



## **TriCo Regional Sewer Utility**

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### **Board of Trustees Meeting Agenda**

**Monday, September 10, 2018 @ 7:00 p.m.**

**Clay Township Government Center**

**10701 N. College Avenue, Indianapolis, IN 46280**

- 1. Roll Call**
- 2. Public Comment**
- 3. Memorandum, Board Meetings**
  - a. Monday, August 13, 2018**
- 4. Approval of Claims Docket**
- 5. Attorney's Report**
- 6. Utility Director's Report**
- 7. Committee Reports**
  - a. Budget & Finance Committee**
  - b. Personnel & Benefits Committee**
  - c. Capital & Construction Committee**
    - i. Dedications**
      1. Jackson's Grant on Williams Creek Section 2
      2. Home Place Gardens
      3. Children's Theraplay
    - ii. WWTP Oxidation Ditch Gear Reducer Replacement Contract**
    - iii. Vehicle Replacements**
    - iv. Lift Station 4 Elimination Project (#1801) Contract**
    - v. St. Mary & St. Mark Sewer Service Agreement**
- 8. Old Business**
- 9. New Business**
- 10. Adjourn**



## BOARD OF TRUSTEE MEETING

Monday August 13, 2018 at 7:00 p.m.

### Memorandum

#### **ROLL CALL**

Present: President Marilyn Anderson, Vice President Steve Pittman, Secretary Michael McDonald, Treasure Jane Merrill, members Barb Lamb, Chuck Ford, Carl Mills, Eric Hand and Michael Shaver. Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Controller Cindy Sheeks, Engineering Manager Wes Merkle and Administrative Assistant Maggie Crediford

Ms. Anderson called the meeting to order at 7:00 p.m.

#### **PUBLIC COMMENTS**

There was no one present from the public.

#### **APPROVAL OF MEMORANDUM**

##### **Monday July 9, 2018**

Mr. Shaver clarified that the memorandum included the 6% rate repayment on the money extended to the property owners for the financing of the project. Mr. Pittman Stated that the memorandum included the 6% interest rate. Mr. Shaver asked Mrs. Poindexter if the property owners are held responsible for nonperformance if they do not pay the \$50,000 down payment and if they fail to repay the loan. Mrs. Poindexter verified that both of those issues are included in the agreement.

##### **Monday July 23, 2018**

Mr. Pittman made a motion to approve the memorandums from the July 8 & 23 Board of Trustee Meetings. Mr. McDonald seconded the motion and they were approved unanimously

#### **APPROVAL OF CLAIMS**

Ms. Sheeks stated that the docket was relatively large. There were a few items she made note of. The first being the invoices for Ace Technology for plant support. They were several months behind, the total paid to them was over \$49,000. The Carmel Utility bill was \$81,000, there was a payment to Eagle Valley \$252,049.06 for the 96<sup>th</sup> Street and Keystone Project, and a payment was made to TPI Construction for the Neighborhood Sewer Project in the amount of \$210,075.

Mr. Mills made a motion to approve the Claims Docket. Mr. Pittman seconded the motion and the claims were approved unanimously.

### **ATTORNEY'S REPORTS**

Mrs. Poindexter had nothing to report.

### **UTILITY DIRECTOR'S REPORT**

Mr. Williams informed the Board Members that under the C&C Meeting it was noted that the Staff would have pricing for replacement of the Gear Reducer at the Wastewater Plant. However, the numbers have not come in for that project so there is nothing to report to the Board at this meeting. Pricing for the Manhole Rehab Contract will be discussed under new business.

Mr. Williams gave a summary of the Singapore International Water Week conference. The Water Environment Federation, National Association of Clean Water as well as the Water Research Foundation sponsored the scholarship to send Utility Directors from the United States to attend the conference. Mr. Williams applied for and received one of the six scholarships. In Singapore there is a limited supply of available drinking water. At the Changi Water Reclamation Plant, they treat wastewater to drinking water standards. The plant operates at Level 1 Security, with double gates and armed guards. Visitors are required to turn in their passports for visitor badges and are escorted through the facility in a group. Visitor badges are collected at the end of a tour and passports are returned. The drinking water produced there meets the drinking water standards set by the World Health Organization. He passed around a sample of the bottled recycled wastewater he received at the conference. Mr. Williams found it interesting talking to Utility Directors from very large urban areas and discussing with them many of the same issues TriCo faces and how they deal with these on a larger scale. Mr. McDonald stated that he heard on the radio on the way to the meeting that utility customers in the Midwest should be expecting rate increases in the next few years do to the age of infrastructure and the need to replace older pipes.

Mr. Shaver asked a question about the Selected Statistics sheet for the month that was provided with the Board Packet. It shows that between June and July the Utility lost 500 feet of sewer and asked if that is accurate. Mr. Williams stated that as the year goes on and the data set is cleaned up, staff can come across a section or two that had been entered twice so there are redundant manholes. Mr. Shaver asked if EDU's is a theoretical flow calculation device? Mr. Williams stated that an EDU is one Equivalent Dwelling Unit. Per the State of Indiana one EDU is set at 310 gallons per day per a single family house. Commercial property flows are calculated using the State Standards for the type of use and size of the facility. With more efficient plumbing, water flows are not increasing but BOD loading remains the same. Water saving toilets and shower heads produce less water, but the solids that need to be treated remain the same. During the last plant expansion BOD levels were higher than they were in the prior study causing IDEM to de-rate the plant.

### **BUDGET & FINANCE COMMITTEE**

Ms. Merrill stated that there were no action items from the Budget and Finance Committee Meeting.

### **PERSONNEL & BENEFITS COMMITTEE**

Ms. Lamb stated that there are no action items from the Personnel and Benefits Committee Meeting.

### **CAPITAL & CONSTRUCTION COMMITTEE**

Mr. Pittman stated that there are no action items from the Capital and Construction Committee. Ms. Anderson recommended that due to the amount of information discussed at the joint meetings everyone read the memorandum and see if any of the questions they might have may be answered in the document. There is information that could have been missed due to the pace of the discussion at the meeting. Mr. Hand had a question regarding the numbers mentioned in the Memorandum from Monday August 6, 2018. On page 2 at the bottom of the page it states that "Mr. Merkle indicated that there are roughly 4,800 undeveloped and unsewered acres, which is about 72% of the service area" but there are 17,000 acres in the service area. Mr. Merkle clarified that should have stated 28% of the service area is undeveloped and unsewered; 72% is developed.

### **NEW BUSINESS**

#### **Manhole Rehabilitation Contract**

Mr. Williams stated that Aaron Strong has been working on this project. Due to inspections completed this year, manholes have been identified that need to be adjusted. Quotes were received and Culy was the lowest at \$54,400. This unit cost is the same as the project completed in 2015. Mr. Williams believes the bid is reasonable and he recommended that the Board award the project to Culy Excavating. Mr. Pittman asked if the manhole inspections are conducted every year in roadways. Mr. Williams stated that the inspections were for manholes in hard surface areas. Staff looks for manholes that have shifted or cracked and have water coming in. The process will seal the manholes to reduce infiltration. Mr. Pittman asked if the repairs are needed based on normal wear & tear? Mr. Williams stated that they can get buried with road projects and resurfacing along with the wear and tear they receive with traffic. Mr. Williams said that this should be the last big group of manholes that will need to have this done. Mr. Hand stated that along Michigan Road there are many manholes that need repair and he asked that the Collections Staff look at that road for TriCo manholes that might need repair. Mr. Mills agreed there is a wide spread manhole issue in that area going in both directions.

Ms. Merrill made a motion to award to Culy Excavating the Manhole Rehabilitation Contract. The motion was seconded by Mr. Hand and approved unanimously.

Mr. Pittman asked Mrs. Poindexter if it would be ok for him to reach out to the City of Carmel Planning Staff and meet with them regarding long term planning and what they see in the way of development for the remaining parcels in TriCo's service area in

Clay Township. She thanked Mr. Pittman for discussing his intentions with the Board and making the request in front of the rest of the board members. She said she has no reservations about him seeking information, especially considering his willingness to be open with the Board about his intentions. Mr. Pittman stated that he will try to meet with the City of Carmel Planning staff and hopefully have some information to bring back to committee. Mr. Shaver asked for a map showing the zoning of the undeveloped acreage in the service area. Mr. Pittman stated that he would also be interested in looking at the building permit activity in the area.

### **ADJOURN**

Mr. McDonald made a motion to adjourn the meeting. The motion was seconded but Mr. Pittman and approved unanimously.

The next Board of Trustees Meeting is scheduled for Monday, September 10, 2018 at 7:00 p.m.

Respectfully submitted,



Andrew Williams  
Utility Director

Approved:

\_\_\_\_\_ as Presented  
\_\_\_\_\_ as Amended

\_\_\_\_\_  
Michael McDonald, Secretary

\_\_\_\_\_  
Marilyn Anderson, President

TriCo Regional Sewer Utility  
Register of Claims  
For the period 8/13/18-09/06/2018

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
8/13/18	11896	Operating	Matt Starr	\$65.40	\$65.40	Mileage
8/20/18	11898	Operating	Shehzadi Ansari	\$10,000.00	\$10,000.00	Overpayment on account
8/21/18	11899	Operating	Ahmad R Safa	\$1,554.00	\$1,554.00	Overpmt refund-3685 Castle Rock Dr
8/24/18	11900	Operating	Jason Lewin	\$82.84	\$82.84	Mileage
8/24/18	11901	Operating	AFLAC	\$802.50	\$802.50	Insurance
8/24/18	11902	Operating	AT & T	\$701.02	\$701.02	Internet
8/24/18	11903	Operating	AT&T Mobility	\$1,365.77	\$1,365.77	Cell phones
8/24/18	11904	Operating	Carmel Utilities	\$588.87	\$588.87	Sewer cleaning
8/24/18	11905	Operating	Carmel Utilities	\$13.06	\$13.06	LS 1
8/24/18	11905	Operating	Carmel Utilities	\$29.68	\$29.68	LS 26
8/24/18	11905	Operating	Carmel Utilities	\$13.06	\$13.06	LS 2
8/24/18	11906	Operating	Citizens Energy Group	\$49.59	\$49.59	LS 17
8/24/18	11906	Operating	Citizens Energy Group	\$82.31	\$82.31	Plant
8/24/18	11907	Operating	Indiana Department of Environme	\$30.00	\$30.00	Lawrence Prange Jr Class IV Operator
8/24/18	11908	Operating	Kinetrex Energy	\$7.00	\$7.00	Plant
8/24/18	11909	Operating	Jenny or Gary Moon	\$100.00	\$100.00	Reimbursement-beach towels
8/24/18	11910	Operating	Rook Security LLC	\$3,000.00	\$3,000.00	Security snapshot
8/24/18	11911	Operating	AT&T Mobility	\$1,409.57	\$1,409.57	LS Communications
8/31/18	11912	Operating	Dora McQuiston	\$234.36	\$234.36	Refund-10438 & 10442 Bellefontaine
8/31/18	11913	Operating	Ke Hau Chen	\$136.62	\$136.62	Refund-13045 Thurmond Way
8/31/18	11914	Operating	David E Drashil	\$23.40	\$23.40	Refund-14079 Triple Crown Dr
8/31/18	11915	Operating	Ellen Alexander	\$29.19	\$29.19	Refund-12515 Hosesham St
8/31/18	11916	Operating	Carol E Barnes	\$20.57	\$20.57	Refund-357 Fleetwood Ct
8/31/18	11917	Operating	Shannon Clyne	\$20.21	\$20.21	Refund-226 Pam Road
8/31/18	11918	Operating	Jeffrey A Hokanson	\$28.96	\$28.96	Refund-12641 Rhett St
8/31/18	11919	Operating	Annita Nerses	\$123.00	\$123.00	Refund-12964 Portsmouth Dr
8/31/18	11920	Operating	Roger Cohen	\$24.49	\$24.49	Refund-659 Beaverbrook Dr
8/31/18	11921	Operating	Mohammed Behforouz	\$12.35	\$12.35	Refund-2002 Rhettsbury
8/31/18	11922	Operating	Debra Moffett Crosby	\$21.65	\$21.65	Refund-1526 Orchard Park Dr N
8/31/18	11923	Operating	Bruce W or Renae S Dixon	\$17.87	\$17.87	Refund-1009 Pine Hill Way
8/31/18	11924	Operating	Jill Zimmerman	\$21.00	\$21.00	Refund-13460 Glen Oaks Ct
8/31/18	11925	Operating	Jacqueline K Hill	\$31.92	\$31.92	Refund-2110 E 96th St
8/31/18	11926	Operating	Lavonne Piscione	\$28.70	\$28.70	Refund-2624 Buckland St
8/31/18	11927	Operating	Kevin Yamaga-Karns	\$33.42	\$33.42	Refund-129385 Pontell Pl
8/31/18	11928	Operating	Dru K or Herb Miller	\$8.52	\$8.52	Refund-11492 Senie Lane
8/31/18	11929	Operating	Mark Riffle	\$70.22	\$70.22	Refund-10125 Broadway Ave
8/31/18	11930	Operating	Oregon Properties C/O Steve Gar	\$17.67	\$17.67	Refund-12721 Meeting House Road
8/31/18	11931	Operating	James or Jill Fennell	\$19.74	\$19.74	Refund-11911 Avedon Way
8/31/18	11932	Operating	Laura Yagham	\$26.19	\$26.19	Refund-11258 East High Grove Circle
8/31/18	11933	Operating	Lane Lowenstein	\$141.80	\$141.80	Refund-9730 Innisbrook Blvd
8/31/18	11934	Operating	Mick Widmeyer	\$12.43	\$12.43	Refund-2037 E 106th St
8/31/18	11935	Operating	Jennil Salazar	\$23.82	\$23.82	Refund-13255 Broad St
8/31/18	11936	Operating	Edward Bonach	\$15.61	\$15.61	Refund-14555 Ballantrae Circle
8/31/18	11937	Operating	Barbara Lamb	\$250.00	\$250.00	Board fees
8/31/18	11938	Operating	Carl S. Mills	\$200.00	\$200.00	Board fees
8/31/18	11939	Operating	Charles Ford	\$100.00	\$100.00	Board fees
8/31/18	11940	Operating	Eric Hand	\$150.00	\$150.00	Board fees
8/31/18	11941	Operating	Jane B. Merrill	\$150.00	\$150.00	Board fees
8/31/18	11942	Operating	Marilyn Anderson	\$350.00	\$350.00	Board fees
8/31/18	11943	Operating	Matt Starr	\$32.70	\$32.70	Mileage
8/31/18	11944	Operating	Michael A. McDonald	\$200.00	\$200.00	Board fees
8/31/18	11945	Operating	Michael Shaver	\$350.00	\$350.00	Board fees
8/31/18	11946	Operating	Steve Pittman	\$200.00	\$200.00	Board fees
8/31/18	11947	Operating	Wes Merkle	\$219.63	\$219.63	Reimbursement - lunch, mileage, etc
8/31/18	11948	Operating	Aaron Strong	\$30.00	\$30.00	AUG 2018 CELL PHONE

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
8/31/18	11949	Operating	ACE Technologies, LLC	\$8,513.75	\$8,513.75	CTRWD Plant Services
8/31/18	11949	Operating	ACE Technologies, LLC	\$2,236.25	\$2,236.25	Collections
8/31/18	11949	Operating	ACE Technologies, LLC	\$2,377.50	\$2,377.50	Collections support
8/31/18	11949	Operating	ACE Technologies, LLC	\$8,940.00	\$8,940.00	CTRWD Plant Support
8/31/18	11950	Operating	Allison Payment Systems LLC	\$1,000.00	\$1,000.00	Logo change fee
8/31/18	11951	Operating	AT&T	\$343.34	\$343.34	Internet service
8/31/18	11953	Operating	Bee Green Lawn Care & Plant He	\$250.00	\$250.00	Mowing
8/31/18	11954	Operating	BL Anderson Company, Inc.	\$138.94	\$138.94	Plant R & M
8/31/18	11955	Operating	Carmel Utilities	\$91,051.47	\$91,051.47	August Flow to Carmel
8/31/18	11956	Operating	Carmel Utilities	\$1,036.80	\$1,036.80	August reads
8/31/18	11957	Operating	Carmel Utilities	\$39.12	\$39.12	Storm water fees
8/31/18	11958	Operating	Clay Township Trustee	\$8,748.03	\$8,748.03	Operating costs
8/31/18	11959	Operating	CSO Architects	\$1,229.93	\$1,229.93	CIP-Office remodel
8/31/18	11959	Operating	CSO Architects	\$1,820.09	\$1,820.09	CIP- Office remodel
8/31/18	11960	Operating	DLZ Indiana, LLC	\$3,300.00	\$3,300.00	Cons Insp-IU North Parking lot
8/31/18	11960	Operating	DLZ Indiana, LLC	\$11,250.00	\$11,250.00	Cons Insp-IU North Parking lot
8/31/18	11961	Operating	Eric Luis Delacruz	\$30.00	\$30.00	AUG 2018 CELL PHONE
8/31/18	11962	Operating	Fox Contractors	\$339.00	\$339.00	Manhole repairs
8/31/18	11963	Operating	Grainger	\$612.63	\$612.63	Megohmmeter
8/31/18	11964	Operating	Hach Company	\$165.00	\$165.00	Sewer sampling
8/31/18	11964	Operating	Hach Company	\$411.75	\$411.75	Sewer sampling
8/31/18	11965	Operating	Indiana Painting Co Inc	\$980.00	\$980.00	Painting - Plant
8/31/18	11966	Operating	IPL	\$72.19	\$72.19	LS 24
8/31/18	11966	Operating	IPL	\$41.41	\$41.41	LS 25
8/31/18	11966	Operating	IPL	\$138.99	\$138.99	Valve Vault
8/31/18	11966	Operating	IPL	\$288.58	\$288.58	LS 9
8/31/18	11966	Operating	IPL	\$779.67	\$779.67	LS 10
8/31/18	11966	Operating	IPL	\$83.74	\$83.74	LS 12
8/31/18	11966	Operating	IPL	\$447.89	\$447.89	LS 8
8/31/18	11966	Operating	IPL	\$108.51	\$108.51	LS 3
8/31/18	11966	Operating	IPL	\$64.24	\$64.24	LS 20
8/31/18	11966	Operating	IPL	\$40.15	\$40.15	LS 22
8/31/18	11966	Operating	IPL	\$41.06	\$41.06	LS 18
8/31/18	11967	Operating	Jeffrey Martin	\$30.00	\$30.00	AUG 2018 CELL PHONE
8/31/18	11968	Operating	Kermin Huntley	\$30.00	\$30.00	August cell phone
8/31/18	11969	Operating	Maco Press	\$130.03	\$130.03	Envelopes
8/31/18	11970	Operating	Merrell Brothers, Inc.	\$520.00	\$520.00	Lift station disposal
8/31/18	11971	Operating	Napa Auto Parts	\$99.80	\$99.80	Plant R & m
8/31/18	11971	Operating	Napa Auto Parts	\$21.99	\$21.99	Lift Station R & M
8/31/18	11971	Operating	Napa Auto Parts	\$22.66	\$22.66	Plant R & M
8/31/18	11971	Operating	Napa Auto Parts	\$1,973.88	\$1,973.88	Equip repairs
8/31/18	11972	Operating	Nathan Crowder	\$30.00	\$30.00	AUG 2018 CELL PHONE
8/31/18	11973	Operating	Office Depot	\$35.18	\$35.18	Office supplies
8/31/18	11973	Operating	Office Depot	\$47.99	\$47.99	Office supplies
8/31/18	11973	Operating	Office Depot	\$27.19	\$27.19	Office supplies
8/31/18	11974	Operating	Pings Tree Service	\$215.00	\$215.00	Tree service
8/31/18	11975	Operating	Praxair Distribution, Inc.	\$28.74	\$28.74	Gases
8/31/18	11976	Operating	Ray Clemens	\$400.00	\$400.00	Plant cleaning
8/31/18	11977	Operating	Republic Services #761	\$338.64	\$338.64	Trash
8/31/18	11978	Operating	Ritz Safety	\$16.60	\$16.60	Plant R & M
8/31/18	11978	Operating	Ritz Safety	\$379.34	\$379.34	Plant R & M
8/31/18	11979	Operating	SAL Chemical	\$3,634.00	\$3,634.00	Operating supplies
8/31/18	11980	Operating	Shred Monkey	\$40.00	\$40.00	Shredding box pickup
8/31/18	11981	Operating	Signius Communications	\$82.21	\$82.21	Office services
8/31/18	11982	Operating	Simplifile	\$870.00	\$870.00	Recording fees
8/31/18	11983	Operating	Straeffer Pump & Supply, Inc.	\$2,019.48	\$2,019.48	Plant R & M
8/31/18	11984	Operating	Taylor Systems, Inc.	\$106.77	\$106.77	Monthly billing
8/31/18	11985	Operating	Toshiba Business Solutions	\$50.00	\$50.00	Office supplies
8/31/18	11986	Operating	USA BlueBook	\$405.57	\$405.57	Sewer sampling
8/31/18	11987	Operating	Utility Supply Company	\$332.02	\$332.02	Line maintenance

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
8/31/18	11988	Operating	Vasey Commercial Heating & AC,	\$897.00	\$897.00	Plant R & M
8/31/18	11988	Operating	Vasey Commercial Heating & AC,	\$1,210.00	\$1,210.00	Replace blower motor and pulley
8/31/18	11989	Operating	Webb Chemical Service Corp.	\$1,843.15	\$1,843.15	Chemicals
8/31/18	11990	Operating	Xylem Water Solutions USA Inc	\$909.00	\$909.00	Lift Station R & M
8/31/18	11990	Operating	Xylem Water Solutions USA Inc	\$4,684.00	\$4,684.00	Lift station, plant R & M
8/31/18	11992	Interceptor	HWC Engineering	\$6,359.04	\$6,359.04	CIP-Proj 1801-LS 4-Interceptor
8/31/18	11993	Interceptor	Jackson's Grant Real Estate Co. L	\$136,728.14	\$136,728.14	CIP-Jacksons Grant Sect 2 Sewer oversizing
8/31/18	11994	Interceptor	Robert M Book and Sydney Jeanr	\$10,000.00	\$10,000.00	CIP-Proj 1801-LS 4-Interceptor
8/31/18	11995	Plant Expar	GRW	\$7,500.00	\$7,500.00	CIP-Proj 1701-Plant outfall
8/31/18	11996	Plant Expar	O. W. Krohn & Associates, LLP	\$5,100.00	\$5,100.00	CIP-Proj 1902 Plant Expansion
9/5/18	11997	Operating	A Sign By Design	\$2,647.10	\$2,647.10	Signs for Plant
9/5/18	11998	Operating	eGov Strategies, LLC	\$2,871.50	\$2,871.50	Annual Support
9/5/18	11999	Operating	eGov Strategies, LLC	\$1,450.00	\$1,450.00	Website Design
9/5/18	12000	Operating	TPC Training	\$2,200.00	\$2,200.00	Training
9/5/18	12001	Interceptor	Jackson's Grant Real Estate Co. L	\$288,968.31	\$288,968.31	CIP-JG Sect 6 Oversize sewer reim-Interceptor
9/6/18	12002	Operating	Altman Poindexter & Wyatt	\$2,722.50	\$2,722.50	Legal fees
9/6/18	12003	Operating	Town of Zionsville	\$75.00	\$75.00	Storm water permit - CIP Proj 1901
9/6/18	12004	Interceptor	GRW	\$750.00	\$750.00	CIP-Proj 1901 LS 14 Elim - Forcemain
9/6/18	12004	Interceptor	GRW	\$500.00	\$500.00	CIP-Proj 1901 LS 14 Elim - Forcemain
9/6/18	12004	Interceptor	GRW	\$2,500.00	\$2,500.00	CIP-Proj 1901 LS 14 Elim - Forcemain
9/6/18	12005	Operating	AT & T	\$701.01	\$701.02	Internet service
8/15/18	20180324	Operating	IT Indianapolis	\$672.00	\$672.00	Office 365
8/15/18	20180325	Operating	IT Indianapolis	\$4,519.00	\$4,519.00	August services
8/15/18	20180326	Operating	IT Indianapolis	\$1,566.86	\$1,566.86	Support
8/13/18	20180328	Operating	ADP	\$55,782.98	\$55,782.98	PPE 8/10/18
8/15/18	20180329	Operating	Empower Retirement (Hoosier ST.	\$7,310.02	\$7,310.02	401a, 457b, Roth
8/15/18	20180330	Operating	PNC Bank	\$5,145.10	\$5,145.10	JULY CC EXPENSES
8/24/18	20180331	Operating	Mutual of Omaha	\$3,684.78	\$3,684.78	Insurance - September 2018
8/10/18	20180332	Operating	ADP	\$131.72	\$131.72	Workforce Now bundle fees
8/24/18	20180333	Operating	Anthem Blue Cross Blue Shield	\$28,119.42	\$28,119.42	Insurance - Sept 2018
8/24/18	20180334	Operating	ADP	\$250.49	\$250.49	Payroll/Time & Attendance
8/24/18	20180335	Operating	Vectren Energy Delivery	\$18.03	\$18.03	LS 10
8/24/18	20180335	Operating	Vectren Energy Delivery	\$17.00	\$17.00	LS 4
8/24/18	20180335	Operating	Vectren Energy Delivery	\$49.06	\$49.06	LS 2
8/31/18	20180336	Operating	Mutual of Omaha	\$3,684.78	\$3,684.78	Insurance - September
8/31/18	20180337	Operating	ADP	\$129.59	\$129.59	Workforce Now
8/31/18	20180338	Operating	IT Indianapolis	\$5,258.00	\$5,258.00	Monthly IT Support
9/10/18	20180339	Operating	IT Indianapolis	\$1,566.86	\$1,566.86	Agreed Business Contin
9/10/18	20180339	Operating	IT Indianapolis	\$4,519.00	\$4,519.00	Montly billing for September
9/10/18	20180339	Operating	IT Indianapolis	\$2,156.00	\$2,156.00	IT services
8/31/18	20180340	Operating	Citizens State Bank	\$20.00	\$20.00	Bank Charge - August
9/6/18	20180341	Operating	IT Indianapolis	\$672.00	\$672.00	Microsoft Office 365
8/31/18	20180342	Operating	Duke	\$834.49	\$834.49	LS 14
8/31/18	20180342	Operating	Duke	\$206.47	\$206.47	LS 16
8/31/18	20180342	Operating	Duke	\$303.61	\$303.61	LS 23
8/31/18	20180342	Operating	Duke	\$332.83	\$332.83	LS 4
8/31/18	20180342	Operating	Duke	\$200.65	\$200.65	LS 21
8/31/18	20180342	Operating	Duke	\$221.24	\$221.24	LS 1
8/31/18	20180342	Operating	Duke	\$125.04	\$125.04	LS 11
8/31/18	20180342	Operating	Duke	\$49.26	\$49.26	LS 5
8/31/18	20180342	Operating	Duke	\$317.19	\$317.19	LS 6
8/31/18	20180342	Operating	Duke	\$309.90	\$309.90	LS 26
8/31/18	20180342	Operating	Duke	\$702.55	\$702.55	LS 17
8/31/18	20180342	Operating	Duke Energy	\$20,061.49	\$20,061.49	Plant
				\$811,630.99	\$811,630.99	



Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed Description
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**ALLOWANCE OF CLAIMS**

We have examined the claims listed on the foregoing Register of Claims, consisting of 4 pages, and except for claims not allowed as shown on the register, such claims are hereby allowed in the total amount of

**\$811,630.99**

_____	_____	_____
_____	_____	_____
_____	_____	_____

Selected Statistics 2018	January	February	March	April	May	June	July	Aug	2018 Monthly Average	2018 YTD	2017 Total Through August
<b>Maintenance Information</b>											
Lateral Inspections	21	38	39	35	44	44	61	55	42	337	305
Certified I&I Inspections	46	41	46	40	65	83	71	53	56	445	490
Failed I&I Inspections	0	0	1	0	2	1	0	0	1	4	9
Sewer Locates	317	443	519	735	705	674	588	587	571	4,568	4,727
Manholes Added	2	28	0	4	4	12	-1	0	6	49	16
Total # of Manholes	5,774	5,802	5,802	5,806	5,810	5,822	5,821	5,821	n/a	5,821	45,643
Manholes Inspected	12	2	836	867	52	18	9	20	227	1,816	1,937
Feet of Sewer Added	721	4,973	9	699	1,965	8,613	-484	0	2,062	16,496	38,504
Total Footage of Sewers	1,631,147	1,636,120	1,636,129	1,636,828	1,638,793	1,647,406	1,646,922	1,646,922	1,640,033	1,646,922	1,614,513
Feet of Sewer Televised	11,877	16,098	31,206	22,459	29,338	33,797	3,292	20,160	21,028	168,227	198,246
Feet of Sewer Cleaned	462	362	0	590	0	4,700	1,204	3,731	1,381	11,049	30,981
Overflows	0	0	1	0	0	0	1	0	0	2	4
<b>Station 1 to Carmel Utilities</b>											
Rainfall / Precipitation (inches)	1.66	4.22	2.82	3.08	1.30	3.82	2.70	5.16	3.10	24.76	34.63
Total Flow (gallons)	51,695,973	56,614,383	62,758,901	63,146,988	50,056,093	60,396,201	53,380,049	60,573,680	57,327,784	458,622,268	497,930,842
Maximum Daily Flow (gallons)	2,272,143	3,929,994	3,687,057	3,429,916	1,897,586	1,248,989	2,241,832	2,517,594	2,653,139	3,929,994	4,972,000
Average Daily Flow (gallons)	1,667,612	2,021,942	2,024,481	2,104,900	1,614,712	2,013,206	1,721,937	1,953,990	1,890,348	n/a	n/a
Minimum Daily Flow (gallons)	1,328,783	1,393,460	1,461,980	1,658,375	1,519,663	1,248,989	1,320,669	1,066,780	1,374,837	1,066,780	1,257,704
<b>Michigan Road WWTP</b>											
Total Flow (gallons)	77,717,000	76,466,000	85,363,000	83,867,000	72,867,000	68,073,000	70,160,000	77,716,000	76,528,625	612,229,000	665,460,000
Maximum Daily Flow (gallons)	3,136,000	4,746,000	4,510,000	7,867,000	2,582,000	2,900,000	2,768,000	3,084,000	3,949,125	7,867,000	8,710,000
Average Daily Flow (gallons)	2,507,000	2,730,929	2,753,645	2,795,567	2,340,806	2,269,100	2,263,300	2,506,968	2,520,914	n/a	n/a
Minimum Daily Flow (gallons)	2,214,000	2,291,000	1,637,000	2,347,000	2,105,000	1,922,000	2,079,000	2,281,000	2,109,500	1,637,000	2,190,000
Total Flow to Both Plants	129,412,973	133,080,383	148,121,901	147,013,988	122,923,093	128,469,201	123,540,049	138,289,680	133,856,409	1,070,851,268	1,163,390,842
<b>Biosolids Handling (gallons)</b>											
Wasted (Biosolids)	874,610	1,231,640	1,098,780	1,174,090	1,459,340	1,125,790	1,574,000	1,556,910	1,261,895	10,095,160	7,781,373
Dewatered	353,000	257,000	260,000	324,000	384,000	378,000	485,000	586,000	378,375	3,027,000	1,963,014
Digested Sludge Withdrawn	834,900	803,000	960,200	867,600	735,800	896,100	900,000	848,000	855,700	6,845,600	6,509,300
<b>Customer Information</b>										15,273	
New Sewer Service Accounts	17	25	22	24	40	36	34	38	30	236	270
Permits Issued	33	34	47	56	49	36	40	37	42	332	300

# THE TRICO CONNECTION

**Volume 11 Issue 9 September, 2018**  
**MONTHLY NEWSLETTER**

## FINANCIAL UPDATE -CINDY SHEEKS

July 2018 revenues totaled \$658,976 which is slightly above projections of \$637,572 by \$21,404 (3.36%). Residential sales were \$389,780 which comprised 59.15% of the total revenue and .64% lower than expected. Commercial sales totaled \$243,551 which is 36.96% of total revenue and 7.82% higher than expected. Commercial revenue was \$14,108 higher in July than in June. Total operating expenses were \$478,471 in July which is 8% above the monthly budget. Wages and benefits spending was below budget by \$211.00 for a total of \$172,586 during the month. Administration spending was \$60,922 in July and over budget by \$3,247 or 5.63%. Treatment costs totaled \$167,167 which is over budget by \$25,667 or 17%. Collection costs totaled \$77,795 in July which was \$7,795 or 11% over budget. Net income was \$130,487 after depreciation and amortization of CIAC in July which is below projections by \$37,821 for the month. YTD net income is \$842,714 after depreciation and amortization of CIAC.

### Spending Breakdown in July:

Wages – 36.07%

Administration – 12.73%

Treatment Costs – 34.94%

Collection Costs – 16.26%

### Spending Breakdown YTD:

Wages - 41.08%

Administration – 12.92%

Treatment Costs - 35.86%

Collection Costs – 10.14%

Cash generated for July shows a net decrease in all funds by \$374,750. YTD, cash balances have increased by \$982,781. Capital spending was \$497,866 for the month. It included spending for neighborhood sewer projects, LS 14 parallel force main extension, 96<sup>th</sup> and Keystone, WWTP expansion, LS 4 elimination, 106<sup>th</sup> St Force main and Springmill Parallel Interceptor. Cash on hand at 07/31/2018 is \$7,757,054. The balances in the funds are listed below:

Operating \$1,053,079

Plant Expansion \$4,262,570

Reserve for Replacement \$321,258

Interceptor \$-72,253

Operating Reserve \$2,192,400

## In This Issue

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## Calendar of Events

September 10	Board Meeting	7:00 p.m.
September 12	Staff Meeting	10:00 a.m.
September 24	P&B Meeting	7:30 a.m.
September 28	B&F Meeting	7:30 a.m.
October 1	C&C Meeting	4:30 p.m.

## PLANT REPORT – SCOT WATKINS

There were 30 FOG inspections done this month and the remaining quarterly reports have been entered. Staff continues to work with Matthews Auto, church Brothers Auto and a few other new facilities to ensure that TriCo's requirements are being met. A new grease interceptor is being evaluated and may become an acceptable alternative. The new unit is a premanufactured fiberglass interceptor built to orders per utility specifications. Staff has been working with other local utilities to compare FOG programs and make changes to keep the sewers as FOG free as possible. TriCo's only industrial user had their second biannual sampling performed; results should be within the Utilities limits.

Staff performed belt filter press maintenance that involved draining and flushing the hydraulic lines and replacing the hydraulic fluid filter. While the press was out of service, the conveyer was shortened as preventive maintenance as the chain stretches over time. The Collections staff was able to clean the plant drains during this time. The department cooperation is greatly appreciated. The chemical tank containment mud valve has been replaced; this was part of a plant capital project. Stone has been placed around miscellaneous plant structures to help with mowing and plant appearance. An air leak in digester two has been discovered and an issue with the telescoping dewater valve on digester four will be addressed shortly.

Staff attended the annual Indiana Water Environmental Association (IWEA) Conference. TriCo was awarded the Excellence in Safety Award (11<sup>th</sup> year in a row), Laboratory Excellence Award (13<sup>th</sup> year in a row), Shaun passes the Certified Pretreatment Coordinator (CPC) exam and Bob awarded the Water Environment Federation (WEF) Laboratory Analyst Award! This award recognizes individuals for outstanding performance, professionalism and contributions to the water quality analysis profession. More information may be found here: <https://www.wef.org/membership/awards-recognition/ma-awards/laboratory-analyst-award/>

I want to make sure our guys get the recognition they deserve; we run very lean and they keep their licenses current and hold TriCo at the top among utilities in the state with all their accolades. We couldn't do it without them, keep up the excellent work!

## Congratulations Bob!

*and the*  
**AWARD**  
*goes to...*



## **COLLECTIONS REPORT – AARON STRONG**

The Collections Staff televised over 20,00 feet of main in the month of August, bringing our yearly total to over 148,000 feet of main televised in 2018. Main cleaning as identified by this camera inspection has commenced with a monthly main cleaning total of 3,800 feet. Annual plant pump inspections have been completed, 2 pumps were identified as needing corrective work due to seal fails. Collections staff rebuilt the plant Scum pump and RAS pump #1 returning them to service with new seals. Additional pump repair was conducted at Lift Station 21 where pump 1 received a new volute, impeller and mixed flush valve. Staff has embarked on yearly easement clearing and maintenance. Due to pending outfall design work, efforts have been focused on the outfall easement between WRRF and Little Eagle Creek.

Cummins is in the process of repairing 2 towable stand-by generators as identified by yearly preventative maintenance. In addition to these repairs, Cummins quoted to replace 12 industrial batteries in generators located throughout the Utility. Staff reviewed the quotes and found them to be heavy in contractor labor cost and opted to replace the batteries in-house, this work has been completed.

Collections staff investigated a sink hole just North of the plant on Mayflower Park Drive. Staff determined that it may be due to construction of the new 20" force main. Crews hydro excavated the sinkhole to a depth of 12 feet with no root cause identified. Staff installed 4 yards of removable flowable fill and completed the repair with topsoil and sod. The repair will be monitored in the coming months.

The competitive Collections team cleverly named the Mechanical Seals comprised of Joe Hood, Matt Starr, Jason Lewin and Aaron Strong took the opportunity to compete in Ohio's state Operators Challenge. The Mechanical Seals trained in the 5 disciplines they will see again at the national competition held in New Orleans on October 1<sup>st</sup>.

## **CONSTRUCTION & ENGINEERING-WES MERKLE**

In the month of August, the Engineering Department completed 587 locates, 52 I&I inspections and 55 lateral inspections. 2,183 locate requests were received and reviewed. Nate continues to monitor 96<sup>th</sup> and Keystone construction activities daily to reduce the risk of damage to the Lift Station 1 force main. He is similarly monitoring path and drainage construction on West 96<sup>th</sup> Street. Kermin completed most of the inspections with some help from Jeff and Sam (summer help). Jeff continues working on assembling and updating service area statistics using GIS, asset management and billing system data. Older data stored in the previous asset management system was lost during the early 2017 ransomware incident. Jeff also assisted Collections by assembling maps and easement data for clearing work that will take place this fall.

Ryan and Eric helped resolve a low-pressure sewer issue in Holaday Hills and Dales neighborhood by finding a valve that had been inadvertently closed. Ryan has been monitoring multiple capital and private development projects under construction in addition to plan review, permitting and project-related duties. Eric is observing construction of the Jackson's Grant Section 6 sewer extension, which is nearly complete. Wes is working with Carmel to eliminate a potential sewer relocation project on Range Line Road near 109<sup>th</sup> Street. Carmel plans to replace a culvert in 2019 and their consultant has requested regulatory approvals to modify their design and avoid a conflict with our sewer.

Bids were received for construction of the last leg of sewer extension connecting Lift Station 4 (Springmill Ridge) to Jackson's Grant sewers. Staff successfully negotiated easements with Mrs. Book to construct the new sewer across her property. Construction should be complete late fall, which will eliminate Lift Station 4. Design work for the Lift Station 14 (Austin Oaks) parallel force main project is nearly complete. Staff is working to acquire easements for this project from six property owners along Michigan Road. Design work for the WWTP outfall sewer project continues. Construction is anticipated in 2019.

**CUSTOMER SERVICE—SHELLY KEEFE**

Twenty-six liens were filed for \$7,710.83 in August. The fall Boone County lien payment check was received in the amount of \$3,215.64. The total lien balance is \$11,910.27.

August service statements will reflect new balance billing calculations as well as the 2018 rate increase. In addition, usage will no longer be reflected in whole numbers, but actual averaged usage. For example, if a customer's averaged balanced billing was 5.3, the usage rate would be rounded to 5. Now, their rate will be reflected as 5.3, the actual averaged usage. Call volume is expected to increase once statements are mailed the first week of September with questions with regards to bill increases and new calculations.

**SAFETY UPDATE - LOREN PRANGE**

TriCo had no reportable injuries and has gone 3109 days without a loss time accident.

The following safety tailgate sessions were held:

07/27/18 The safe use of compressed air

08/07/18 Accident Investigation

08/16/18 Identify, Treat, and Prevent Carpal Tunnel Syndrome

The monthly inspection for fire extinguishers were completed this month.

TriCo's new collection employee received his safety manual and his safety equipment and will also be certified on using a fork lift.

TriCo provided fall protection training on August 20<sup>th</sup> at the Water Resource Recovery Facility. Chris Hall with Safety Resources was the instructor. He discussed the different parts of a davit arm and how to use it safely. Part of the training was held at the post air structure allowing our employees to use TriCo equipment and for our instructor to be able to evaluate and correct us as needed. Our new employee benefited greatly from being hands on with our equipment with and having an instructor present.

**Birthdays**

**Jason Lewin September 11**

**Kermin Huntley September 12**

**Colleen Byrnes September 23**

**Anniversary**

**Cindy Ferrulli 2 Years of Service**



## JOINT CAPITAL & CONSTRUCTION AND BUDGET AND FINANCE MEETING

Wednesday September 5, 2018 5:30 p.m.

### Memorandum

Members Present: B&F Committee members present: Committee Chair Jane Merrill, members Michael McDonald and Carl Mills. C&C members present: Committee Chair Steve Pittman, members Marilyn Anderson and Eric Hand, Board Members Barb Lamb and Michael Shaver. Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Engineering Manager Wes Merkle, Controller Cindy Sheeks, Plant Superintendent Scot Watkins, District Engineer Ryan Hartman, Administrative Assistant Maggie Crediford, Consultant Buzz Krohn, Consultant Kate Weese, and three unknown individuals who did not sign in.

Ms. Merrill called meeting to order 5:36

### **PUBLIC COMMENT**

No one from the audience had any comments.

Ms. Anderson made a motion to reorder the agenda and move the St. Mary & Mark Sewer Extension discussion to the front of the agenda. The motion was seconded by Mr. Mills and approved unanimously.

Mr. Hand arrived at 5:40 p.m.

### **ST. MARY & MARK SEWER EXTENSION**

Mr. Williams stated that the subject property is located along Shelborne Road to the north of the church. Currently there are two houses on one parcel. The owners came before the C&C Committee in August of 2014 about subdividing that parcel and connecting the two homes to sewer. At that time the Utility requested that they extend the sewers per TriCo policy across the frontage of that property. However, one of the houses is positioned on the lot in a way that it prohibits sewer extension across the frontage. Mr. Williams explained that the proposed agreement would allow the Utility to get sewers as far as they can go without going through the existing home. The proposed agreement states that the Church will extend sewers to the north property line when it is needed by TriCo in the future. The proposal before the Committee would allow the sewer to be extended as far as it can without impacting the home at this time. Mr. Pittman asked some clarifying questions about where the sewer line is located today. Mr. Williams stated that the sewer eventually needs to be extended to the north edge of the church property. Mr. Hand asked



how the line would be extended in the future if there is a home in the way now. Mr. Williams stated that depending on when growth happens out there the house might not be there in the future depending on what the church decides to do. Worst case, if the home is not removed or relocated a carrier pipe would need to be installed underneath the frontage of the house to extend the pipe to the north. Moussa Khoury, representing the church, stated due to the depth of the sewer it would not be a problem to extend a pipe underneath or close to the house in the future. Mr. Khoury stated that the church agrees with the terms proposed.

The C&C Committee agreed to recommend that the Board of Trustees approve the agreement presented as written.

## **FINANCIAL STATEMENTS AND INVESTMENTS**

Ms. Merrill stated that Ms. Sheeks did not need to present this month's financials unless any of the Committee members had questions regarding the financial statements. Mr. Mills stated that he was happy to see the commercial numbers are catching back up to where they need to be from a budgeting standpoint and Mr. McDonald agreed. There were no questions about financial statements and they will be presented to the Board of Trustees at the monthly meeting for approval.

## **DEDICATIONS**

Mr. Pittman asked the C&C Committee to recommend acceptance of the sewer dedications for three projects; Jackson's Grant on Williams Creek Section 2, Home Place Gardens, and Children's Theraplay. Ms. Anderson and Mr. Hand agreed.

## **WWTP OXIDATION DITCH GEAR REDUCER REPLACEMENTS**

Mr. Pittman asked the C&C Committee to recommend awarding the WWTP Oxidation Ditch project to Maddox Industrial Group in the amount of \$35,900. Ms. Anderson and Mr. Hand agreed.

## **VEHICLE REPLACEMENTS**

Mr. Hand asked if the staff looked at vehicles other than Ford. Mr. Merkle stated several other manufacturers were considered however Ford offers municipal discounts that result in pricing that others can't match. Mr. Pittman stated he appreciates that the contract is being awarded to a local business. The C&C Committee agreed to recommend award of the vehicle replacements to Pearson Ford in the amount of \$38,891.

## **#1801 LIFT STATION 4 ELIMINATION**

Mr. Merkle stated that the project was sent to twelve contractors but only two bids were received, and Staff recommends awarding the contract to Eagle Valley in the amount of



\$144,600. The C&C Committee agreed to recommend award of the Lift Station 4 Elimination contract to Eagle Valley in the amount of \$144,600.

## **CAPITAL PROJECT UPDATES**

#1901-Lift Station 14 Parallel Force Main - Mr. Merkle stated that easement acquisitions are in process.

#1906-Eagle Creek Outfall Sewer Expansion - Mr. Merkle stated that the study phase is complete. Design is proceeding and the sewer generally follows Cemetery Creek. There are a few jogs in the alignment that will be looked at more closely to reduce the amount of easement acquisitions required and avoid existing utilities as well as keeping costs down.

Jackson's Grant Section 6 Oversized Sewers - Mr. Merkle stated that this project will be complete this week. Additional dewatering was required on part of this project and associated costs should be available for discussion at next month's meeting.

## **#1902 WWTP EXPANSION**

Mr. Merkle asked the members if they had reviewed the eight-page memo addressing questions and concerns from the last meeting. He had requested in that memo additional question be submitted to him prior to this meeting. He did not receive any additional questions prior to the meeting. Based on the questions asked at the last meeting more explanation is needed on the different options presented for the plant expansion. Mr. Merkle provided a Power Point presentation summarizing a table in the meeting packet, highlighting the differences between each of the options.

One of the Committees' concerns from the last meeting is clarifying what needs to be done now. Components needed now are a Mechanical Screen, Secondary Clarifier, UV disinfection and an Emergency Generator. These items have to be online in 2021 and this project will take 3-4 years to complete.

The addition of Vertical Loop Reactors and Grit Removal are components of the project that could be postponed to later phases of expansion as indicated in the chart provided in the meeting packet. Vertical Loop Reactors will not be needed online until 2 years after the project begins. Grit Removal is not associated with plant capacity but it affects treatment and plant operations.

Components of the final phase are the same across all options. The final phase would be to add an additional Secondary Clarifier in 2026, this is capacity related to wet weather flows. The other clarifier and the belt filter press are replacement items and are not associated with capacity. The Belt Filter Press is coming up on its life expectancy and will need to be replaced. Mr. Watkins has been looking at pricing to replace components on the three smaller clarifiers currently online at the plant. The cost to do that would be at least half of the cost to construct one larger Secondary Clarifier.

The option that Staff is recommending for approval is Option 1, which would consist of three VLR's being constructed in 2020-2021. Grit Removal in 2020-2021. The project costs between 2020-2021 would be \$13.4 million. The total cost of this option with build out occurring in 2027 would be \$22.3 million. Up to a \$5.75 million bond would be needed to fund Option 1.

Mr. Merkle referred the Committee Members to Items 17 & 18 of the #1902 WWTP Expansion memo from the packet which provide more information on advantages to constructing VLRs and Grit Removal sooner. Constructing new VLRs before additional capacity is needed will allow staff to shift flows from Carmel to TriCo's plant in the future generating a cost savings and reducing dependency on the City of Carmel in the event of a large rate increase. Carmel's treatment of flow sent by TriCo is the second largest operating expense of the Utility. It is budgeted for \$1.1 million dollars in 2018. Carmel's rate jumped 38 percent in 2015. An option to send flows to our own plant would give TriCo additional leverage when negotiating the next rate increase which is anticipated in 2019. Constructing additional capacity allows staff to confidently accommodate continued development within TriCo's service area and gives the ability to accommodate new service areas such as the areas west of Michigan Road or further north into Union Township. It provides staff options and flexibility to handle collections system flows and deal with operational challenges at the plant.

Grit removal effectively removes heavier inorganic particles from the wastewater that would otherwise settle out in the oxidation ditch or VLR's. Staff drains these structures every few years to physically remove the sediment buildup from the bottoms of the tanks. This buildup reduces tank volumes and reduces treatment effectiveness. Postponing grit removal to 2026-2027 would add nearly \$700,000 to plant buildout costs due to the price escalation and increase operating costs by \$100,000-200,000 for tank cleaning expenses. Operational difficulties and inefficiencies caused by sediment buildup and removal, while difficult to quantify, must also be considered. Having the capacity online sooner gives the staff flexibility in operating the plant and not pushing the red-line meaning that there is a lower risk of having treatment issues. It gives the staff the flexibility to move flows around and adjust on the fly giving them time to react when problems arise. It accommodates future development. The system is complex, and flows are temperamental. Staff does a terrific job with what they have but they are not excited about increasing risks and headaches down the road.

The first item in the project schedule is for the Committees to select an option. Staff would then set the scope of work and send out an RFP to engineers. Design would run from late 2018 through 2019. Bidding would occur at the end of 2019. If financing is needed that would occur when bids are received. Then proceed with construction through 2021.

Mr. Pittman stated that at the last meeting there were several questions and some debate about where growth would be coming from. Mr. Pittman and Mr. Merkle met with the Carmel Planning Department to discuss future development in TriCo's service area. A map was provided showing potential development areas. A spreadsheet was also

provided showing neighborhoods platted by year in Carmel. Many neighborhoods have available lots or homes under construction. Mr. Merkle noted that while staff needs to review this information more thoroughly, there are hundreds of EDUs in residential developments that are already sewered but not yet built out and sending us flow.

Mr. Pittman mentioned several large commercial, multi-family and mixed-use developments proposed for the Meridian Corridor. Mr. Merkle added multiple large commercial projects underway but not yet connected and sending flow. Carmel indicated that there could be another 2,100 EDU's from future subdivisions alone. Coupling that with projected commercial growth in the Meridian Corridor will be much higher density than the 2100 EDU's that could come from single family homes. Mr. Merkle said that he and Mr. Pittman have a meeting scheduled with the Town of Zionsville to have a similar discussion about development in that part of the service area. That meeting is scheduled for the week after next. Mr. Pittman asked Mr. Merkle if it would be feasible to put together numbers from the meeting with Carmel and the upcoming meeting with Zionsville. Mr. Merkle stated that numbers could be refined and presented to the Committees. However, he hesitates to get too far into the guesswork. He believes that Staff has justified the EDU's that TriCo will have at buildout.

## COMMITTEE DISCUSSION

Ms. Anderson did not have any additional questions.

Mr. Hand did not have any questions but mentioned the area in the northwest corner of our service area in Zionsville is up for discussion. The Utility should consider how that could change or impact the service territory and what would be the best service option, running flow to the existing plant or adding a new location to serve that area if it becomes available.

Ms. Merrill did not have any additional questions. She stated that the staff memo highlighting the questions from the last meeting and providing answers to those questions was very helpful.

Mr. Pittman did not have any additional questions.

Mr. McDonald asked if the VLR's are built now, what is the risk that when they go online there is a problem and would TriCo be covered under a warranty? Mr. Merkle stated that the equipment is always thoroughly vetted by staff as soon as it is online. If plant staff chooses not to use one tank, staff would still test the equipment and make sure it is in working order. Mr. Williams stated that currently there are two treatment trains at the plant. If capacity is added for future growth one option would be to take down the orbital oxidation ditch for a period of time so that the plant is only running one treatment train, which would allow for any maintenance or repairs that would need to be done.

Mr. Mills had some questions from the memorandum provided in the packet. The discussion so far has concentrated on the west side of the service area. Nothing has been

addressed east as far as capacity. He asked Mr. Merkle if another study is needed to update the current plans as asked in item number 3 of the memo. Mr. Mills stated with the additional information provided at this meeting regarding hospitals and other commercial development he would like to see what that looks like in terms of EDU's. He would like to hear the information that will be obtained regarding projected growth from the Town of Zionsville. He asked where the flow in Home Place goes. There are plans being discussed for the redevelopment of the area and he would like to know how that will impact TriCo's service area. Mr. Merkle stated that with regards to east-west flow split, Home Place flows go to Carmel's plant. The unique aspect of the collection system is that there is a large central lift station that can pump flow two different directions. Considering increased growth in the Home Place area the interceptor lines running through are sized to take flow from the central lift station further west. If there is going to be more growth in this area staff will offset that by sending additional flow to TriCo's plant instead. Staff does not plan to pay Carmel to build any more capacity at their plant for TriCo to use. The interceptor lines have additional capacity to handle the increased flows. If increased density occurs in the area of 106<sup>th</sup> Street and College Avenue TriCo would have no trouble accommodating that from a collection system standpoint. As far as a treatment standpoint additional capacity would have to come from TriCo's plant. This is readily accommodated by adjusting the flow split at the central lift station, offsetting new flows from Home Place by sending more flow from the central lift station to TriCo's plant. Mr. Mills said he is concerned if high density projects get approved in the Home Place area will TriCo be ready to handle that capacity. He asked if any additional capacity going east will be taken up by development in the central area. Mr. Merkle stated that there is more growth on the west side of the service area but are fighting the battle at the central lift station that enough flow is being sent to the TriCo plant to hit 85% of capacity and have been for a couple of years. The last few years all growth is going to Carmel which means shifting flow as we grow.

Mr. Shaver questioned the information provided in the map from the City of Carmel's Planning Department. He asked Mr. Pittman what it shows other than large unplatted lots. Mr. Pittman stated that the map provided is a rough estimate of what properties could be developed for residential use in the near future. Mr. Shaver asked if the map has anything to do with the 2,100 EDU's that were discussed earlier. Mr. Pittman stated that is based on highlighted acreage and an average of 1.5 homes per acre for residential development. Mr. Shaver stated that TriCo is planning for 2 EDU's per acre. Mr. Merkle clarified that average included much higher density commercial and multi-family. Discussion ensued regarding planned density and proposed development. Mr. Pittman stated that he and Mr. Merkle need to look at the information provided to them and come up with projections for the Committees. Mr. Pittman stated that after speaking with Carmel they felt like there is a lot of growth and activity out in front of the Utility. Mr. Shaver stated he would like to know where the growth is coming from. Zionsville has a lot of the undeveloped area and it is unclear what their plans are. Mr. Pittman stated that he and Mr. Merkle just met with the Carmel in the morning before this meeting and a meeting is scheduled with Zionsville later this month.

Mr. Shaver stated that he would not have a problem if he could know where the 500 EDUs per year is coming from. He believes that history is not an indicator of future performance. Mr. Pittman stated that there is land in TriCo's territory around 200 South and 421 that wants to be served and we are not serving it. Mr. Pittman asked Mr. Shaver if what he is saying is that he needs to get comfortable with Staff's projections on growth. Mr. Shaver stated that the entire project pivots on 500 EDUs per year and he does not know where those EDUs are coming from.

Mrs. Poindexter suggested that staff prepare a summary table estimating where the remaining EDU's in TriCo's service area will likely come from. She noted that there are no crystal balls and to some extent staff/committee members will need to estimate growth based on what Mr. Pittman and Mr. Merkle have learned from Carmel and will learn from Zionsville. One or more Board members may disagree with the estimates but it may help to provide a breakdown and go forward from there.

Ms. Anderson stated that higher density is the trend and if current zoning recommends a specific density, it will very likely end up being higher and we should plan accordingly.

Mr. Shaver questioned the flow numbers previously provided and the split between Carmel and TriCo's plant. He wants to use all of the capacity at Carmel before taking a serious look at plant expansion.

Mr. Shaver stated that he and Ms. Lamb had a meeting with John Duffy from the City of Carmel to talk about their sewer system. He stated that Carmel is adding 2 million gallons of capacity at a cost of \$3 million dollars while TriCo is spending \$22 million dollars to get 1.5 million gallons of capacity. Mr. Pittman asked if the comparison is truly comparing "apples to apples". Mr. Shaver responded yes. Mr. Merkle disagreed. Mr. Williams stated it was not an "apples to apples" comparison and clarified that Carmel plans to construct an aeration basin in order to get the additional capacity. Mr. Shaver stated he is concerned about a comparison between the two utilities.

Ms. Lamb did not have any comments or questions.

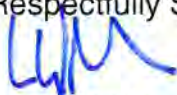
Mr. Williams stated what he believes needs to be moved forward on in the near future is additional wet weather capacity. Mr. Williams stated that some of the numbers in Mr. Krohn's report were derived from building the capacity up front and realizing the payback over time because of the cheaper treatment costs of treating flow at TriCo's plant versus paying for it to be treated at Carmel. There are many other factors to consider. The current contract with Carmel includes an annual rate increase and the last one takes effect in October 2018. Negotiations will probably occur in 2019 and it is unknown what those rates will be going forward. There was a 38% rate increase the last time rates were negotiated with a 2.75% increase per year thereafter. Mr. Pittman stated that the 3.5% annual rate increase factored into the chart for the cost to treat flow at Carmel is a conservative number based off of past increases.

Mr. Pittman stated that once the Board makes a decision it would be up to 4 years until the improvements are online. He is concerned that TriCo is running at 85% capacity right now at its plant. Mr. Shaver interjected that TriCo is not using its capacity at Carmel. Mr. Pittman suggested that once he and Mr. Merkle meet with Zionsville there will be more refined numbers on service area growth and the Committees can agree on an option to begin the design process.

Mr. Merkle suggested that staff process the information from this meeting and the meetings with the planning departments from Carmel and Zionsville, prepare another memo and meet again in October to discuss the project further. Mr. Pittman reminded the Committee that in the initial report from Mr. Krohn there are projections that consider how costs would be repaid if there is another recession. Mr. Krohn stated that those numbers can be found in the booklet he prepared for the Board on the last fold out page, provided at the July meeting.

The meeting adjourned at 7:40 p.m.

Respectfully Submitted,



Wes Merkle  
Engineering Manager



## MEMORANDUM

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**To: Board of Trustees**

**From: Wes Merkle**

**Date: August 29, 2018**

**Subject: #1902 WWTP Expansion**

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Since the August 6 Joint Committee meeting there have been questions asked and items requiring additional clarification from staff regarding plant expansion. The information below is presented in a Q&A format to assist Committee members in understanding plant expansion needs. If any questions remain regarding technical aspects, in the interest of saving time at future meetings, please call or email me directly any time to discuss further. At the September 5 Joint Committee meeting staff plans to present project options and focus on finding solutions. Mr. Krohn will be at this meeting to discuss financial aspects.

1. How much more growth can be expected in TriCo's service area?

Consultants and staff have projected service area buildout at 21,900 equivalent dwelling units (EDUs). At the August 6 Joint Committee meeting, Mr. Pittman explained that land values continue to increase in our service area, making development of estate lots more feasible than before. This trend indicates that more acreage will be developed than previously projected.

Staff expects development and construction to continue into the foreseeable future throughout our service area. At the August 13 Board meeting, Mr. Pittman stated that he planned to schedule meetings with Carmel and Zionsville planning staff to learn more about current projections for development and redevelopment in our service area, and he would share what he learned following those meetings.

Both Carmel and Zionsville expect continued higher density multi-family, commercial and mixed-use development along Michigan Road. Carmel plans to see continued higher density development along the Meridian corridor, which includes Pennsylvania Street, Illinois Street and parts of Spring Mill Road, infill of existing large parking lots in the Meridian corridor, and mixed-use redevelopment in Home Place.

2. How does the above information affect current plans?

Growth within our service area could increase total buildout EDUs from what staff and consultants had projected. If that happens we would need even more capacity at TriCo's plant.

3. Do we need to execute another study?

A study should be done at some point to update current plans. At this time staff believes the next logical step or phase of plant expansion is to build what has been proposed. Staff will continue to monitor growth and consider constructing additional capacity with the next phase of plant expansion in 2026-2027, if additional capacity is needed at that time. Additional capacity would be needed sooner if growth accelerates well beyond the current 10-year average of 520 EDUs per year.

4. What happens if TriCo accepts additional service area west of Michigan Road or further north in Union Township?

If additional service area is accepted and developed, then buildout EDUs would have to be revised upwards, which would impact capacity needed at TriCo's plant.

5. Why can't we always meet the daily 1.75 million gallons minimum flow to Carmel WWTP?

In 2017 there were 179 days that we did not meet the minimum flow to Carmel. Note, however, the difference between actual total flow and minimum flow in 2017 was within 5 percent. So far in 2018 that difference is less than 3 percent. Most of the differences came from extended periods of dry weather which affected all parts of our service area. Staff shifted more flow through TriCo's plant for operational purposes at the plant, in addition to maintaining flows through existing force mains from Lift Station 2 (106<sup>th</sup>/Spring Mill Road). Shifting flows away from our plant during these times to make up the difference at Carmel also comes at a cost.

Average annual daily flow is used for determining plant capacity, not selected flows from the driest days of the year. In 2017, TriCo's plant averaged 2.6 million gallons per day and Carmel's plant averaged 1.9 million gallons per day.

The nominal difference between actual total flow and minimum flow is very good given all the challenges staff has faced when trying to hit that minimum flow to Carmel on the nose. The difference is also within the tolerance of the very equipment used to measure flows and BOD loading. Staff will continue to regularly monitor collection system and plant flows.

It is not practical to try and hone in any further through system improvements. One option previously explored by staff includes alternating flow from Lift Station 23 (West Clay Elementary School) between the Lift Station 2 (106<sup>th</sup>/Spring Mill



Road) and Lift Station 17 (126<sup>th</sup>/Michigan Road) basins. This would provide more flexibility in directing flows; however, it would add to system complexity, and it would cost \$75,000 to \$100,000 cost to install motor operated valves and related improvements at Lift Station 23. Growth in the Lift Station 2 basin would make these improvements unneeded before the payback is reached.

6. Can we store flows within the system to better utilize capacity at Carmel?

This is not recommended for our system. Existing in-line storage at Lift Stations 1 and 2 (99<sup>th</sup>/Keystone and 106<sup>th</sup>/Spring Mill, respectively) is less than 60,000 gallons. Taking advantage of in-line storage requires surcharging the system and takes away any reaction time staff would have to travel to the lift station and fix problems that arise. In wet weather flows, in-line storage would be used up in less than 15 minutes. Doing this not only eliminates staff's chances of preventing sewer overflows, it would also allow solids to build up, requiring more frequent cleaning of mains and wet wells. Utilizing in-line storage has been done in combined sewer communities that have much larger sewers, making necessary improvements more practical.

7. Can we improve or optimize controls at Lift Station 2 (106<sup>th</sup>/Spring Mill) to better utilize capacity at Carmel?

This was attempted previously; it was not only unsuccessful, it also reduced reliability of the lift station and controls were so complex that operators had a difficult time performing their jobs. Flows are not consistent day-to-day and there were too many variables to consider to make this possible.

Lift Station 2 pump and force main sizes are the primary reason flows to TriCo's plant cannot be reduced further. Staff can send more flow to Carmel at any time; however, it would complicate operations at our plant. Lift Station 2 is sized for future growth and wet weather flows. We will grow into the station as development in this area continues.

8. Can we send flow to Zionsville WWTP, at least in the short term, to postpone expanding TriCo's WWTP?

Staff has previously discussed this and other ideas with Zionsville. Remaining capacity at their plant is reserved for their existing service area. They have no plans to take on additional service area and they have no interest in taking flow from TriCo either temporarily or permanently.

9. Would additional I&I removal have any impact on plant expansion?

Additional I&I removal efforts are ongoing in certain areas and they are expected to have a localized impact on wet weather flows. While I&I removal also reduces dry weather flows, it does not affect nutrient loading (BOD) which plants are intended to remove. System-wide I&I removal should result in some reduction of flows; however, that impact is not guaranteed, and it is not expected to reduce flows enough to impact plant expansion needs.

TriCo's I&I removal effects have resulted in substantial reduction in wet weather peaks and as a result we have not had an I&I-caused wet weather overflow in over four years. Many engineering consultants do not recommend "chasing" sources of I&I to solve capacity-related problems. TriCo did pursue this approach and was very successful. However, there is also the need add capacity since total removal is not feasible.

10. Why should we expand the plant when we are currently using only part of our capacity at Carmel WWTP?

Staff shifted flows in 2014 after the last plant expansion went online to take advantage of the savings from reduced variable treatment cost at our plant compared to rates charged by Carmel. Since then TriCo's plant has been running at roughly 85 percent of its capacity. During that time all system-wide growth went towards Carmel. This will continue until plant capacities are reached or additional capacity is available at TriCo's plant, allowing staff to again shift flow to our own plant and take advantage of savings, similar to what was done in 2014. Additional capacity should be available before system-wide flows reach 90 percent of capacities at both facilities.

11. How long would it take to get additional plant capacity online?

The design, permitting, bidding and construction process is expected to take 3 to 4 years.

12. Can we postpone any decision to expand TriCo's plant until we reach 100 percent of Carmel WWTP capacity and 90 percent of capacity at TriCo's plant?

If we waited to proceed until TriCo's plant hits 90 capacity and Carmel hits 100 percent capacity, at the current 10-year average of 520 EDUs per year, we would have less than two years to finish a project that will take 3 to 4 years to complete.

The additional 10 percent capacity is a reserve or safety factor and that is employed for many reasons, including but not limited to changing or inconsistent flows, operational challenges both in the collection system and treatment at the plant, and unexpected growth. TriCo already operates an unusually complex plant and collection system and difficulties of meeting specific flows to Carmel were already discussed above. Pushing a system closer towards its "red line" maximum increases the likelihood of problems with treatment or handling flows. It also reduces staff's reaction time to future challenges as well as any built-in system buffers or redundancy to accommodate changes in our continuously growing service area. In my professional opinion safety factors are non-negotiable, both in terms of buildout capacity and in terms of when we need new capacity online. Disregarding safety factors puts TriCo's core value of environmental stewardship at risk.

### 13. What happens when we reach capacity at both TriCo and Carmel WWTPs?

Before any development proceeds, staff must sign a certification letter stating that TriCo has sufficient capacity to accommodate the proposed development. Once treatment capacity is reached and staff can no longer make this certification, no new development can proceed and no new homes or businesses may connect to sewers until sufficient capacity is online. IDEM can also issue a sewer ban, which effectively means no new construction in our service area. Note that capacity is not only determined by flows, it also includes nutrient or BOD loading and our ability to effectively meet various effluent limits. Also note that it takes several years to design and build a subdivision and build homes on each new lot, so once staff signs off on a new development, it will be several years before TriCo sees new flows. As we approach capacity at both plants staff will have to take this into account when considering new developments.

### 14. Are parts of the plant expansion needed sooner than others?

At our current growth rate, improvements to accommodate wet weather flows need to be online by the end of 2021. These improvements include a secondary clarifier, a third mechanical screen, a third UV disinfection channel and a new emergency generator. To meet this timeframe, design has to begin later this fall.

Improvements to accommodate average daily flows need to be online by the end of 2023. These improvements include new vertical loop reactors (VLRs).

Remaining plant expansion improvements would be constructed under a separate project anticipated in 2026-2027. Capacity needs should be reevaluated at that time.

Grit removal does not directly impact plant capacity and can be constructed at any time.

### 15. Is there an advantage to proceeding with the design and permitting now?

This should reduce the overall cost of design, save staff time, and streamline design and permitting with IDEM. Postponing VLR construction may require minor design changes down the road. VLR construction would essentially be shovel ready and complete in 2 to 3 years once a decision is made to proceed.

### 16. If everything is designed and permitted, will we have the option later to postpone bidding and construction of certain components later?

Staff plans to instruct the design consultant to break the project into multiple components or bid packages. This should open project construction to more competition, resulting in better overall pricing for TriCo. It also allows us to see actual pricing once bids are received. The decision to postpone one or more components can be made at that time.

17. What are the advantages to having new VLRs online before additional capacity is actually needed?

Constructing new VLRs before additional capacity is actually needed will allow staff to shift flows from Carmel to TriCo's plant in the future, generating operational cost savings, as discussed above. An attachment provided with the August 6 Joint Committee packet summarized plant expansion options (provided with this memo). A handout at the August 6 Joint Committee meeting provided operational savings calculations among multiple plant expansion options.

Another advantage to constructing capacity earlier is less dependency on Carmel in the event of another large rate increase. Carmel treatment is TriCo's second largest operating expense; it is budgeted for \$1.1 million in 2018. Carmel's rate jumped 38 percent in 2015. An option to send flows elsewhere should give TriCo additional leverage when negotiating the next rate increase, which is anticipated in 2019.

Constructing additional capacity allows staff to confidently accommodate continued development within our service area. It also gives us the ability to accommodate new service area such as the areas west of Michigan Road or further north in Union Township. It provides staff options and flexibility to handle collection system flows and deal with operational challenges at the plant.

18. What are the advantages of adding grit removal?

Grit removal effectively removes heavier inorganic particles from wastewater that would otherwise settle out in the oxidation ditch or VLRs. Staff drains these structures every few years to physically remove the sediment buildup from the bottoms of the tanks. This buildup reduces tank volumes and reduces treatment effectiveness. Postponing grit removal to 2026-2027 would add nearly \$700,000 to plant buildout costs due to price escalation and increase operating costs by \$100,000-200,000 for tank cleaning expenses. Operational difficulties and inefficiencies caused by sediment buildup and removal, while difficult to quantify, must also be considered.

19. What components were included in the financial analysis comparing options?

The attachment provided with the August 6 Joint Committee packet summarized plant expansion options (provided with this memo). The difference between options is postponing construction of VLRs and grit removal.

The financial analysis considered capital costs, price escalation with postponed construction, payments to Carmel, TriCo's variable treatment costs, additional operating costs, and borrowing costs.

20. Why was variable treatment cost at TriCo's plant included when comparing plant expansion options?

Staff worked with O.W. Krohn Associates to develop a cash model to project the budget impact of various plant expansion options. Variable treatment cost at TriCo's plant includes budget items that will increase with additional flows, currently \$648 per million gallons. Carmel charges a set rate for all flows sent to its plant, currently \$1,429 per million gallons. Fixed treatment costs are incurred regardless of the amount of flow treated at TriCo's plant, so fixed costs are the same across all options.

21. What improvements are paid for with EDU fees?

Funding for plant improvement projects will ultimately be paid for by Connection (EDU) Fees - except for replacement of the belt filter press, generator, and three smaller clarifiers which will be replaced with one larger secondary clarifier. Replaced components will be paid for by the Reserve for Replacement fund. Connection (EDU) Fees should increase by 5 percent annually through 2021 with no further increases anticipated.

22. If we spend \$22.3 million in improvements at the plant, would it only save \$500,000 per year and take over 4 decades to break even?

Using \$22.3 million in an attempted cost-benefit analysis suggests that plant expansion projects can be avoided altogether; the merits of plant expansion as well as the risks of doing nothing have been discussed above. Growth would have to slow to a stop over the next few years to avoid any future expansion of TriCo's plant.

As discussed above the \$22.3 million in improvements include multiple components associated with replacement and not increasing plant capacity. Operational cost savings can only be realized with an increase in daily flow capacity that would allow staff to shift future flows from Carmel to TriCo's plant. An increase in daily flow capacity is accomplished through construction of new VLRs. Therefore, only the cost of VLR construction should be considered with operational cost savings.

The cited \$500,000 per year is not savings - it is the approximate difference between variable treatment cost at TriCo's plant and budgeted payment to Carmel for treatment in 2018. According to the handout provided at the August 6 Joint Committee meeting the difference is actually \$460,000. That difference escalates each year due to increasing rates as well as the fact that all growth in flow goes towards Carmel. In 2021, that difference is projected to grow to \$775,000. If VLR construction is postponed by 2 years, in 2023 that difference would grow to nearly \$1.03 million. Savings can only be realized if VLRs are constructed sooner than needed, allowing flow to be shifted from Carmel to TriCo, as discussed above.

23. Is borrowing required with every option?

All options require borrowing except for Option 2a. Option 2a postpones VLR construction by two years and it postpones grit removal to the 2026 expansion. Option 2a will cost nearly \$1.3 million more than Option 1 through 2027 when considering price escalation with postponed construction, payments to Carmel, TriCo's variable treatment costs, additional operating costs, and borrowing costs.

24. How much money would be maintained in reserves with each plant expansion option?

See the attachment provided with the August 6 Joint Committee packet. Borrowing needs are noted with each plant expansion option. The borrowing amounts are based on allowing TriCo to maintain approximately \$3 million in reserves during an economic downturn comparable to the last recession.

25. Is a rate increase necessary to cover borrowing costs?

A 5 percent rate increase is planned for next year regardless of which option is selected. TriCo's rates will continue to remain among the lowest in central Indiana. After next year there are no more planned rate increases for at least 10 years.

26. How will the different options affect EDU fees?

If Option 1 is selected, then 5 percent EDU fee increases are planned for 2019 and 2020 to cover buildout capital costs at the plant. All other options will increase buildout capital costs, so additional EDU fee increases will be required.

27. Has staff's recommendation changed?

Staff continues to recommend proceeding with design of the 2020-2021 plant expansion project including the addition of a third mechanical screen, grit removal, three VLRs, a secondary clarifier, a third UV disinfection channel and backup power upgrades.

Baseline Scenario VLR Construction Phase Opportunity Cost Comparison			3.5 Carmel annual rate increase, % 3.5 TriCo operating cost escalation, % 0 TriCo ROR, % 0.161 TriCo full service area growth, MGD 648 TriCo variable treatment cost per MG						1.5 MGD Add'l Capacity @ WWTP																													
									4,839 Add'l EDU's @ 310 GPD																													
									9.7 Yrs @ 500 EDUs Annual Growth																													
									2,000 EDU Growth Thru 2021 (4yrs)						5.7 Yrs of Remaining Growth Capacity																							
			Baseline - Build VLRs 5-7 in 2020-2021						Baseline - Build VLRs 5-7 in 2022-2023						Baseline - Build VLR 7 in 2026-2027						Baseline - Build VLRs 5+6 in 2022-2023 and VLR 7 in 2026-2027																	
	Est ADF Full Service		TriCo	Carmel	TriCo	Carmel	Variable	Payment to	TriCo	Carmel	Variable	Payment to	Net cost to	Cumulative	TriCo	Carmel	Variable	Payment to	Net cost to	Cumulative	TriCo	Carmel	Variable	Payment to	Net cost to	Cumulative												
Year	# years >2018	Area, MG	ADF, MG	ADF, MG	cost per MG	Treatment Rate per MG	treatment cost	to Carmel	ADF, MG	ADF, MG	treatment cost	to Carmel	to TriCo	cost to TriCo	ADF, MG	ADF, MG	treatment cost	to Carmel	to TriCo	cost to TriCo	ADF, MG	ADF, MG	treatment cost	to Carmel	to TriCo	cost to TriCo												
2018	0	4.66	2.60	2.06	648	1,429	614,952	1,074,465	2.60	2.06	614,952	1,074,465	-	-	2.60	2.06	614,952	1,074,465	-	-	2.60	2.06	614,952	1,074,465	-	-												
2019	1	4.82	2.60	2.22	671	1,465	636,475	1,187,401	2.60	2.22	636,475	1,187,401	-	-	2.60	2.22	636,475	1,187,401	-	-	2.60	2.22	636,475	1,187,401	-	-												
2020	2	4.98	2.60	2.38	694	1,516	658,752	1,318,048	2.60	2.38	658,752	1,318,048	-	-	2.60	2.38	658,752	1,318,048	-	-	2.60	2.38	658,752	1,318,048	-	-												
2021	3	5.14	2.60	2.54	718	1,569	681,808	1,456,384	2.60	2.54	681,808	1,456,384	-	-	2.60	2.54	681,808	1,456,384	-	-	2.60	2.54	681,808	1,456,384	-	-												
2022	4	5.30	3.55	1.75	744	1,624	964,599	1,037,309	2.60	2.70	705,672	1,602,790	306,554	306,554	3.50	1.80	949,942	1,069,317	17,352	17,352	2.60	2.70	705,672	1,602,790	306,554	306,554												
2023	5	5.47	3.72	1.75	770	1,681	1,043,586	1,073,615	2.60	2.87	730,370	1,757,660	370,829	677,384	3.50	1.97	983,190	1,205,516	71,505	88,857	2.60	2.87	730,370	1,757,660	370,829	677,384												
2024	6	5.63	3.88	1.75	797	1,740	1,126,922	1,111,191	3.88	1.75	1,126,922	1,111,191	-	677,384	3.50	2.13	1,017,602	1,349,938	129,428	218,285	3.50	2.13	1,017,602	1,349,938	129,428	806,812												
2025	7	5.79	4.04	1.75	824	1,801	1,214,812	1,150,083	4.04	1.75	1,214,812	1,150,083	-	677,384	3.50	2.29	1,053,218	1,502,994	191,317	409,603	3.50	2.29	1,053,218	1,502,994	191,317	998,129												
2026	8	5.95	4.10	1.85	853	1,864	1,276,952	1,256,994	4.10	1.85	1,276,952	1,256,994	-	677,384	3.50	2.45	1,090,081	1,665,110	221,244	630,847	3.50	2.45	1,090,081	1,665,110	221,244	1,219,373												
2027	9	6.11	4.10	2.01	883	1,929	1,321,645	1,414,333	4.10	2.01	1,321,645	1,414,333	-	677,384	3.50	2.61	1,128,234	1,836,732	228,988	859,834	3.50	2.61	1,128,234	1,836,732	228,988	1,448,361												
2028	10	6.27	4.10	2.17	914	1,996	1,367,903	1,581,146	4.10	2.17	1,367,903	1,581,146	-	677,384	4.10	2.17	1,367,903	1,581,146	-	859,834	4.10	2.17	1,367,903	1,581,146	-	1,448,361												
2029	11	6.43	4.10	2.33	946	2,066	1,415,779	1,757,902	4.10	2.33	1,415,779	1,757,902	-	677,384	4.10	2.33	1,415,779	1,757,902	-	859,834	4.10	2.33	1,415,779	1,757,902	-	1,448,361												
2030	12	6.59	4.10	2.49	979	2,138	1,465,332	1,945,095	4.10	2.49	1,465,332	1,945,095	-	677,384	4.10	2.49	1,465,332	1,945,095	-	859,834	4.10	2.49	1,465,332	1,945,095	-	1,448,361												
2031	13	6.75	4.10	2.65	1,013	2,213	1,516,618	2,143,238	4.10	2.65	1,516,618	2,143,238	-	677,384	4.10	2.65	1,516,618	2,143,238	-	859,834	4.10	2.65	1,516,618	2,143,238	-	1,448,361												
2032	14	6.81	4.10	2.71	1,049	2,291	1,569,700	2,265,911	4.10	2.71	1,569,700	2,265,911	-	677,384	4.10	2.71	1,569,700	2,265,911	-	859,834	4.10	2.71	1,569,700	2,265,911	-	1,448,361												
Variable Treatment Costs thru 2027			9,540,503						12,079,823						8,814,255						13,665,905						8,317,164						14,751,523					
Combined Variable Treatment Costs thru 2027			21,620,327						22,297,710						22,480,161						23,068,687																	
Total Incremental O&M costs thru 2027 versus Baseline Proposal			-						677,384						859,834						1,448,361																	
Plus Interest on Temporary Loans / Bonds			826,000						CIP Option 1 240,000						CIP Option 2 580,000						CIP Option 3 100,000																	
Plus Inflation in Capital Costs Due to Staging Projects (See Table with 7 Options)			-						826,000						374,000						614,000						1,674,000						2,254,000					
Total Incremental O&M & Capital Cost Differentials			826,000						1,291,384						3,113,834						4,122,361																	

TriCo Regional Sewer Utility - Hamilton, Boone Marion Counties

Project No. 1902 WWTP Expansion Options								
Option #	Option 1 (recommended)	Option 2	Option 2a	Option 3	Option 3a	Option 4	Option 4a	
<u>Construction 2020-2021</u>								
Scope of work	screen, grit removal, 3 VLRs, clarifier, UV disinfection, generator	screen, grit removal, clarifier, UV disinfection, generator	screen, clarifier, UV disinfection, generator	screen, grit removal, 2 VLRs, clarifier, UV disinfection, generator	screen, 2 VLRs, clarifier, UV disinfection, generator	screen, grit removal, clarifier, UV disinfection, generator	screen, clarifier, UV disinfection, generator	
Estimated project cost	\$ 13,400,000	\$ 7,100,000	\$ 4,500,000	\$ 11,700,000	\$ 9,000,000	\$ 7,100,000	\$ 4,500,000	
TriCo WWTP capacity at completion (ADF / PHF, in MGD)	4.56 / 19.2	3.05 / 19.2	3.05 / 19.2	4.06 / 19.2	4.06 / 19.2	3.05 / 19.2	3.05 / 19.2	
<u>Construction 2022-2023</u>								
Scope of work	none	3 VLRs	3 VLRs	none	none	2 VLRs	2 VLRs	
Estimated project cost	\$ -	\$ 6,800,000	\$ 6,800,000	\$ -	\$ -	\$ 4,900,000	\$ 4,900,000	
TriCo WWTP capacity at completion (ADF / PHF, in MGD)	no change	4.56 / 19.2	4.56 / 19.2	no change	no change	4.06 / 19.2	4.06 / 19.2	
<u>Construction 2026-2027</u>								
Scope of work	2 clarifiers, belt filter press	2 clarifiers, belt filter press	grit removal, 2 clarifiers, belt filter press	1 VLR, 2 clarifiers, belt filter press	grit removal, 1 VLR, 2 clarifiers, belt filter press	1 VLR, 2 clarifiers, belt filter press	grit removal, 1 VLR, 2 clarifiers, belt filter press	
Estimated project cost	\$ 8,900,000	\$ 8,900,000	\$ 12,200,000	\$ 12,200,000	\$ 15,500,000	\$ 12,200,000	\$ 15,500,000	
TriCo WWTP capacity at completion (ADF / PHF, in MGD)	4.56 / 23.0	4.56 / 23.0	4.56 / 23.0	4.56 / 23.0	4.56 / 23.0	4.56 / 23.0	4.56 / 23.0	
Anticipated borrowing needed to maintain \$4M in reserves under baseline scenarios & \$3M if a temporary downturn occurs	10 year \$5.75M bond callable after 5 years	\$1,750,000	\$0	\$4,250,000	\$2,750,000	\$1,000,000	\$1,250,000	
Total estimated costs for all 3 projects	22,300,000	22,800,000	23,500,000	23,900,000	24,500,000	24,200,000	24,900,000	
Payments to Carmel thru 2027 for treatment	12,100,000	13,300,000	13,300,000	13,700,000	13,700,000	14,800,000	14,800,000	
TriCo WWTP variable treatment cost thru 2027	9,500,000	9,000,000	9,000,000	8,800,000	8,800,000	8,300,000	8,300,000	
TriCo additional operating costs thru 2027 without grit removal	-	-	200,000	-	200,000	-	200,000	
Estimated borrowing costs (assumes 4% annual cost of capital)	826,000	240,000	-	580,000	260,000	100,000	100,000	
Grand total	44,726,000	45,340,000	46,000,000	46,980,000	47,460,000	47,400,000	48,300,000	
Add'l cost compared to option 1	N/A	614,000	1,274,000	2,254,000	2,734,000	2,674,000	3,574,000	
Capital Replacements, Improvements, Outlays								
	Year	Option 1 (recommended)	Option 2	Option 2a	Option 3	Option 3a	Option 4	Option 4a
	2019	7,975,000	7,471,000	7,263,000	7,839,000	7,623,000	7,471,000	7,263,000
	2020	7,465,000	4,882,000	3,816,000	6,768,000	5,661,000	4,882,000	3,816,000
	2021	6,830,000	4,791,000	3,725,000	6,133,000	5,026,000	4,639,000	3,573,000
	2022	2,505,000	5,293,000	5,293,000	2,505,000	2,505,000	4,514,000	4,514,000
	2023	2,330,000	5,118,000	5,118,000	2,330,000	2,330,000	4,339,000	4,339,000
	2024	2,005,000	2,005,000	2,005,000	2,005,000	2,005,000	2,005,000	2,005,000
	2025	2,530,000	2,530,000	2,794,000	2,794,000	3,058,000	2,794,000	3,058,000
	2026	6,400,000	6,400,000	7,753,000	7,753,000	9,106,000	7,753,000	9,106,000
	2027	4,430,000	4,430,000	5,783,000	5,783,000	7,136,000	5,783,000	7,136,000
TOTALS - 2019 TO 2027	42,470,000	42,920,000	43,550,000	43,910,000	44,450,000	44,180,000	44,810,000	
INTEREST COSTS @ 4%	826,000	240,000	-	580,000	260,000	100,000	100,000	
TOTAL CAPITAL COST & INTEREST	43,296,000	43,160,000	43,550,000	44,490,000	44,710,000	44,280,000	44,910,000	
TOTAL BORROWED CAPITAL	\$5,750,000	\$1,750,000	\$0	\$4,250,000	\$2,750,000	\$1,000,000	\$1,250,000	

PRELIMINARY - FOR DELIBERATIVE PURPOSES





## PERSONNEL AND BENEFITS

Monday, August 27, 2018 at 7:30 a.m.  
Memorandum

Members Present: Chairman Barb Lamb, members Chuck Ford and Mike Shaver. Others in attendance were Utility Director Andrew Williams, Administrative Assistant Maggie Crediford

Ms. Lamb called the meeting to order at 7:35 a.m.

### PUBLIC COMMENT

There was no one present from the public.

### JUNE AND JULY MEETING MEMORANDUM APPROVAL

#### June 25, 2018 Memorandum

Ms. Lamb made a motion to approve the June meeting memorandum Mr. Ford seconded the motion and the memorandum approved.

#### July 23, 2018 Memorandum

Mrs. Lamb questioned wording in the July Memorandum regarding the hiring of employees above the midpoint of a pay range. She understood at the last meeting that Mr. Williams will need to inform the P&B Committee if he wishes to hire someone into the company above the midpoint of a pay range. The memorandum states that the committee needs to approve employees hired in above the midpoint of a range. It was decided to vote on the memorandum as is and discuss this issue further at this meeting.

Ms. Lamb made a motion to approve the July Memorandum. Mr. Ford Seconded the motion and it was approved.

### SAFETY UPDATE

Mr. Williams stated that there were no loss time accidents now for over 7 years. Managers stress to employees to report accidents because it is more important to resolve any issues than it is to have unreported accidents.

### PERFORMANCE MANAGEMENT AND COMPENSATION POLICY

#### Hiring Employees above the Midrange

Ms. Lamb stated that it was her understanding that at the last meeting it was decided that Mr. Williams could hire new employees in above the midpoint of a range but that he would need to inform the P&B Committee before doing so giving them the opportunity to voice any concerns or questions they might have. Mr. Ford agreed that it is not the Committee's place to override personnel decisions made by the Utility Director. Mr. Shaver stated that

he was not comfortable with the wording “inform” the committee. Ms. Lamb suggested the wording be updated to say that the Director should notify the Committee in writing and asked Mr. Shaver if that was acceptable to him, Mr. Shaver said it was acceptable with the understanding that the Committee would decide what to do from there. Ms. Lamb stated that the committee’s role would be to discuss it with Mr. Williams and offer guidance and recommendations but not override the discretion for the Utility Director to hire above the midpoint of a range. After much discussion Mr. Ford and Ms. Lamb agreed that they would not be comfortable with overriding hiring decisions made by the Utility Director. Ms. Lamb suggested that if the Utility Director would like to hire a new employee in above the midpoint of a pay range he must notify the committee members in writing giving them three days to respond with questions or concerns and if there is a major concern a special meeting can be called to discuss it before an offer would be extended to the potential new hire. Mr. Ford stated that he believes if the Utility Director finds a qualified person and the only way to attract them to the company is to start them out above the midpoint of a range than that should be the Director’s decision to make. Mr. Shaver stated that if the Utility Director would like to bring someone in above the midpoint of a range, he would like for the committee to have a chance to weigh in on the decision since hiring in someone new above the midpoint could mean bringing them in at a higher rate than someone who is already employed at the Utility. He stated that this is a public agency and employees know what each other makes, he has concerns about hiring in new employees at the same or above the rate current employees are making. Mr. Shaver believes there should be a process for the committee to ask Mr. Williams if he is sure he wants to hire someone in above the midpoint and if he has considered the people already working at the Utility who have more experience but would be making less money working alongside the new hire. Mr. Shaver reiterated that the P&B Committee should have some control over the process of hiring a new employee above the midpoint of a salary range.

Ms. Lamb made a motion to require the Utility Director to notify the P&B Committee members in writing if he intends to higher a new employee at or above the midpoint of a salary range along with a rationale of why he would like to do so. The committee members would then have three days to respond to the Utility Director with any questions or concerns regarding the decision. If there are any major concerns the committee would reserve the right to request a special meeting to discuss the merits of the request before any hiring action is taken by the Utility Director. Mr. Ford seconded the motion and it was approved unanimously.

Ms. Lamb restated decisions she believed were made at the July meeting. The Committee agreed to make the following recommendations to the Board of Trustees. The COLA was set at 2.8% for 2019. The amount of a Merit Pool was set at 2%. She said there needs to be a decision made as to what percentage over the midpoint will the maximum in each position be. It was agreed upon that once an employee reaches the maximum of their respective salary range that employee would eligible for a COLA increase only each year if one is approved by the Board of Trustees. Employees hired in below the midpoint of a range would receive Step increases until they reach the midpoint of the salary range and employees should be at the midpoint of the range within three years of being in a position. Once employees meet the midpoint of their range they would

then be eligible for a Merit pay increase instead of a Step increase, until the maximum of the range is reached. Mrs. Lamb stated that Mr. Ford has concerns about gender equality and would like to discuss those issues.

Mr. Ford asked what figure was used to decide what the COLA increase would be. Ms. Lamb stated that the June 2018 CPI number was used. The latest numbers out for the month of July show the CPI at 2.7%. There was discussion and it was decided that the 2.8% from June was a fair number to use for 2019. Ms. Lamb stated that if the June number is used from 2018 then going forward the June number should be used every year. Mr. Ford stated that he is comfortable using the June number going forward since it is at the half way point of the year. Ms. Lamb stated that the cost of the 2.8% COLA for the Utility for 2019 would be \$26,991. Mr. Shaver stated that he is uncomfortable with the COLA being tied to CPI. Health care is one of the eight major categories used in factoring the CPI and the Utility is already picking up health insurance costs. Mr. Shaver feels that by using the CPI the Utility is picking up those health care costs twice. Mr. Ford stated that health insurance increases and COLA have always dealt with as two separate issues. Health care is only one factor of the CPI and the pricing for health care is too volatile. The CPI has eight different categories going into the figure, so it has a degree of consistency to it, and the P&B Committee has to give the B&F Committee a solid number to base decisions off of. Mr. Ford stated that the Committee doesn't have the health care costs for 2019 yet. Mr. Williams stated he met with the insurance agent last week and that he indicated that Anthem will have health insurance numbers for 2019 available on October 15, 2018. The health insurance renews on January 1, 2019. When numbers were run mid-year to gauge the cost increase they came in around a 10% increase, and that is the projection that was used until the actual numbers become available in October. Mr. Shaver stated that he has concerns about the total proposed amount of increases for 2019. He feels that they don't look like large adjustments independently but when you add them together there are over \$100,000 in proposed employee increases for 2019. Ms. Lamb stated that the Committee has approved a 2.8% COLA for 2019 based off the CPI for June 2018. Mr. Williams stated that the draft version of the Compensation Policy states that the Board "may" approve a Cost of Living Adjustment and that every employee in good standing would receive the Cost of Living Adjustment as approved by the Board. The availability and amount of a COLA is dependent on Board approval each year.

Ms. Lamb restated that the committee had previously approved a 2% Merit increase for employees whose salaries are above the midpoint of their pay range and who have not yet reached the top of their range. Mr. Shaver stated that he is not comfortable discussing the increases without looking at all the numbers together. Ms. Lamb stated that there are four employees who are under the midpoint of their ranges. The goal is to get those employees up to the midpoint of their ranges within three years. Mr. Williams directed the committee members to a chart he prepared which shows what it will cost to get those employees to the midpoint of their ranges in three years. It will cost \$1,209.88 the first year, \$2,404.21 the second year and \$799.59 the third year to bring them up to or above the midpoint in their ranges (these costs would be in addition to approved Cost of Living Adjustments). Ms. Lamb restated that employees below the midpoint would get Step increases as well as the COLA increase, employees at or above the midpoint of their

range would get Merit increases as well as the COLA and Employees at the top of their ranges would get COLA only. Mr. Shaver asked for clarification on how pay increases have been given in the past. Mr. Williams stated that in the past pay increases were strictly merit based until 2018 when the Board approved a Cost of Living Adjustment. Mr. Shaver stated that a mathematical problem in the salary ranges occurred when the tops of the salary ranges were adjusted by the same percentage as the Merit increases that were given. He questioned the need for a Step System when the problem doesn't occur if the top of the salary ranges are not increased along with merit adjustments. Ms. Lamb stated that ranges should be moved up by a Cost of Living Adjustment. Mr. Shaver questioned the need to move the top end of the ranges when the goal is to have people move up to the top of a range from the bottom. Adjusting the top end of ranges each year seems to conflict with people moving closer to the top of their ranges. He believes that the issue would resolve itself by not adjusting the top of the ranges. Ms. Lamb stated that if you don't move the ranges up then employees are not keeping up with the market. Mr. Shaver stated that the range has nothing to do with what an employee makes. Ms. Lamb stated that it has everything to do with what an employee makes. Mr. Shaver stated that the problem is fixed by not adjusting the top end of the ranges allowing people to move up in their pay ranges. He agrees with giving employees a Cost of Living Adjustment, however he is uncomfortable moving people to the midpoint without considering job performance. Ms. Lamb stated that the steps allow for an employee to become more skilled and more experienced after entering their position. Mr. Williams stated that the policy reads that "employees who are below the market rate and performing at a competent level will be moved to the market rate within three years of hire". From the entry pay to the market rate of the range there would be three steps. Mr. Williams said with the Merit system, if the top of the ranges were not adjusted there would have been employees at the top of their ranges who would not have gotten increases for several years. Mr. Shaver stated that issue is resolved when all employees are given a COLA, because then everyone gets something even if they are at the top of their pay range. Mr. Ford stated that he likes the Step System and the rationale to get people into the midpoint of the range in three steps/years. He suggested using a step system for the entire pay range instead of switching to a Merit System when the midpoint is reached. He likes that with the Step System employees know what is coming as long as they meet expectations in their performance reviews the Step System makes pay increases more objective. He suggested providing a Merit increase for employees who are at the top of their range above an approved COLA if they are meeting or exceeding expectations. Mr. Williams stated that in the past employees at the top of their ranges either went without a pay increase or were given a lump sum bonus at the end of the year if their performance warranted it. Mr. Shaver pointed out that the lump sum bonuses caused other payroll issues. Ms. Lamb stated that regardless if there are steps all the way to the top or steps to the middle of the range or switching to merit increases at the point an employee hits the top of the range a COLA would be the only increase they would be eligible to receive. Mr. Ford supports having steps from the bottom to the top of the range and eliminating merit increases. Mr. Shaver asked what is the goal of professional systems for the employees? Ms. Lamb stated that there are many ways that companies choose to do it. What was previously proposed and discussed here is a combination of steps and merit depending on where you are in your range. Mr. Ford likes the Step System from a

management standpoint until an employee reaches the top of a pay range. He doesn't like that employees at the top of a pay range are only eligible for a Cost of Living Adjustment. Ms. Lamb stated that a job is worth what it is worth. After an employee reaches the maximum pay in a position then Cost of Living Adjustments insure that employees get something, many other employers do not offer Cost of Living Adjustments. Mr. Shaver stated that there are fundamental issues that do not translate well to him. He asked if Waggoner referred to the midpoint as the market rate? He believes that the market rate should reflect an employee's experience and competency. He stated that the terms market rate and midpoint have been used in these discussions interchangeably, but the midpoint is an actual mathematical equation not based on experience or competency. He stated that according to the tables presented most of the employees are being paid the market rate. Ms. Lamb stated that most of the employees are receiving the market rate or above in terms of pay. Mr. Shaver stated that by looking at the salary charts provided he cannot tell if there is someone who has two years' worth of experience making the same or more than someone who has twelve years of experience. Mr. Shaver stated that he agrees with separating the COLA from the merit increases, the system can be adjusted bringing people up. Ms. Lamb stated that if a step system is used throughout the pay ranges there needs to be an equal number of steps at the bottom of the range as there are at the top of a range. The City of Carmel uses a six-step system. Mr. Ford recommended doing away with merit increases and moving to a Step System in which an employee will get to the top of their range within six years of being hired. This would be easy for employees to understand and would make it easier to predict future staffing costs for the Utility. Mr. Shaver stated that he would not be opposed to doing that. Mr. Williams stated that a Step System, subject to a competent performance rating, would make manager jobs easier by removing some of the subjectivity that goes along with merit increases, as well as making the book keeping easier each year.

Mr. Ford made a Motion for TriCo to adopt a Step System for mobility within a salary range in which employees with competent performance ratings or above, based off quarterly or biannual reviews, would reach the midpoint of their salary range in three years and the top of their range in six years. Ms. Lamb pointed out that the Utility has many people at or near the top that will only be eligible for COLA increases. Mr. Shaver amended the motion to remove the number 6 for right now and asked to deal with that separately because out of twenty-four employees three have been employed less than six years. Mr. Williams clarified that with the step system employees that currently have 6 years of experience would not be bumped to the top of the range automatically, they would start on whichever step their current pay lands them and move up from that step yearly going forward. Mr. Ford clarified his motion to recommend that the TriCo Board of Trustees adopt a six-step system for mobility within a salary range. The motion was seconded by Ms. Lamb and approved 2-0 Mr. Shaver abstained from the vote.

Mr. Williams asked the committee for feedback on how the top of the ranges should be adjusted. He discussed a chart showing the ranges from 2017 and 2018 taking the highs and lows of those ranges to come up with proposed ranges. The WIS Study had reduced the earning potential for some of the positions at the Utility. The proposed chart raises the top end of the salary ranges to 15% above the midpoint for all positions allowing for an

possible pay increase for all employees. Ms. Lamb stated that by looking at the chart provided and using 15% above the midrange there are still employees that have their salary ranges reduced from what they were in 2017. Mr. Shaver stated that his concern is with employees who had the top end of their ranges reduced and were at the top end of their range having an immediate impact on those employees. If employees are not up against the top the issue is theoretical. Seven employees are in this situation. Mr. Shaver stated that he does not have an issue with the WIS top end recommendations for the other positions in the Utility only the seven that were immediately impacted by the reduction of the top end of their pay range. Mr. Ford asked if the top end of the pay ranges are adjusted to 15% above the market rate would that fix the issue that the WIS study created for employees who were not expecting a reduction in earning potential. Mr. Williams said it wouldn't resolve the issue for every position. Adjusting higher for just a few positions would make for unbalanced ranges. He stated that Ms. Lamb doesn't like that the ranges are not an equal percentage above the midpoint for every position. Ms. Lamb pointed out that according to the chart many of the proposed numbers for the high end of salary ranges are still below the 2017 numbers. She questioned how that solves the issue. Mr. Williams stated that the numbers used in the chart are based off 2018, he handed out a chart showing proposed numbers for 2019 factoring in a 2% Merit increase and a 2.8% COLA. Mr. Ford asked Mr. Williams if the adjustment to 15% above the midrange resolves most of the issues the WIS Salary Study created at the top of the pay ranges. Mr. Williams said that it would.

Mr. Ford made a motion to approve moving the top of the salary ranges to 15% above the midpoint in their range. The motion was seconded by Ms. Lamb and approved unanimously.

Ms. Lamb stated that at the September meeting the Committee needs to determine if there will be a Merit increase and if so how it will be applied. The Committee needs to decide what happens when employees reach the top of their pay range and finally needs to discuss the issue of Gender Equity.

Mr. Williams stated that he agrees with Ms. Lamb that when employees reach the top of their pay ranges that they would only be eligible to receive COLA. He will create charts showing how the proposed increases will affect individual people. Mr. Shaver asked for one table comparing the pay ranges before the WIS study with the WIS recommendations as well as what the ranges are with the 15% adjustment. Ms. Lamb stated the table should show the six steps needed to get to the top of each range.

Respectfully Submitted,



Andrew Williams  
Utility Director



Possible 2019 Wage Expenses with a 2.8% COLA and 2% Merit Pool Version 2

TriCo STAFF	Position Title	2018 Rate	Annual	2018 % of Range	Market	2019 Range		High Using 15%	2.8% COLA Increase	2% Merit Increase	Possible 2019 Rate	Annual
						Low	High					
Ryan, Kelly	Utility Billing Assistant	\$ 17.50	\$ 34,125.00	20.1%	\$ 19.14	\$ 17.22	\$ 21.05	\$ 22.01	\$ 955.50	\$ 682.50	\$ 18.50	\$ 36,075.00
Ferrulli, Cynthia	Customer Service Specialist	\$ 20.30	\$ 39,585.00	95.1%	\$ 19.14	\$ 17.22	\$ 21.05	\$ 22.01	\$ 1,108.38	\$ 791.70	\$ 21.27	\$ 41,485.08
Byrnes, Colleen	Administrative Support Specialist	\$ 21.78	\$ 42,471.00	91.2%	\$ 20.68	\$ 18.62	\$ 22.75	\$ 23.79	\$ 1,189.19	\$ 849.42	\$ 22.83	\$ 44,509.61
Crediford, Maggie	Administrative Assistant	\$ 23.50	\$ 45,825.00	100.0%	\$ 20.68	\$ 18.62	\$ 24.16	\$ 24.16	\$ 1,283.10	\$ 916.50	\$ 24.16	\$ 47,108.10
Closer, Cole	Field Operations Technician	\$ 20.25	\$ 39,487.50	18.0%	\$ 22.24	\$ 20.02	\$ 24.47	\$ 25.58	\$ 1,105.65	\$ 789.75	\$ 21.50	\$ 41,925.00
Hoole, Rick	Field Operations Technician	\$ 20.38	\$ 39,741.00	21.0%	\$ 22.24	\$ 20.02	\$ 24.47	\$ 25.58	\$ 1,112.75	\$ 794.82	\$ 21.50	\$ 41,925.00
Luis DelaCruz, Eric	District Inspector/Locator	\$ 23.57	\$ 45,961.50	39.7%	\$ 24.74	\$ 22.27	\$ 27.21	\$ 28.46	\$ 1,286.92	\$ 919.23	\$ 24.74	\$ 48,243.00
Starr, Matt	Field Operations Specialist	\$ 24.52	\$ 47,814.00	59.4%	\$ 24.74	\$ 22.27	\$ 27.21	\$ 28.46	\$ 1,338.79	\$ 956.28	\$ 25.70	\$ 50,109.07
Huntley, Kermin	District Inspector/Locator	\$ 24.61	\$ 47,989.50	61.3%	\$ 24.74	\$ 22.27	\$ 27.21	\$ 28.46	\$ 1,343.71	\$ 959.79	\$ 25.79	\$ 50,293.00
Hood, Joe	Field Operations Specialist	\$ 26.42	\$ 51,519.00	98.9%	\$ 24.74	\$ 22.27	\$ 27.21	\$ 28.46	\$ 1,442.53	\$ 1,030.38	\$ 27.69	\$ 53,991.91
Lewin, Jason	Field Operations Specialist	\$ 26.46	\$ 51,597.00	99.7%	\$ 24.74	\$ 22.27	\$ 27.21	\$ 28.46	\$ 1,444.72	\$ 1,031.94	\$ 27.73	\$ 54,073.66
Crowder, Nathan	Project Coordinator/Locator	\$ 26.47	\$ 51,616.50	100.0%	\$ 24.74	\$ 22.27	\$ 27.21	\$ 28.46	\$ 1,445.26	\$ 1,032.33	\$ 27.74	\$ 54,094.09
Odom, Shaun	Pretreatment Coordinator	\$ 23.66	\$ 46,137.00	10.1%	\$ 26.43	\$ 23.79	\$ 29.07	\$ 30.39	\$ 1,291.84	\$ 922.74	\$ 24.80	\$ 48,351.58
Roudebush, Bob	Laboratory Coordinator	\$ 26.31	\$ 51,304.50	61.6%	\$ 26.43	\$ 23.79	\$ 29.07	\$ 30.39	\$ 1,436.53	\$ 1,026.09	\$ 27.57	\$ 53,767.12
Keefe, Shelly	Utility Billing Specialist	\$ 27.45	\$ 53,527.50	83.8%	\$ 26.43	\$ 23.79	\$ 29.07	\$ 30.39	\$ 1,498.77	\$ 1,070.55	\$ 28.77	\$ 56,096.82
Prange, Loren	Chief Operator	\$ 31.16	\$ 60,762.00	61.2%	\$ 31.33	\$ 28.20	\$ 34.46	\$ 36.03	\$ 1,701.34	\$ 1,215.24	\$ 32.66	\$ 63,678.58
Martin, Jeff	Technical Specialist	\$ 31.39	\$ 61,210.50	65.0%	\$ 31.33	\$ 28.20	\$ 34.46	\$ 36.03	\$ 1,713.89	\$ 1,224.21	\$ 32.90	\$ 64,148.60
Strong, Aaron	Collection Superintendent	\$ 36.58	\$ 71,331.00	59.8%	\$ 71,607.40	\$ 62,859.12	\$ 80,355.68	\$ 82,365.06	\$ 1,997.27	\$ 1,426.62	\$ 38.34	\$ 74,754.89
Watkins, Scot	Plant Superintendent	\$ 42.09	\$ 82,065.75	99.3%	\$ 75,293.80	\$ 66,111.71	\$ 84,475.90	\$ 86,587.87	\$ 2,297.84	\$ 1,641.32	\$ 44.11	\$ 86,004.91
Hartman, Ryan	District Engineer	\$ 43.11	\$ 84,064.50	87.0%	\$ 79,249.55	\$ 69,585.32	\$ 88,913.78	\$ 91,136.98	\$ 2,353.81	\$ 1,681.29	\$ 45.18	\$ 88,099.60
Sheeks, Cindy	Controller	\$ 46.20	\$ 90,090.00	99.9%	\$ 82,563.31	\$ 72,494.56	\$ 92,632.05	\$ 94,948.39	\$ 2,522.52	\$ 1,801.80	\$ 48.42	\$ 94,414.32
Merkle, Wes	Engineering Manager	\$ 50.58	\$ 98,631.00	67.4%	\$ 97,254.45	\$ 85,393.90	\$ 109,115.00	\$ 111,843.21	\$ 2,761.67	\$ 1,972.62	\$ 53.01	\$ 103,365.29
Williams, Drew	Utility Director	\$ 57.80	\$ 112,710.00	83.0%	\$ 107,230.68	\$ 94,153.49	\$ 120,307.87	\$ 123,316.46	\$ 3,155.88	\$ 2,254.20	\$ 60.57	\$ 118,120.08
			\$ 1,349,566						\$ 37,788	\$ 26,991		\$ 1,414,634
											Budget Increase	\$ 65,069



**TriCo Regional Sewer Utility**  
**Range Comparison (V.2)**

Department		2017 Salary Range			2018 Salary Range				Proposed 2018 Range		
	Job Title	Low	Midpoint	High	Low	Market	High	High using 15%	Low	Market	High
	<b>COMOT I 200-295 factor points</b>										
Customer Service	Billing Assistant	\$15.63	\$18.84	<b>\$22.05</b>	<b>\$16.75</b>	\$18.62	\$20.48	\$21.41	<b>\$16.75</b>	\$18.62	<b>\$22.05</b>
Customer Service	Customer Service Specialist	\$15.63	\$18.84	<b>\$22.05</b>	<b>\$16.75</b>	\$18.62	\$20.48	\$21.41	<b>\$16.75</b>	\$18.62	<b>\$22.05</b>
	<b>COMOT II 300-395 factor points</b>										
Customer Service	Administrative Assistant	\$17.87	\$21.10	<b>\$24.33</b>	<b>\$18.11</b>	\$20.12	\$23.50	\$23.50	<b>\$18.11</b>	\$20.12	<b>\$24.33</b>
Customer Service	Administrative Support Specialist	\$17.87	\$21.10	<b>\$24.33</b>	<b>\$18.11</b>	\$20.12	\$22.13	\$23.14	<b>\$18.11</b>	\$20.12	<b>\$24.33</b>
	<b>LTC I 295 and below</b>										
Plant	Laborer	\$14.00	\$16.75	\$19.50	<b>\$14.00</b>	\$16.75	\$19.47	\$19.47	\$14.00	\$16.75	\$19.50
Collections	Field Operations Technician	\$17.87	\$21.10	<b>\$24.33</b>	<b>\$19.47</b>	\$21.64	\$23.80	\$24.89	<b>\$19.47</b>	\$21.64	<b>\$24.33</b>
	<b>LTC II 300 and above</b>										
Engineering	District Inspector/Locator	\$20.24	\$23.80	<b>\$27.36</b>	<b>\$21.66</b>	\$24.07	\$26.47	\$27.68	<b>\$21.66</b>	\$24.07	<b>\$27.36</b>
Collections	Field Operations Specialist	\$20.24	\$23.80	<b>\$27.36</b>	<b>\$21.66</b>	\$24.07	\$26.47	\$27.68	<b>\$21.66</b>	\$24.07	<b>\$27.36</b>
Engineering	Project Coordinator/Locator	<b>\$23.67</b>	\$27.20	<b>\$30.72</b>	\$21.66	\$24.07	\$26.58	\$27.68	<b>\$21.66</b>	\$24.07	<b>\$30.72</b>
	<b>PAT I 300-395</b>										
Customer Service	Utility Billing Specialist	<b>\$23.67</b>	\$27.20	<b>\$30.72</b>	\$23.14	\$25.71	\$28.28	\$29.57	<b>\$23.67</b>	\$25.71	<b>\$30.72</b>
Plant	Pretreatment Compliance Specialist	\$20.24	<b>\$23.80</b>	\$27.36	<b>\$23.14</b>	\$25.71	<b>\$28.28</b>	\$29.57	<b>\$23.14</b>	<b>\$25.71</b>	<b>\$28.28</b>
Plant	Laboratory Coordinator	\$20.24	<b>\$23.80</b>	\$27.36	<b>\$23.14</b>	\$25.71	<b>\$28.28</b>	\$29.57	<b>\$23.14</b>	<b>\$25.71</b>	<b>\$28.28</b>
	<b>PAT II 400-495</b>										
Plant	Chief Operator	\$23.67	\$27.20	\$30.72	<b>\$27.43</b>	\$30.48	<b>\$33.52</b>	\$35.05	<b>\$27.43</b>	\$30.48	<b>\$33.52</b>
Engineering	Technical Specialist	\$23.67	\$27.20	\$30.72	<b>\$27.43</b>	\$30.48	<b>\$33.52</b>	\$35.05	<b>\$27.43</b>	\$30.48	<b>\$33.52</b>
	<b>EXE</b>										
Collections	Collection Superintendent	\$ 59,882	\$74,852.00	<b>\$ 89,822</b>	<b>\$ 61,174</b>	\$ 69,671	\$ 78,167	\$80,121.08	<b>\$ 61,174</b>	\$ 69,671	<b>\$ 89,822</b>
Plant	Plant Superintendent	\$ 59,882	\$74,852.00	<b>\$ 89,822</b>	<b>\$ 64,311</b>	\$ 73,243	\$ 82,175	\$84,229.45	<b>\$ 64,311</b>	\$ 73,243	<b>\$ 89,822</b>
Engineering	District Engineer	\$ 59,882	\$74,852.00	<b>\$ 89,822</b>	<b>\$ 67,690</b>	\$ 77,091	\$ 86,492	\$88,654.65	<b>\$ 67,690</b>	\$ 77,091	<b>\$ 89,822</b>
Customer Service	Controller	<b>\$ 70,762</b>	\$88,452.50	<b>\$ 106,143</b>	\$ 70,520	\$ 80,315	\$ 90,109	\$92,361.68	<b>\$ 70,762</b>	\$ 80,315	<b>\$ 106,143</b>
Engineering	Engineering Manager	\$ 70,762	\$88,452.50	\$ 106,143	<b>\$ 83,068</b>	\$ 94,606	\$ 106,143	\$108,796.33	<b>\$ 83,068</b>	\$ 94,606	\$ 106,143
Administration	Utility Director	\$ 81,615	\$99,305.00	\$ 116,995	<b>\$ 91,590</b>	\$ 104,311	<b>\$ 117,031</b>	\$119,957.08	<b>\$ 91,590</b>	\$ 104,311	<b>\$ 117,031</b>

Higher Amount is in Bold





## MEMORANDUM

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**To:** Board of Trustees  
**From:** Ryan Hartman  
**Date:** September 6, 2018  
**Subject:** Dedications

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Jacksons Grant on Williams Creek Section 2, Home Place Gardens, and Children's Theraplay sanitary sewers are complete and ready for dedication.

The C&C Committee is recommending acceptance of the dedication.

Recommended Action: Accept the dedication of Jacksons Grant on Williams Creek Section 2, Home Place Gardens, and Children's Theraplay sanitary sewers.



## MEMORANDUM

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**To: Board of Trustees**

**From: Wes Merkle**

**Date: September 6, 2018**

**Subject: WWTP Oxidation Ditch Gear Reducer Replacements**

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Staff requested quotes from five reputable local contractors who have experience in this type of work. Maddox Industrial Group was the only responsive and responsible contractor quoting \$35,900. Staff believes this is a good price for the amount of new equipment and installation work included in this project. The capital budget included \$60,000 for this project.

The C&C Committee is recommending approval of the contract with Maddox Industrial Group.

Recommended Action: Award the Oxidation Ditch Gear Reducer Replacements contract to Maddox Industrial Group in the amount of \$35,900.



## MEMORANDUM

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**To:** Board of Trustees  
**From:** Wes Merkle  
**Date:** September 6, 2018  
**Subject:** Vehicle replacements

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At our August 6 meeting, the Committees agreed to replace both 2008 Ford Escapes this year, instead of replacing one this year and another in 2019. Both vehicles are used in the field daily. In the past year both vehicles have had expensive repairs related to brakes, transmission, and other issues. Repair frequency is increasing, and staff is concerned about reliability.

Staff requested quotes from seven local dealerships for two 2018 Ford Escapes. The following quotes were received:

Pearson Ford	\$38,891
Capital City Ford	\$47,812
Don Hinds Ford	\$48,450

At the September 5 meeting the C&C Committee agreed to recommend purchase for the vehicles from Pearson Ford.

Recommended Action: Approve the purchase of two Ford Escapes from Pearson Ford in the amount of \$38,891.



## MEMORANDUM

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**To:** Board of Trustees

**From:** Wes Merkle

**Date:** September 6, 2018

**Subject:** #1801 Lift Station 4 Elimination & Abandonment Sewer Contract Award

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The following quotes were received for the subject project, which extends interceptor sewer from Jackson's Grant across the Book property to Lift Station 4. This project will eliminate Lift Station 4.

Eagle Valley, Inc.	\$144,600
Atlas Excavating, Inc.	\$277,000

Quote requests were sent to twelve contractors. Eagle Valley, Inc. was the lowest responsive and responsible quoter. The capital budget included \$300,000 for this project, which also includes approximately \$30,000 for engineering design, permitting, bidding, and easement acquisition.

The C&C Committee is recommending award to Eagle Valley, Inc.

Recommended Action: Award the Lift Station 4 Elimination & Abandonment Sewer construction contract to Eagle Valley, Inc. in the amount of \$144,600.



## MEMORANDUM

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**To: Board of Trustees**

**From: Andrew Williams**

**Date: September 6, 2018**

**Subject: St. Mary and St. Mark's Sewer Extension**

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At the Joint meeting of the Capital and Construction Committee and Budget and Finance Committee, the proposed sewer service agreement was discussed. Due to the location of the existing house on the parcel, the sewer would only be extended to the south side of the house at this time. When sewer service is needed to the north in the future, the sewer would be extended under the house if it still exists. The committee is recommending approval of the attached agreement.

Recommended Action: Approve the Sewer Service Agreement with St. Mary & St. Mark Coptic Orthodox Church Inc.

**Proposed**  
**SEWER SERVICE AGREEMENT**

This AGREEMENT, made and entered into as of the date of execution by the last party signatory hereto (hereinafter referred to as "Effective Date") is by and between TriCo Regional Sewer Utility ("TRICO"), St Mary & St Mark Coptic Orthodox Church Inc. and Thomas R. Jones of Clayton, North Carolina.

WITNESSETH THAT:

WHEREAS, TRICO is organized for the purpose of designing, constructing and operating sanitary sewers and related facilities to collect, convey, treat and dispose of wastewater from residences, businesses, industries and institutions located within the boundaries of TRICO; and

WHEREAS, Thomas R. Jones owns real estate in Hamilton County at 12210 Shelborne Road, Parcel Number: 17-09-31-00-00-013.001 and is selling said real estate to St Mary & St Mark Coptic Orthodox Church Inc. on contract, hereinafter referred to jointly as "PROPERTY OWNERS". In 2014, St Mary & St Mark Coptic Orthodox Church Inc. had previously submitted subdivision plans for said parcel showing the subdivision of the real estate into two lots with a house on each lot. The subdivision of the parcel did not occur, and sanitary sewer extension was not extended. St Mary & St Mark Coptic Orthodox Church Inc. has relocated a single family house onto said property as an addition to the existing house on the parcel. Real estate is more particularly described in Exhibit A attached hereto; and

WHEREAS, St Mary & St Mark Coptic Orthodox Church Inc. desires sanitary sewer service for the house with addition and the house is obstructing the extension of the sewer across the entire frontage of the property; and

WHEREAS, TRICO sewer extension policy requires the extension of the sewer main to the far property line: and

WHEREAS, TRICO is willing to allow the extension of the sewer and connection thereto upon the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, TRICO, St Mary & St Mark Coptic Orthodox Church Inc. and Thomas R. Jones of Clayton, North Carolina agree as follows:

Sewer Service. To accommodate the immediate connection to the sewer and the future extension of sewer, the PROPERTY OWNERS will connect to TRICO sewers on the following basis.

1. PROPERTY OWNERS will extend the sewer, consistent with TRICO standards, to within 25 feet of the house obstructing the route of the sewer. All cost will be paid for by PROPERTY OWNERS.
2. PROPERTY OWNERS will dedicate or otherwise provide to TRICO within 5 days of this agreement, a 25 feet wide easement across the frontage of the parcel centered over the sewer with ingress/egress access thereto.
3. PROPERTY OWNERS will extend sewer to the northern property line within SIX months from the notification from TRICO that the sewer must be extended.
4. PROPERTY OWNERS will provide within 5 days of the date of this agreement, a bond in the amount of \$20,000 to cover the cost of the extension should the PROPERTY OWNERS be unable or unwilling to extend the sewer.

Miscellaneous.

(a) This Agreement shall at all times be construed and interpreted to be consistent with the rights, powers and duties of TRICO under the laws of the State of Indiana, applicable rules and regulations of the United States Environmental Protection Agency, Indiana Department of Environmental Management, and the ordinances, rules, regulations and policies of TRICO.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors, personal representatives and assigns (to the extent not inconsistent herewith). This Agreement shall not be assigned by any party without the written consent of the non-assigning parties, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) No amendment or modification of this Agreement shall be effective unless contained in a written document executed by the parties hereto (or their successors, personal representatives or assigns).

(d) Failure of any party hereto to insist upon strict performance of the provisions of this Agreement shall not be construed as a waiver of any subsequent default or breach of the same or similar nature.

(e) In the event any provision of this Agreement is declared unlawful or unenforceable by a Court of competent jurisdiction the remaining provisions of this Agreement shall remain in full force and effect.

(f) In the event of any controversy, claim or dispute between the parties arising out of or related to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses in connection with such controversy, claim or dispute. However, prior to either party filing suit, the parties shall participate in pre-suit mediation.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the dates set forth below.

TRICO REGIONAL SEWER UTILITY

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Marilyn Anderson, President

Attest: \_\_\_\_\_  
Michael McDonald, Secretary

St Mary & St Mark Coptic Orthodox Church Inc.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Thomas R. Jones

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

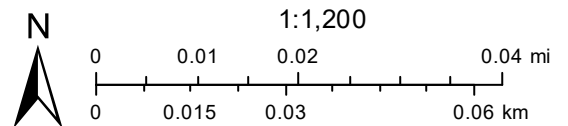
Title: \_\_\_\_\_





August 28, 2018

- |                      |                         |
|----------------------|-------------------------|
|                      | Low Pressure Force Main |
| Abandond             | Main                    |
| Abandoned            | Outfall                 |
| Abandoned Force Main | Parcels                 |
| Force Main           | Bridges                 |
| Interceptor          |                         |



Basemap information here