

**STEUBEN LAKES REGIONAL WASTE DISTRICT
BOARD OF TRUSTEES MEETING
FEBRUARY 25, 2026
26-02R
6:00 P.M.**

MEMBERS PRESENT:

Bruce Deters
Abby VanVlerah
Craig Rice
Kelly Johnson

MEMBERS ABSENT:

Mike Stephenson
Renee Clauss
Judy Rowe

Also Present:

Andy Boxberger – Carson, LLP
Steve Henschen – Jones Petrie Rafinski
Steve Brock – Therber, Brock & Associates

Craig Rice called the meeting to order at 6:00 p.m.

Craig Rice 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 JANUARY 28TH MEETING MINUTES CHANGES OR ADDITIONS.

The Board presented minutes of the JANUARY 28TH, 2026 board meeting minutes for review and approval. Upon motion, duly made by Abby VanVlerah and seconded Kelly Johnson, the Board unanimously approved the JANUARY 28TH, 2026 board meeting minutes. Each board member voted in approval of the JANUARY 28TH, 2026 board meeting minutes as amended.

FINANCIAL REPORTS

The financial reports, check register, project check register, bank account report, and claims for JANUARY 2026 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 JANUARY 2026 were presented for review. Abby VanVlerah moved, and Kelly Johnson seconded the motion, to accept and approve the JANUARY 2026 financial reports as submitted, which motion was unanimously approved.

NEW BUSINESS

- A. Encroachment 240 Ln 400 Lk James: Dave Korte with Star Homes presents plans for a TDRB new home at 240 Ln 400 Lk James that includes a relocation of the existing sewer tank and part of the lateral line. The plans also include a concrete driveway that the owners are asking to encroach on the 7 ½' easement over a portion of the lateral line and they want to pour as close to the tank as is allowed. 2.8' from center is what is presented on the plot plan. The board has no issues with the concrete over the portion of the lateral line as it is understood if it ever needs to be removed for our access that is at their cost and we do not replace. The board will allow the concrete driveway to come no closer than 5' from the center of the tank lid and will require a check valve to be installed inside of the tank instead of outside of the tank.

Bruce Deters moved, and Abby VanVlerah seconded the motion, to accept and approve the encroachment of the concrete driveway at 240 Ln 400 Lk James to cover a portion of the lateral line and to come no closer than 5' from the center of the grinder tank lid with a check valve installed inside of the tank as submitted, which motion was unanimously approved.

ATTORNEY REPORT

- A. Bond Ordinance: Now that we have motioned to introduce the new rates (below) we have ordinance 2026-02 which would be the bond ordinance to actually issue this debt up to \$10 million. This has a max interest rate of 6%.

Abby VanVlerah moved, and Bruce Deters seconded the motion, to accept and approve the bond ordinance 2026-02 as submitted, which motion was unanimously approved.

- B. Rate Increase: Steve Brock has been working on the financials for the lift station project which we can no longer do with the SRF as originally planned due to new constraints on their end. The last rate increase was February of 2023, and we have tried to avoid another increase. We have about \$66 million of debt outstanding, about \$33 million is with the Indiana SRF, mostly with 0% interest. The SRF did not have room in their program, so we have looked for other financing sources. Steve's recommendation is with the National Rural Water Financing Agency (NFWFA) which is in Kentucky. It is a multi-state program that he has had good luck with Indiana borrowers before. We must issue bonds at a 1.25 debt service coverage. Looking at our 2024 and 2025 financials, we must come up with that rate of 1.25. We are looking at making a wrap amortization schedule which is paying the minimal debt service for the first 15 years and then paying it all for the remaining 6 years. This is a 21-year bond. We are looking at a little bit less than a 5% rate increase. We have a bonding amount of \$10 million at a maximum interest rate of 6%. Andy asks Steve to explain why in theory if we reduced our project by \$2 million that would not make a difference on needing to increase the rates. If we were to decrease the project by 20% and thus reduce the debt service by 20% but we will still be making the minimal payments for

the first 15 years and the majority of it the last 6 years, our constriction is in the first 15 years. Even reducing the project costs, we will still need the rate increase due to increasing the debt service in the first 15 years of the bond. Abby confirms it is not realistic to think we would not have a rate increase ever and Kelly agrees it was only a matter of time. Bruce confirms this project is for 9 of our lift stations and two of them have been done (the second one is still in progress) on an emergency basis with District funding, and 6 of the lift stations are being taken care of as a part of the NED II project. We have knocked out 8 of them and with the next 9 as a part of the pump station project, that leaves us with the ones that are in good enough shape and can do one per year out of our own local funds. They are also the smaller stations which are less expensive. If we do not do this pump station project, we will have to wait until one of these 9 stations fails and do them on an emergency basis out of local funds that would have already been committed to another station. Bruce asks if this is all for collections, what about our treatment plant? Steve confirms the bond ordinance includes funds that can be used towards the treatment plant as well. There is a minimum we need for the 9 pump stations, but we may be able to borrow up to a certain amount to pool with our NED II contingency funds to do work in the treatment plant that is desperately needed. The blower failed before this funding was available, so we are doing that with local funds as we have no choice. Bruce asks here is another rate increase when is the next one. Bryan confirms it is when it is needed. When we tried to hold it off in the past, we had to do a larger single increase since we waited. Andy confirms there is a case law that said we cannot just say we are going to increase every year and we cannot go further out than 3 years. We could set a specific rate amount for up to the next 3 years. We must justify the necessity of the rate in a rate study which is what Steve Brock prepares. We will need to simply look at the financials every year and go from there instead of waiting for years and then it is a larger increase. Regardless of future rates, we do need an increase of almost 5% right now for the pump station project for the 1.25 debt service coverage. Regions bank will hold the funds in a construction account, and we will prepare disbursement requests with Regions like what we do with the SRF for disbursements. Steve will find out the specifics for us and let us know. There is a tariff in our information to review to change the exhibit of our bond ordinance to the new rates. The only thing we need to do tonight is to vote to introduce it. We will need a special meeting in the next 14-20 days after we have published the rates introduced. The new single-family rate would be \$115.75.

Abby VanVlerah moved, and Bruce Deters seconded the motion, to accept and approve the introduction of these new rates as submitted, which motion was unanimously approved.

- C. BOT Process for Plant Process Blower Replacement Resolution 2026-01: District to establish an approval committee and approve using the Build Operate Transfer process on the plant blower replacement as we have done for the pump station project.

Abby VanVlerah moved, and Bruce Deters seconded the motion, to accept and approve the BOT process for plant process blower replacement resolution 2026-01 as submitted, which motion was unanimously approved.

ENGINEERS REPORTS

A. JPR General Project Update Memo:

B. NED Phase 2 – Construction Update – Steve Henschen updates:

Contract A: PS9 impellers have been replaced. Soft start change-out will be happening in the near future and will finish the project out.

Contract B: Niblock Excavating is not meeting their milestones. That total liquidated damages through today are \$179,000.00. There are issues with milestone 2 as there are leaks in the pressure system. Milestone 2 has yet to be met and milestone 3 is already falling behind as well. Milestone 3 is all grinders being installed. We are moving towards billing Niblock Excavating for all service calls that SLRWD staff has had to handle on their behalf due. We will be sending them a notice of this charge. The issues Niblock was having were originally a manpower issue but seem to now be a quality issue.

Contract C: Moving along well at Big Otter Lk. Selge is still on track for completion in May 2026.

C. Pay Apps:

1. NED Phase 2 – Contract B Pay Application #23 in the amount of \$537.52:
Niblock Excavating is asking for payment in the amount of \$537.52.
2. NED Phase 2 – Contract C Pay Application #117 in the amount of \$260,808.25:
Selge Construction is asking for payment in the amount of \$260,808.25.

Craig Rice moved, and Abby VanVlerah seconded the motion, to accept and approve Contract B Pay Application #23 in the amount of \$537.52 to Niblock Excavating, and the Contract C Pay Application #17 in the amount of \$260,808.25 to Selge Construction as submitted, which motion was unanimously approved.

D. Change Orders:

1. NED Phase 2 – Contract C Change Order #14 in the amount of \$5,102.00: Selge Construction is asking for a change order in the amount of \$5,102.00 due to additional work items being added into the contract for unknown conditions.
2. NED Phase 2 – Contract B Change Order #20 in the amount of \$1,389.00:
Niblock Excavating is asking for a change order in the amount of \$1,389.00 due to minor changes in moving control panels and shifting some things around.

Abby VanVlerah moved, and Kelly Johnson seconded the motion, to accept and approve the NED Phase 2 Contract C Change Order #14 in the amount of \$5,102.00 to Selge Construction

and the NED Phase 2 Contract B Change Order #20 in the amount of \$1,389.00 to Niblock Excavating as submitted, which motion was unanimously approved.

JPR has reviewed all pay applications for work completed and change order requests and found them to be appropriate. These are to be paid from project SRF funds.

- E. Pump Station Replacement Project Phase 1 Land Acquisition Update: We currently have 8 land acquisitions complete. We are looking at paying out \$1999 for PS14, \$25,000 for #19 and both of those will need board approval.

Abby VanVlerah moved, and Bruce Deters seconded the motion, to accept and approve the payments of \$1999 for PS14 and \$25,000 for PS19 as submitted, which motion was unanimously approved.

- F. Pump Station 6: The original deal of this land that we have operated on for years needs researched as to its donation vs payment that was or needs to be made. This is for 8700sqft. The amount in question is \$8,232.04.

Abby VanVlerah moved, and Bruce Deters seconded the motion, to accept and approve the investigation into the original land acquisition for PS6 as submitted, which motion was unanimously approved.

- G. Ken Jones Discussion: Ken is in the process of negotiating and then using imminent domain if agreements are not reached.

Kelly Johnson moved, and Abby VanVlerah seconded the motion, to accept and approve Ken Jones to negotiate on our behalf on the land for pump station #19 and proceed with imminent domain, if necessary, as submitted, which motion was unanimously approved.

- H. Additional item in the Engineer's report that had not made it on the agenda: Bledsoe's MHP is being sold, and a development is being brought to the board for approval in the future. Cole, Bryan, and JPR met with the developer, Andy Norton, to discuss the possibility of a 235-unit development. This would be approximately 120 condos, 115 apartments, and one restaurant. Capacity needs reviewed and the developer is currently working on their section II documents to get conceptual approval. The developer wants to hire JPR to do the pump station design for this development. This pump station would be paid for by the developer, designed by JPR per our standards, and then turned over to SLRWD. JPR is asking for board approval to work on this design with the developers. The board sees no conflict of interest with that request and confirms it is in the best interest of the District.

Abby VanVlerah moved, and Kelly Johnson seconded the motion, to accept and approve the collaboration between JPR and the developer for the pump station as submitted, which motion was unanimously approved.

OLD BUSINESS

N/A

DISTRICT BUSINESS & OTHER GENERAL MATTERS

N/A

PUBLIC COMMENT

N/A

MOTION TO ADJOURN

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