billing: The monthly billing has increased the number of customers on EFT and ACH.

NEW BUSINESS

- A. Quotes to Replace the Air Conditioning Unit in the Lab: The lab is required to keep the temperature at 20 degrees plus or minus Celsius all year long. It has its own air handler in the ceiling which was from the original building. Something inside was coming apart and covering the room in dust residue. Had multiple people inspect for repair but there was no fixing the system. The lowest estimate for replacement was J.O. Mory at \$7,014.00. This will be paid from Capital funds. Craig Rice moved, and Kelly Johnson seconded the motion, to approve the bid from J.O. Mory as submitted, which motion was unanimously approved.

DISTRICT BUSINESS & OTHER GENERAL MATTERS

- A. Easement Encroachment Variance Request for 6125 W S Lake Gage Dr: Gary Manahan with Manahan Construction presented plans for a concrete driveway that goes over the existing lateral line which is approximately 105' in length from tank to main line. The tank will be surrounded by rocks. The driveway will be cut. The homeowner is aware any access/repair/replacement to the system will be at the homeowner's cost. The previous owner elected not to do the driveway when the home was built, the new owners would like to complete the driveway. Kelly Johnson moved, and Renee Clauss seconded the motion, to approve the easement encroachment variance for 6125 W S Lake Gage Dr as submitted, which motion was unanimously approved.
- B. Easement Encroachment Variance Request for 6211 W S Lake Gage Dr: George Kirby who resides at 6216 W S Lake Gage Dr presented plans for a concrete driveway that goes over the main line. Craig Rice moved, and Kelly Johnson seconded the motion, to approve the easement encroachment variance for 6211 W S Lake Gage Dr as submitted, which motion was unanimously approved.

PUBLIC COMMENT

N/A

MOTION TO ADJOURN

There being no further business to come before the meeting, Rob Moreland asked for a motion to adjourn. Such motion was made, seconded, and unanimously carried; the meeting was adjourned.