

**SOUTH HENRY REGIONAL WASTE DISTRICT
BOARD MEETING MAY 13, 2025
SHRWD OFFICE
4:30 P.M.**

According to the meeting notice, President Donna Tauber called the meeting to order. Board members who were present or absent were as follows:

Present: Donna Tauber, Tom Conley, Kathryn Irwin, Tyler Hellums, Dwight Barnes, and Irvin Bengé

Absent: Lila Mondrush

Kathy Irwin made the motion to approve the minutes of the previous meeting, seconded by Tyler Hellums. Motion carried.

Tyler Hellums made the motion to approve the claims as submitted. This was seconded by Kathy Irwin. Motion carried.

The Board also reviewed and approved all final payments from April 2025 Claims Docket.

Ross Hagan from Baker Tilly discussed the findings of the draft he prepared for the revision of the rate study completed in 2023. He emphasized the importance of capturing annual expenses from 2024 to 2027. The last bond issue took place in 2014, and we still have six more years of payments remaining on that bond.

Hagan explained that the amortization schedule for the new project will require a minimum payment of \$1,000 towards the principal of the new loans while we continue to pay off the 2014 bond. He noted that delaying the principal payments could help mitigate the rate impact on customers. Additionally, the State Revolving Fund (SRF) would allow the district to extend the new bond term to 35 years, aligning with the useful life of the construction for the new project. He also mentioned that he used an interest rate of 5%.

Furthermore, if we rank high enough on the priority list by July 1, 2025, we may qualify for subsidized funding, which could reduce the interest rate to 2.5%. If we do not qualify for that, we can still participate in the pool program, where the State uses its credit rating to obtain favorable interest rates on the open market, which would then be passed along to the district.

Hagan indicated that the increase in rates from 2023 to 2025 might improve our chances of ranking higher on the priority list. He also stressed the need for the district to establish a timeline for the rate increases: introducing the proposal at the June meeting, conducting the first reading in July, and having the second reading by August to ensure we are on track for closing with SRF before the end of the year.

Finally, he mentioned that if the interest rate ends up being higher than the district is comfortable with, the option to refinance the bonds after ten years for a lower rate could be considered.

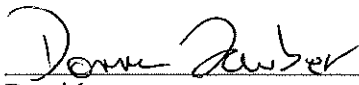
After careful consideration and discussion, it was resolved to authorize Baker Tilly to facilitate a rate increase of 35%. This adjustment constitutes approximately half of the proposed 70% increase recommended in the rate study for the project's funding. The remaining 35% will be considered for implementation at a later date.

Irvin Benge made the motion to proceed with Baker Tilly's proposal for the June meeting. This motion was seconded by Tyler Hellums. The motion carried.

Zach reported that the district has received the laboratory award and the safety award for another year. He mentioned that land application is scheduled for Monday and Tuesday, May 12th and 13th. Additionally, he noted that Draper will be starting their new process very soon. He also reported that the impeller on Spiceland pump #2 came off, and a new one has been ordered. After much discussion, it was decided to table the contract details with Draper regarding accrued costs for the district related to the new process they have implemented.

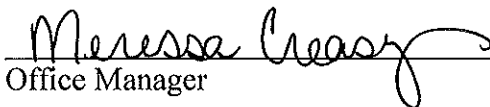
Donna reported that there were no bids received for the generator at the Spiceland lift station, so it will be added back to the project.

There being no further business, meeting was adjourned.



President

ATTEST:



Office Manager