

The Tippecanoe Chapman Regional Sewer District Board met in regular session on Monday, January 12, 2026, at 6:30 pm at the North Webster Community Center and via Zoom at: https://us02web.zoom.us/rec/share/db3Whh2ST4aS-9bQrzkDucUp6LzutkDliM6gwUq482KQQp0otxHxcNfJCUYxB0Py.mQYPB8v-SzEa_918

MEETING ATTENDANCE: Jeff Thornburgh called the meeting to order at 6:30 pm, and the Pledge of Allegiance was given in unison.

ROLL CALL:

TCRSD Board: Jeff Thornburgh, Brian Davison, Kim Hathaway, Neil Myers (via Zoom at 6:36 PM), Bob Weaver, and Jacob Yahne

Carson, LLP: Andrew Boxberger, Esq.

JPR: Steve Henschen, P.E., Jennifer Ransbottom

Baker Tilly: Jeff Rowe
Kimberlee Savick

Astbury: Matt Rippey

1. ELECTION OF OFFICERS

The following office nominations were made:

President – Jeff Thornburgh offered to serve another year as President.

Vice President – Neil Myers was nominated

Secretary/Treasurer – Kim Hathaway offered to serve another year as Secretary/Treasurer.

Jacob Yahne made a motion to approve the nominations of Jeff Thornburgh as President, Neil Myers as Vice President, and Kim Hathaway as Secretary/Treasurer. Bob Weaver seconded the nominations. All were in favor. The motion carried unanimously.

2. APPROVAL OF MINUTES

Minutes of December 8, 2025, Monthly Board meeting were presented. Kim Hathaway made a motion to approve the minutes from the December 8 meeting. The motion was seconded by Brian Davison. All were in favor. The motion was approved unanimously.

6:36 PM Neil Myers joined by Zoom at this time.

3. APPROVAL OF FINANCIAL REPORTS

a.) Monthly December 2025 Financial Report and Bank Reconciliation

Jeff Rowe stated that the financial reports are a draft and asked the Board to approve the draft financials because Baker Tilly is going through the year-end process and preparing the annual year-end financial report; therefore, before the financials are finalized, flexibility should be kept in case yearly adjustments need to be made.

Jeff Rowe stated that at the end of the year, total cash was \$3,145,587.99. Total bonded indebtedness was \$39,031,000. Budget to actual total receipts \$2,611,344 compared to the year-to-date budget of \$2.5 million, a little over budget. Total operating disbursements were \$1,651,221, with a year-to-date budget of \$1,193,100, about \$450,000 over budget for the year. The non-operating receipts were \$7,037,263, which was ahead of budget from BAN proceeds collected in the amount of \$784,000. Non-operating disbursements were \$9,847,580 from project expenditure. The beginning cash balance was \$4,995,783 with a cash decrease of \$1,850,195 for the beginning year at \$3,145,588.

In terms of the minimum balance required at year-end was \$1,874,108, with about \$1.3 million above the minimum reserve. A strong cash position is maintained.

Jeff Rowe stated at the February meeting that the Board will be asked to approve the financials in the final report and the annual financial report.

b.) Approval of Claims

Kim Hathaway stated there were a total of 31 Claims for \$278,484.53. Two of the disbursements are from the East Webster account for \$69,655.50. The remaining 29 disbursements from the operating account for \$208,829.03.

Jeff Thornburgh stated the State Board of Accounts claim of \$56,402.13 was a significant amount.

Jacob Yahne made a motion to accept the claims for \$278,484.53 as presented. The motion was seconded by Brian Davison. Roll Call Vote was taken Jeff Thornburgh – yes, Kim Hathaway – yes, Brian Davison– yes, Bob Weaver – yes, Neil Myers – yes, and Jacob Yahne – yes. The motion was approved unanimously.

c.) Gemini Monthly Deposit report from December 1 to December 31, 2025

Total monthly income of \$160,288.37 with wastewater penalty of \$1,044.17 for a total wastewater collection of \$161,407.54. The deposit breaks down as follows:

- Residential \$133,477.50
- Commercial \$10,362.90
- Vacant Lot \$454.85
- Mobile Homes \$11,114.43
- Multi-Family \$1,698.09
- Rental \$971.85
- Educational \$0
- Church \$2,208.75

Kim Hathaway stated he had some customers ask why they were still receiving the payment booklet since they were signed up for autopay. They felt it was a waste of money. Jennifer Ransbottom indicated Gemini still charges the District regardless of whether the customer is on the electronic billing cycle. Jeff Thornburgh asked if next year Gemini could be notified not to send booklets to customers who are on autopay. The Board felt it would save the District the cost of paper and postage. Andrew Boxberger suggested customers check a box or an email somewhere in writing,

indicating they waive the booklet. Kim Hathaway indicated he would reach out to Gemini regarding this.

4. FINANCIAL CONSULTANT UPDATE

A. Corrective Action Plan Update

1. Examination Report Comment 001 – Capital Assets

Jeff Rowe stated Baker Tilly is close to finalizing the compilation of the capital asset ledger to present to the Board. He indicated the ledger will also be included in this year's annual financial report.

2. Examination Report Comment 002 – Internal Controls/Errors on Annual Financial Report

3. Examination Report Comment 003 – Annual Financial Report Capital Assets

Jeff Rowe reported that this will be included in this year's Annual Financial Report

4. Federal Audit Finding 2024-001 – Errors on Annual Financial Report

5. Federal Audit Finding 2024-002 – Schedule of Federal Assistance Preparation

6. Federal Audit Finding 2024-003 – Noncompliance with Equipment & Real Property Management Federal Compliance Requirement

7. Federal Audit Finding 2024-004 – Noncompliance with Federal Reporting Requirements

Jeff Rowe reported that this finding was with the USDA requirement to prepare and submit forms RD Form 442-2 and 442-3. RD Form 442-2 is due at the end of the month, and they will work with Kim before submittal. Will also be required to submit another RD Form 442-2 and 442-3 by March 1 and those.

Jeff Thornburgh confirmed with Jeff Rowe that these corrective actions will be wrapped up by sometime in March.

5. OPERATIONS UPDATE

a.) Astbury Report

Matt Rippey reported that the wet well wizard at Lift Station #1 was replaced, and the gate has been repaired by Custom Fencing. He also reported that all padlocks have been placed on the remaining electrical distribution panels. Matt Rippey indicated Nitra Nox will need to be purchased for the chemical feed systems at Lift Stations #1 and #3. The price Cito Water quoted was \$5,688.00, which will need the Board's approval before this order is placed.

Kim Hathaway made a motion to approve the purchase of Nitra Nox from Cito Water for \$5,688.00. The motion was seconded by Jacob Yahne. Roll Call Vote was taken: Jeff Thornburgh – yes, Kim Hathaway – yes, Brian Davison – yes, Bob Weaver – yes, Neil Myers – yes, and Jacob Yahne – yes. The motion was approved unanimously.

Matt Rippey stated he is working with E/One (Covalen) on the issue of the weak breakers in the grinder station control panels. The manufacturer of the breakers has been identified and is replacing the breakers since they were still under warranty.

The total flow for the month of December was 106,684 gallons per day; the average flow was 98,260.

Matt Rippey reported there were 6 service calls in December and 144 utility locates.

6. SUBCOMMITTEE REPORTS

- a.) Finance Committee – No report.
- b.) Engineering Committee – No report

7. ENGINEERING UPDATE

A. JPR Engineering Update

Steve Henschen reported the following:

- 1) Main Project:
 - a) One-year warranty dates for each contract have expired as follows:
 - i) Contract A- July 9, 2025 - expired
 - ii) Contract B- October 7, 2025 - expired
 - iii) Contract C- December 24, 2025 - expired
- 2) Customer Connections are continuing, and a notice was sent to contractors informing them of the District's change in hours.
 - a) Josh Thomas was performing customer connection inspections.
 - b) JPR office hours at the North Webster Community Center on Wednesdays, 9:00 am to 1:00 pm.
 - c) Connections completed

TIPPY / CHAPMAN CUSTOMER CONNECTION STATUS REPORT						DATE: 1/8/2026	
	CONTRACT A		CONTRACT B		CONTRACT C		OVERALL TOTALS
DESCRIPTION	(Each)	(%)	(Each)	(%)	(Each)	(%)	(Each) (%)
Total Connections by Area*	677		665		469		1811
Connections Completed**	612	90%	591	89%	403	86%	1606 89%
Connections Not Yet Completed	65	10%	74	11%	66	14%	205 11%

* Includes vacant lots being served by grinder stations

** Completed or connections not required because it is a vacant lot with no sewage producing structure at this time.

d. Permit Fees report-

- i. Permit Fees received through December 31, 2025 - \$503,100
- ii. Permit Fees in November \$5,750
- iii. JPR fees incurred through December - \$699,245 - 86% of revised contract amount (\$812,000). Inspections will be done only one day a week.

Customer connection deadlines

<u>Contract</u>	<u>Final Notice Deadline</u>
Contract A	December 22, 2025
Contract B	May 13, 2026
Contract C	June 26, 2026

No fines if connected within 6 months of the above stated deadlines.

- 3) General Engineering Services
 - a) Proposed developments within the service area
 - i. Tippy Heights development on Stanton Drive-
 - (a) Construction of the gravity sewer is near completion
 - (b) Still need to install two duplex grinder stations and a force main
 - ii. The Oaks – Proposed system – former Baptist Church Camp
 - a) Work is completed
 - b) As-Built records are completed
 - c) Working through the final acceptance documents of the bill of sale and payment of inspection costs
 - b. Small Site plan reviews- routed through the county
 - a. Reviewing to confirm if there are any proposed improvements impacting or encroaching on District facilities or easements
 - 1. Reviews performed in December 2025 – 3 reviews
 - i. Section 1 permit reviews- (new customers) - 1 issued
- 4) Webster Lake Service Area – East Shore
 - a. Service area boundary map (attached)
 - b. Final design
 - 1. 95% complete
 - 2. Modified grinder location policy
 - c. Easement progress
 - i. 52% in hand – target is 85% by closing in March.
 - d. BOT process
 - i. Final pricing established
 - ii. Public hearing and notice to be held in February 2026
 - e. Overall project schedule
 - i. Submit permits in early January
 - ii. Complete land acquisition by the end of February 2026
 - iii. Close on financing- March 2026
 - iv. Begin Construction Spring/early summer of 2026
 - v. Complete Construction May of 2027
 - vi. Customer Connections begin- June of 2027

8. CUSTOMER CONNECTION UPDATE

- a. Contract A – Deadline for Connection Date – December 22, 2025

- 1. Discussion regarding non-connections

Andrew Boxberger stated that the September letter sent to Contract A customers indicated they had to be connected by December 22. However, the letter indicated the District would not impose any penalties until March, 6 months from the date of the letter, if they had their permit had a contractor and provided evidence. He suggested

to the Board that they will need to start taking action to get the customers' attention. He understands that the Board does not want to start fining customers, but they could be fined up to \$100 a day. Andrew Boxberger stated that, according to the statute, multiple notices have been sent, and to get to a forced connection action, a certified letter has to be sent to the 30-60 customers, giving them 90 days from the certified letter to connect, or the District will take action. He suggested the certified letter be sent from Carson and on Carson's letterhead. Jennifer Ransbottom indicated the customer will not see the increased bills as they receive coupon books. She will contact Gemini Billing to determine how they notify customers when they are fined, even though they receive a coupon book, their fines still can accumulate. Andrew Boxberger is to draft the certified letter for the Board's review. The Board members preferred not listing a fine amount but to reference up to the statutory limitation. Jennifer Ransbottom will send the list of property owners who have not indicated they have a permit, contractor, and/or provided evidence. Jeff Thornburgh asked for the list to be carefully constructed as the Board does not want to offend any property owners.

Jacob Yahne made a motion to approve the Notice to Connect Letter for Contract A customers that have connected. The motion was seconded by Neil Myers. Roll Call Vote was taken Jeff Thornburgh – yes, Kim Hathaway – yes, Brian Davison– yes, Bob Weaver – yes, Neil Myers – yes, and Jacob Yahne – yes. The motion was approved unanimously.

- b. Contract B – Deadline for Connection Date – May 13, 2026
- c. Contract C – Deadline for Connection Date – June 29, 2026

9. LEGAL COUNSEL UPDATE

- a. Board Reappointment
 - 1. Brian Davison – indicated he would continue to serve on the Board
 - 2. Neil Myers – indicated he would continue to serve on the BoardAndrew Boxberger indicated he would have the resolution at the next Board meeting.

10. EAST WEBSTER UPDATE

- a. Update from Local Group
Jacob Yahne had no update.
- b. Build, Operate, Transfer
 - 1. Status update
 - 2. Draft Agreement
 - 3. BOT Public Notice and Public Hearing – February meeting
Andrew Boxberger stated that the BOT agreement is almost complete and will send it to the Board members. He stated that before the next meeting, the District is required to have a hearing by statute to approve the agreement. He stated prior to the February Board meeting, there will be 2 hearings, one for the agreement and a rate hearing, presumably they will be approved later in this meeting.
- c. Financial Advisor Update – Jeff Rowe
Kimberlee Savick presented the Schedule of Estimated Project Costs and Funding. The estimated construction cost is \$5.9 million that includes construction contingencies based on the final BOT pricing. The estimated non-construction costs are \$1.5 million. The total

estimated project cost is \$7,406,000. The proposed SRF Forgivable BAN of \$5 million, the proposed sewage works revenue bonds of 2026 of \$2,366,000, and the Kosciusko County Loan of \$40,000. With a \$1,000 connection fee, an additional \$223,250 would reduce the amount needed for Revenue Bond to \$2,143,000.

The current estimate for Operation and Maintenance Disbursements is \$162,100 annually. Baker Tilly estimated some additional costs for insurance, administration, accounting, and billing services that will be incurred during the interim period of \$35,800. Estimated short-term asset replacement costs are \$31,800. The total monthly billing rates are based on 223.25 EDUs.

Kimberlee Savick indicated the final BOT scenario #1 approximate average residential monthly bill would be \$110 a month without the connection fee. Scenario #2's approximate average monthly residential bill would be \$105.30 with the connection fee. The interim rate would be \$60.90, assuming no connection fee. The interim rate would be from when construction starts to when construction of the project is completed.

Kimberlee Savick stated the bonds are based on SRF's interest rate, which will be 2.58%. She stated that since the connection fee has not been collected at this time, will need to focus on Scenario 1 with the rates being adjusted later towards Scenario 2, as SRF will require Scenario 1. Jeff Rowe indicated the collection fees could be collected and reintroduced the Ordinance to reduce the monthly rate to \$105.30. The \$110 gets to the 1.25 debt service coverage.

Jacob Yahne made a motion to introduce the rate at \$110 for no connection fee and an interim rate at \$60.90 per EDU. Bob Weaver seconded the motion. Roll Call Vote was taken Jeff Thornburgh – yes, Kim Hathaway – yes, Brian Davison– yes, Bob Weaver – yes, Neil Myers – yes, Edward Ormsby – yes, and Jacob Yahne – yes. The motion was approved unanimously.

d. Legal Counsel Update

1. Rate Introduction
2. Bond Closing Timetable
3. IDEM Exemption Letter

The Exemption Letter was included in the Board packet. The letter is to be mailed within 10 days of the permit filed. Jennifer Ransbottom confirmed with the Kosciusko Health Department that they will do the inspections should a property owner request an exemption.

e. Engineering Update

1. Easement Updates – Steve Henschen stated this information was provided in the Engineering report. He stated site visits are scheduled through March.
2. Grinder Station Location Policy – Steve Henschen to approve the Grinder Station Location Policy that was included in their Board packet. He noted that grinder stations will be placed 50 feet from the right-of-way on the property owner's property. If the property owner wants to extend beyond 50 feet, they will have to pay the additional cost.

Jacob Yahne made a motion to approve the Grinder Station Location policy as presented. Kim Hathaway seconded the motion. Roll Call Vote was taken Jeff Thornburgh – yes, Kim Hathaway – yes, Brian Davison– yes, Bob Weaver – yes, Neil Myers – yes, Edward Ormsby – yes, and Jacob Yahne – yes. The motion was approved unanimously.

3. Just Compensation Method Approval – Steve Henschen stated that the Just Compensation memo that was distributed is for the acquisition of property for mainline or pump station sites. The Uniform Relocation Act requires the Board adopt a method for determining Just Compensation. The Just Compensation was determined by hiring an independent real estate professional who conducted an evaluation of properties in the area to determine a square foot cost for land. There may be different pricing for lake frontage or off lake property.

Jacob Yahne made a motion to approve the Just Compensation Method as presented. Brian Davison seconded the motion. Roll Call Vote was taken Jeff Thornburgh – yes, Kim Hathaway – yes, Brian Davison– yes, Bob Weaver – yes, Neil Myers – yes, Edward Ormsby – yes, and Jacob Yahne – yes. The motion was approved unanimously.

11.) GENERAL DISTRICT BUSINESS

- A. IFA Regional Planning Meeting required for financing – January 2026. Brian Davison will attend on behalf of the District. Andrew Boxberger is monitoring the website for the date.
- B. District Administrator Hours – Wednesdays 9:00 AM to 1:00 PM
- C. 2026 and 2027 Meeting Dates

Brian Davison made a motion to approve the 2026 and 2027 meeting dates as presented. Jacob Yahne seconded the motion. Roll Call Vote was taken: Jeff Thornburgh – yes, Kim Hathaway – yes, Brian Davison– yes, Bob Weaver – yes, Neil Myers – yes, Edward Ormsby – yes, and Jacob Yahne – yes. The motion was approved unanimously.

- D. Other Business

12. PUBLIC INPUT

There was no public comment.

13. ADJOURNMENT

Kim Hathaway made a motion to adjourn. The motion was seconded by Jacob Yahne. The motion was approved unanimously. The motion was approved unanimously.

The meeting adjourned at 7:56 PM.