



TriCo Regional Sewer Utility

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Board of Trustees Meeting Agenda

Monday, February 11, 2019 @ 7:00 p.m.

Clay Township Government Center

10701 N. College Avenue, Indianapolis, IN 46280

- 1. Roll Call**
- 2. Public Comment**
- 3. Approval of Meeting Memorandum**
 - a. Board Meeting January 14, 2019
- 4. Approval of Claims Docket**
- 5. Attorney's Report Easement**
 - a. Easement Acquisitions
- 6. Utility Director's Report**
 - a. 2018 Annual Report
- 7. Committee Reports**
 - a. Budget & Finance Committee
 - b. Personnel & Benefits Committee
 - c. Capital & Construction Committee
 - i. Dedication – Sanctuary at 116th Section 2B
- 8. Old Business**
- 9. New Business**
- 10. Adjourn**



BOARD OF TRUSTEE MEETING

Monday, January 14, 2019, 7:00 p.m.

Memorandum

ROLL CALL

Present: President Marilyn Anderson, Vice President Steve Pitman, Treasurer Jane Merrill, Secretary Michael McDonald, members, Barb Lamb, Jeff Kimbell, Eric Hand, Carl Mills and Chuck Ryerson. Others in attendance were Utility Director Andrew Williams, Legal Counsel Scott Wyatt, Engineering Manager Wes Merkle, Controller Cindy Sheeks, Plant Superintendent Scot Watkins, and Administrative Assistant Maggie Crediford

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

Mr. Pittman arrived at 7:05 p.m.

PUBLIC COMMENTS

There was no one present from the public.

Newly appointed Board Members Chuck Ryerson and Jeff Kimbell introduced themselves. Mr. Ryerson is a customer of the Utility at both his home and his business. Mr. Kimbell lives within the service area but does not have sewer available. The other Board Members then introduced themselves to the new members and gave a brief summary of their background.

ELECTION OF OFFICERS

Mr. Hand made a motion that the Board Officers remain the same as they were in 2018: President Marilyn Anderson, Vice President Steve Pittman, Treasurer Jane Merrill, Secretary Michael McDonald and At Large Member Carl Mills. There were no other nominations. Ms. Merrill seconded the nominations. Mr. Pittman made a motion to approve the proposed Board Officers. Mr. Kimbell seconded the motion. There were no comments or discussion. The motion was unanimously approved.

COMMITTEE ASSIGNMENTS

Ms. Merrill made a motion to continue with the same Committee Assignments from 2018: Budget and Finance Committee, Chair Jane Merrill, members Carl Mills and Michael McDonald; Capital and Construction Committee, Chair Steve Pittman, members Marilyn Anderson and Eric Hand; Personnel and Benefits Committee, Chair Barb Lamb and new members Chuck Ryerson and Jeff Kimball. Mr. Pittman seconded the motion for the committee assignments. The motion was unanimously approved.

APPROVAL OF MEMORANDA

December 10, 2018 Board Meeting Memorandum

Ms. Merrill made a motion to approve the Meeting Memorandum from the December 10, 2018 Board of Trustees Meeting. Mr. Pittman seconded the motion. The December Memorandum was unanimously approved.

December 10, 2018 Executive Session Memorandum

Mr. McDonald made a motion to approve the December 10, 2018 Executive Session Memorandum. Mr. Pittman seconded the motion. The Executive Session Memorandum was unanimously approved.

December 10, 2018 Executive Committee Meeting Memorandum

Mr. McDonald made a motion to approve the December 10, 2018 Executive Committee Meeting Memorandum. Mr. Mills seconded the motion, and it was unanimously approved.

APPROVAL OF CLAIMS DOCKET

Ms. Sheeks stated that there were no large Capital Project expenses in the month of December. There were charges for manhole repairs and VLR cleaning. All other expenses were normal monthly operating expenses. Mr. Mills made a motion to approve the Claims Docket. Ms. Merrill seconded the motion, and the Claims were unanimously approved.

ATTORNEY'S REPORT

Scott Wyatt, attorney with Altman, Poindexter and Wyatt, LLC, stated that Mrs. Artest has been sent the easement offer via Certified Mail. There are no updates and currently there is nothing to do but wait for the 30 days for a response. If there is not response then the condemnation proceedings will move forward.

UTILITY DIRECTOR'S REPORT

Mr. Williams stated that all the committee meetings in December were canceled due to a lack of action items. The contract with Rook Securities has started, and they have begun monitoring the Utility's network.

Mr. Williams stated that he and the managers are putting together a comprehensive Annual Report for the Board. Mr. Williams expects that to be presented at the February Board meeting.

Mr. Hand had a question on page two of the December Newsletter regarding treatment costs being overbudget. Ms. Sheeks stated that she would need to pull the specifics for those charges and offered to go over them with Mr. Hand after the meeting.

Ms. Anderson stated Mr. Williams will begin meeting with former Board Member, Joe Clark, for mentoring on HR and management items.

BUDGET & FINANCE COMMITTEE

Resolution for Internal Temporary Loan

Ms. Merrill explained that there is a Resolution for consideration before the Board regarding an internal loan from the Plant Expansion Fund to the Interceptor Fund, which has fallen below zero. The transfer is needed to put money into the Interceptor Fund until unencumbered interceptor funds are paid to the Utility. The Budget and Finance Committee is recommending transferring \$550,000 from the Plant Expansion Fund into the Interceptor Fund which will be repaid as soon as possible.

Ms. Sheeks stated 2018 started with \$49,000 in cash in the Interceptor Fund. Income to that fund was \$590,000 and expenses were over \$1.1 million. A lot of the money spent from the Interceptor Fund was from the 106th Street Force Main Project (\$310,000), as well as the Jackson's Grant Section 6 Project (\$455,000). There were heavy expenses in this fund, and the goal is to repay the loan as soon as the revenue comes in. The State Board of Accounts does not like to see books negative at year end, which is reason for the loan.

Ms. Merrill asked if Staff has a timeline on when funds will start coming back into the Interceptor Fund. Mr. Merkle stated that there are several large projects in the next couple of months which will have money going out. One being the Michigan Road Parallel Force Main Project from Austin Oaks to 121st Street; around \$1.3 Million. The fund may go negative again next year depending on development projects that come in. For the Plant Expansion and Interceptor Funds, lower balances will be more common going forward as the Utility builds out. The capacity must be increased, and the sewers must be built before connection can be made to the system. The Utility pays the upfront expenses and gets reimbursed when fees are collected as developers, new customers and businesses connect to the system. Mr. Williams stated when the approved Capital Budget has been shown that the Utility will get low in cash reserves but will not go negative. The Utility plans to keep \$2 million minimum in cash. There is a plan to borrow internally, trying to avoid a bond for the Plant Expansion if that can be done. Historically, the Utility has done this to fund large projects up front and get paid back when development occurs. In 2004, a couple large projects were built which caused the Interceptor Fund to be negative for about four years before growth caught up and the fund was replenished. The Budget and Finance Committee likes to see the Cash Balance no lower than \$2 million in future projections.

Mr. Williams stated that the development done at Jackson's Grant was not solely for the developer's benefit; it also benefited the Utility build out its master plan. The developer paid their share of the cost internally to their development, TriCo paid to have the sewers installed at a depth and size that enable Lift Station 4 to be taken out of service.

Mr. Kimbell asked if Board Members are provided a balance sheet, as he did not recall seeing it in the packet he was provided. He asked how often a balance sheet is provided to the Board. Ms. Sheeks stated that she will send him a copy of the balance sheet and explained that it is distributed to the Board monthly with the Budget and

Finance Committee Packet, which he did not receive in December because he was not yet on the Board. Ms. Anderson stated that every Board Member gets a packet for every committee meeting regardless of which committee they serve on.

Ms. Merrill made a motion to approve a one-time transfer from the Plant Expansion Fund to the Interceptor Fund in the amount of \$550,000. Mr. McDonald seconded the motion. The motion was unanimously approved.

PERSONNEL & BENEFITS COMMITTEE

Ms. Lamb gave a presentation explaining the Step Salary System that the Board approved in December. Some Board Members had indicated that they did not fully understand the benefits of the new system over the previously used merit-based system. The PowerPoint notes of the presentation are attached.

CAPITAL & CONSTRUCTION COMMITTEE

Dedication of Sanitary Sewers at Waterfront at West Clay Section 2.c

Mr. Pittman made a motion to accept the dedication of the sanitary sewers from Waterfront at West Clay Section 2.c. Ms. Merrill seconded the motion. The motion was unanimously approved.

EXECUTIVE COMMITTEE

Utility Director Raise

Mr. McDonald made a motion to approve the proposed 3.8% salary increase for the Utility Director, Mr. Williams. Ms. Lamb seconded the motion. The motion was unanimously approved.

ADJOURNMENT

Mr. Mills made a motion to adjourn the meeting. Ms. Lamb seconded the motion, and the meeting adjourned at 7:56 p.m.

The next Board of Trustees Meeting is scheduled for Monday, February 11, 2019 at 7:00 p.m.

Respectfully submitted,



Andrew Williams
Utility Director

Approved:

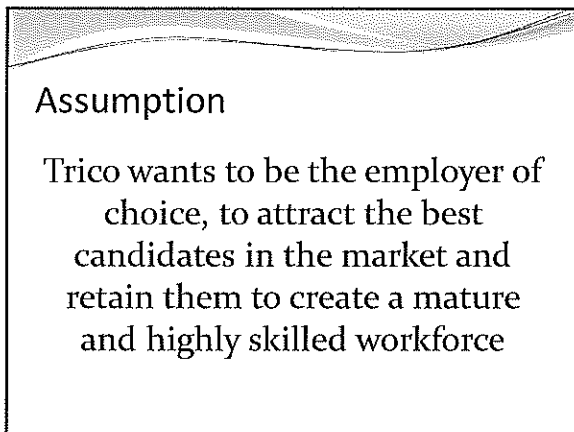
_____ as Presented
_____ as Amended

Michael McDonald, Secretary

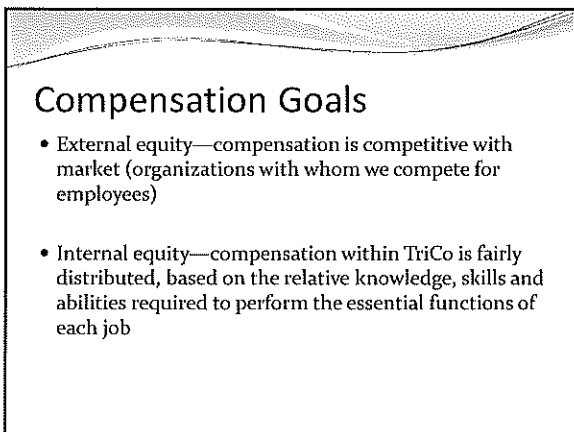
Marilyn Anderson, President



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Pre-2018 Merit System

- Board approved annual merit pool—percentage increase on previous year's total salaries—based on industry standards
- Pool divided among employees based on their relative performance during the year, as determined by their semi-annual performance appraisals
- Other factors, such as tenure, sometimes taken into consideration

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Pros/Cons of Merit System

- Intuitively makes sense
- Low cost
- Subjective, and public
- Difficulty of measurement; what are we measuring?
- Included factors other than merit
- Pool not large enough to clearly distinguish between levels of achievement
- Zero-sum game
- Some employees not progressing through pay range

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Waggoner, Irwin & Scheele Study

- District contracted with WIS to update its compensation system in 2017, to be effective in 2018
- Surveyed other sewer providers to develop external equity
- Used point factor system (used by State of Indiana and Hamilton County) to evaluate jobs and develop internal equity
- Revised (narrower) pay ranges
- Determined which pay range each position would be assigned to

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Waggoner, Irwin & Scheele Study

Issues with WIS study

- Not enough (not any) communication with Personnel and Benefits committee prior to issuing final report
- Final report issued in early December 2017, only days prior to passage of salary ordinance
- Adequate for 2018, but required tweaking for 2019 and beyond

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2019 Compensation System

- Created salary steps for regular and consistent upward mobility
- Increased maximum salaries from 10% above midpoint to 15% (restored pre-WIS maximums, which are very competitive)
- Created parity between starting pay for field positions and office positions
- Added cost-of-living adjustment (COLA), to be determined annually by Board

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Step and Grade System

- Each position is assigned to a grade, based on point factor analysis
- Each grade represents a pay range Each range has ten equal steps from minimum to maximum
- Employee may be started at step 1-5, dependent on qualifications (or higher if justified)
- Employee moves up pay range by annual step increases on January 1

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Step Process

- Transition: To convert to step system in 2019, 2018 salary was increased by COLA (2.8%), then taken to the next highest step in their grade; minimum increase is 2.8%, maximum is 5.38%
- Ongoing: Employees not at step 10 will move to the next highest step each January 1, starting 1/1/20
- Cost Impact: Total cost will increase slightly in 2020, then go steadily down as employees reach step 10

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2019 Grades and Steps

POSITION	Step 1 (Min)	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10 (Max)
Billing Assistant	20.02	20.63	21.25	21.87	22.49	23.11	23.73	24.35	24.96	25.58
Customer Service Assistant	20.02	20.63	21.25	21.87	22.49	23.11	23.73	24.35	24.96	25.58
Admin Support Specialist	20.02	20.63	21.25	21.87	22.49	23.11	23.73	24.35	24.96	25.58
Administrative Assistant	20.02	20.63	21.25	21.87	22.49	23.11	23.73	24.35	24.96	25.58
Field Operations Technician	20.02	20.63	21.25	21.87	22.49	23.11	23.73	24.35	24.96	25.58
Inspector/Inspector	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Field Operations Specialist	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Inspector/Inspector	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Project Coordinator/Analyst	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Pesticide/Plant Coordinator	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Laboratory Coordinator	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Utility Billing Specialist	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Chief Operator	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Technical Specialist	22.27	22.89	23.51	24.13	24.75	25.37	25.99	26.61	27.23	27.85
Collections Superintendent	33.35	33.97	34.59	35.21	35.83	36.45	37.07	37.69	38.31	38.93
Plant Superintendent	33.35	33.97	34.59	35.21	35.83	36.45	37.07	37.69	38.31	38.93
Engineer	33.35	33.97	34.59	35.21	35.83	36.45	37.07	37.69	38.31	38.93
Contractor	33.35	33.97	34.59	35.21	35.83	36.45	37.07	37.69	38.31	38.93
Engineering Manager	43.29	43.91	44.53	45.15	45.77	46.39	47.01	47.63	48.25	48.87
Percentage Increase	NA	3.04%	2.89%	2.93%	2.97%	2.74%	2.67%	2.62%	2.53%	2.57%

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COLA

- Pay ranges, including each step in the range, are adjusted annually by amount of COLA
- Employees at top of their pay range get COLA increase only
- If COLA is not applied to salary ranges, external equity is soon lost; other employers in our market are giving COLA increases to remain competitive

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Performance Appraisals

- Step increases not automatic
- All employees (except Director) receive semi-annual performance appraisals
- Employee must receive overall rating of "Competent" or "Superior" to be eligible for Step increase
- Rating of "Marginal" or "Unsatisfactory" will lead to performance improvement plan, with step increase withheld until employee reaches competency

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Pros/Cons of Step System

- Eliminates subjectivity and potential for favoritism
- Simple and predictable for District and for employees
- Ensures employee salaries increase incrementally as their skills develop
- Inspires cooperation among employees rather than competition
- Puts hard cap on salaries
- More costly
- Doesn't distinguish between "Competent" and "Superior" levels of performance

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Board Role in 2020

- Determine COLA, which will be at Board's discretion (not tied to an index)
- Determine whether management team should be in open ranges (grades, but no steps) to give greater discretion to Director

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TriCo Regional Sewer Utility
Register of Claims
For the period 01/09/2019-02/05/2019

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
1/9/19	12549	Operating	Rook Security LLC	\$8,025.00	\$8,025.00	Software support
1/9/19	12550	Operating	Altman, Poindexter & Wyatt, LLC	\$1,402.50	\$1,402.50	Legal fees
1/9/19	12551	Operating	Maggie Crediford	\$139.95	\$139.95	Reimbursement - Grammarly
1/14/19	12552	Operating	William Gerst	\$19.45	\$19.45	Refund-10372 Orchard Park Dr
1/14/19	12553	Operating	Allison Payment Systems LLC dba De	\$4,910.94	\$4,910.94	Postage
1/14/19	12553	Operating	Allison Payment Systems LLC dba De	\$3,641.72	\$3,641.72	Billing fee- Dec 2018
1/14/19	12553	Operating	Allison Payment Systems LLC dba De	\$187.50	\$187.50	Backer & email change
1/17/19	12554	Operating	Coleman Auto Repair Service, LLC	\$62.75	\$62.75	Oil Change
1/17/19	12554	Operating	Coleman Auto Repair Service, LLC	\$340.02	\$340.02	Brakes-Transit
1/17/19	12554	Operating	Coleman Auto Repair Service, LLC	\$75.55	\$75.55	Oil change - 2016 F-150
1/18/19	12555	Operating	Matt Starr	\$139.20	\$139.20	Mileage
1/18/19	12556	Operating	Lawrence Prange	\$1,246.50	\$1,246.50	Overpayment refund
1/18/19	12557	Operating	Carmel Utilities	\$1,577.90	\$1,577.90	Line Maintenance-Hydrant Usage
1/18/19	12558	Operating	Carmel Utilities	\$26.72	\$26.72	LS 1 WATER
1/18/19	12558	Operating	Carmel Utilities	\$13.66	\$13.66	LS 2 WATER
1/18/19	12558	Operating	Carmel Utilities	\$27.56	\$27.56	LS 26 WATER
1/18/19	12559	Operating	Fastenal Company	\$203.61	\$203.61	Plant R&M
1/18/19	12559	Operating	Fastenal Company	\$102.97	\$102.97	Supplies
1/18/19	12560	Operating	Fisher Scientific	\$530.70	\$530.70	Lab Supplies
1/18/19	12561	Operating	Franklin Equipment	\$681.30	\$681.30	Cat Generator GP25 5AM07716
1/18/19	12561	Operating	Franklin Equipment	\$825.50	\$825.50	New Holland LS180 182429
1/18/19	12562	Operating	Jacob-Dietz Inc	\$794.10	\$794.10	Fire extinguishers inspection
1/18/19	12563	Operating	Kinetrex Energy	\$2,354.21	\$2,354.21	Natural Gas
1/18/19	12564	Operating	Maggie Crediford	\$9.99	\$9.99	x-mas stockings for employees
1/18/19	12564	Operating	Maggie Crediford	\$11.66	\$11.66	Mileage
1/18/19	12566	Operating	Vectren Energy Delivery	\$94.40	\$94.40	LS 2 GAS
1/18/19	12566	Operating	Vectren Energy Delivery	\$36.31	\$36.31	LS 10 GAS
1/18/19	12567	Operating	Signius Communications	\$79.95	\$79.95	Answering Service
1/23/19	12568	Operating	AFLAC	\$743.46	\$743.46	Employee Deferred Liability
1/23/19	12569	Operating	AT & T	\$698.93	\$698.93	Office internet service
1/23/19	12570	Operating	Citizens Energy Group	\$61.57	\$61.57	Plant Water Service
1/23/19	12571	Operating	Element Materials Technology Dalevi	\$191.00	\$191.00	Sewer Sampling
1/23/19	12572	Operating	IN.GOV	\$95.00	\$95.00	Membership Fee
1/23/19	12573	Operating	Johnson Controls	\$710.62	\$710.62	Plant Security System
1/25/19	12574	Operating	Aaron Strong	\$30.00	\$30.00	Jan cell phone
1/25/19	12575	Operating	Cindy Sheeks	\$20.24	\$20.24	B & F meeting
1/25/19	12576	Operating	Eric Luis Delacruz	\$30.00	\$30.00	Jan cell phone
1/25/19	12577	Operating	Jeffrey Martin	\$30.00	\$30.00	Jan cell phone
1/25/19	12578	Operating	Joe Hood	\$139.20	\$139.20	On call mileage
1/25/19	12579	Operating	Kermin Huntley	\$30.00	\$30.00	Jan cell phone
1/25/19	12580	Operating	Maggie Crediford	\$13.05	\$13.05	Mileage
1/25/19	12581	Operating	Nathan Crowder	\$30.00	\$30.00	Jan cell phone
1/29/19	12582	Operating	Lowe's Business Account	\$29.31	\$29.31	Supplies
2/4/19	12583	Operating	Kenneth or Linda Handy	\$26.03	\$26.03	Refund-1849 E 110th St
2/4/19	12584	Operating	Linda Jackson	\$37.19	\$37.19	Refund-10896 Weston Dr
2/4/19	12585	Operating	Jacklyn Van Woerkom	\$33.47	\$33.47	Refund-351 Mounds Ct
2/4/19	12586	Operating	Pat B Ralston c/o John Glen	\$26.13	\$26.13	Refund-3559 Towne Road
2/4/19	12587	Operating	Christopher Shimer	\$31.28	\$31.28	Refund-10395 Valley Road
2/4/19	12588	Operating	Kathleen Gonzales	\$25.18	\$25.18	Refund-14470 Quail Pointe Dr
2/4/19	12589	Operating	Atla Davis	\$56.97	\$56.97	Refund-12162 Daughtery Dr
2/4/19	12590	Operating	Old National Bank Site 40100	\$13.45	\$13.45	Refund-10460 Michigan Road
2/4/19	12591	Operating	Brett Bonenberger	\$99.31	\$99.31	Refund-2578 Ballina Ct
2/4/19	12592	Operating	Senthil S Pathrakali	\$118.16	\$118.16	Refund-3153 Windy Knoll Lane
2/4/19	12593	Operating	Steve Smitherman	\$56.90	\$56.90	Refund-11420 Zanardi
2/4/19	12594	Operating	Mary Boyer	\$25.00	\$25.00	Refund-3828 Freeman Ct
2/4/19	12595	Operating	Renner Investments LLC	\$31.28	\$31.28	Refund-10940 Beechwood Dr E
2/4/19	12596	Operating	Ascenson 127 Holdings LLC	\$18.50	\$18.50	Refund-2346 Finchley Road
2/4/19	12597	Operating	AEI Fund Management Inc	\$13.88	\$13.88	Refund-10325 Michigan Road
2/4/19	12598	Operating	US Postmaster	\$134.00	\$134.00	PO Box Renewal
2/5/19	12599	Reserve for	BL Anderson Company, Inc.	\$5,155.00	\$5,155.00	CIP-Plant Omega 3 Blower

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
2/5/19	12600	Plant Expans	GRW	\$1,800.00	\$1,800.00	CIP-1906-Eagle Creek Outfall Final Design
2/5/19	12600	Plant Expans	GRW	\$1,397.50	\$1,397.50	CIP-1906-Eagle Creek Outfall Permits
2/5/19	12601	Operating	Barbara Lamb	\$150.00	\$150.00	Janauary Board Fees
2/5/19	12602	Operating	Carl S. Mills	\$200.00	\$200.00	Janauary Board Fees
2/5/19	12603	Operating	Charles Ryerson	\$100.00	\$100.00	Janauary Board Fees
2/5/19	12604	Operating	Eric Hand	\$100.00	\$100.00	Janauary Board Fees
2/5/19	12605	Operating	Jane B. Merrill	\$200.00	\$200.00	Janauary Board Fees
2/5/19	12606	Operating	Jeffrey Kimbell	\$100.00	\$100.00	Janauary Board Fees
2/5/19	12607	Operating	Marilyn Anderson	\$200.00	\$200.00	Janauary Board Fees
2/5/19	12608	Operating	Michael A. McDonald	\$200.00	\$200.00	Janauary Board Fees
2/5/19	12609	Operating	Steve Pittman	\$100.00	\$100.00	Janauary Board Fees
2/5/19	12610	Operating	Allison Payment Systems LLC dba De	\$3,642.81	\$3,642.81	Billing Fees-Jan 2019
2/5/19	12610	Operating	Allison Payment Systems LLC dba De	\$4,912.11	\$4,912.11	Postage
2/5/19	12611	Operating	Altman, Poindexter & Wyatt, LLC	\$275.00	\$275.00	Legal Fees
2/5/19	12611	Operating	Altman, Poindexter & Wyatt, LLC	\$1,425.00	\$1,425.00	Legal Fees
2/5/19	12612	Operating	AT & T	\$698.93	\$698.93	Plant internet service
2/5/19	12612	Operating	AT & T	\$91.01	\$91.01	Plant phone charges
2/5/19	12613	Operating	Brehob Corporation	\$730.19	\$730.19	Equipment Repair
2/5/19	12614	Operating	Carmel Utilities	\$1,037.40	\$1,037.40	January reads
2/5/19	12615	Operating	Carmel Utilities	\$95,797.60	\$95,797.60	Jan flow
2/5/19	12616	Operating	Carmel Utilities	\$40.27	\$40.27	Storm Water Fees
2/5/19	12617	Operating	Clay Township Trustee	\$5,780.04	\$5,780.04	January 2019-Gov't Center Expenses
2/5/19	12618	Operating	CuralInc, LLC	\$196.67	\$196.67	Employee EAP Support Linc Feb-Mar 2019
2/5/19	12619	Operating	Davis Wholesale Supply	\$646.80	\$646.80	50# Pro Slice
2/5/19	12620	Operating	DLZ Indiana, LLC	\$300.00	\$300.00	Insp Services-Hyatt Place Carmel
2/5/19	12620	Operating	DLZ Indiana, LLC	\$4,912.50	\$4,912.50	Insp Services-Goodman Campbell MOB
2/5/19	12621	Operating	Dream Street Graphics	\$3,827.58	\$3,827.58	Box Truck Graphic
2/5/19	12622	Operating	Grainger	\$181.62	\$181.62	Lift Station R&M
2/5/19	12622	Operating	Grainger	\$3.76	\$3.76	Plant R&M
2/5/19	12622	Operating	Grainger	\$70.00	\$70.00	Boots for Loren
2/5/19	12623	Operating	Graves Plumbing Company, Inc.	\$20,000.00	\$20,000.00	CIP-1505- Michigan Rd Odor Control 57383IN
2/5/19	12624	Operating	Hach Company	\$654.62	\$654.62	Sewer Sampling
2/5/19	12624	Operating	Hach Company	\$552.10	\$552.10	Sewer Sampling
2/5/19	12624	Operating	Hach Company	\$2,016.00	\$2,016.00	Sewer Sampling
2/5/19	12625	Operating	Huntington Insurance, Inc	\$966.00	\$966.00	Bond-Merrill
2/5/19	12625	Operating	Huntington Insurance, Inc	\$966.00	\$966.00	Bond-McDonald
2/5/19	12625	Operating	Huntington Insurance, Inc	\$966.00	\$966.00	Bond-Anderson
2/5/19	12626	Operating	Indiana Department of Environmental	\$100.00	\$100.00	Storm Water Permit
2/5/19	12627	Operating	Indiana Department of Environmental	\$9,500.00	\$9,500.00	Base Fee & Flow Fee Permits
2/5/19	12628	Operating	Indiana Rural Water Association	\$420.00	\$420.00	Membership Dues-2/20/2019-2/20/2020
2/5/19	12629	Operating	IPL	\$128.11	\$128.11	LS 3
2/5/19	12629	Operating	IPL	\$612.38	\$612.38	LS 8
2/5/19	12629	Operating	IPL	\$361.50	\$361.50	LS 9
2/5/19	12629	Operating	IPL	\$904.56	\$904.56	LS 10
2/5/19	12629	Operating	IPL	\$93.51	\$93.51	LS 12
2/5/19	12629	Operating	IPL	\$51.28	\$51.28	LS 18
2/5/19	12629	Operating	IPL	\$71.36	\$71.36	LS 20
2/5/19	12629	Operating	IPL	\$50.55	\$50.55	LS 22
2/5/19	12629	Operating	IPL	\$60.91	\$60.91	LS 25
2/5/19	12629	Operating	IPL	\$177.65	\$177.65	Valve Vault
2/5/19	12629	Operating	IPL	\$80.48	\$80.48	LS 24
2/5/19	12630	Operating	IT Indianapolis	\$142.01	\$142.01	Computer Expense
2/5/19	12630	Operating	IT Indianapolis	\$1,387.50	\$1,387.50	Computer Expense
2/5/19	12630	Operating	IT Indianapolis	\$672.00	\$672.00	Computer Expense
2/5/19	12631	Operating	IUPPS	\$1,147.60	\$1,147.60	Locates
2/5/19	12632	Operating	Kokosing Industrial Inc	\$4,500.00	\$4,500.00	Proj # 25245 Spillway Gate Installation
2/5/19	12632	Operating	Kokosing Industrial Inc	\$5,942.95	\$5,942.95	T&M Repair-Replace Portion of UV Roof
2/5/19	12633	Operating	Merrell Brothers, Inc.	\$500.00	\$500.00	EPA Reporting for 2018
2/5/19	12633	Operating	Merrell Brothers, Inc.	\$11,508.77	\$11,508.77	Biosolid disposal
2/5/19	12634	Operating	MS Consultants, Inc	\$1,878.00	\$1,878.00	CIP-1702 96th & Keystone Sewer Relocation
2/5/19	12635	Operating	Nalco Water Pretreatment Solutions,	\$138.59	\$138.59	Sewer Sampling
2/5/19	12636	Operating	NCL of Wisconsin, Inc.	\$314.66	\$314.66	Sewer Sampling
2/5/19	12637	Operating	Office Depot	\$34.99	\$34.99	Office supplies
2/5/19	12637	Operating	Office Depot	\$83.99	\$83.99	Office supplies

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
2/5/19	12637	Operating	Office Depot	\$52.87	\$52.87	Office supplies
2/5/19	12638	Operating	Praxair Distribution, Inc.	\$30.05	\$30.05	Cylinder Rental
2/5/19	12639	Operating	Principal Life Insurance Company	\$3,429.51	\$3,429.51	Jan 2019
2/5/19	12640	Operating	Quick Lane	\$21.58	\$21.58	Tire repair
2/5/19	12641	Operating	Ray Clemens	\$400.00	\$400.00	Plant Janitorial Services-01/19
2/5/19	12642	Operating	Rook Security LLC	\$2,503.00	\$2,503.00	Computer Expense
2/5/19	12643	Operating	Simplifile	\$180.00	\$180.00	Filing Fees
2/5/19	12644	Operating	Taylor Oil Company, Inc.	\$837.43	\$837.43	Fuel
2/5/19	12645	Operating	Tinder Lock & Security Solutions	\$100.00	\$100.00	Plant Security System Service Call
2/5/19	12646	Operating	Utility Supply Company	\$147.12	\$147.12	Manhole Sealant
2/5/19	12647	Operating	Vasey Commercial Heating & AC, Inc	\$897.00	\$897.00	Plant R & M
2/5/19	12647	Operating	Vasey Commercial Heating & AC, Inc	\$1,565.00	\$1,565.00	Plant R & M
2/5/19	12648	Operating	Vectren Energy Delivery	\$353.35	\$353.35	Plant Gas Service
2/5/19	12649	Operating	IT Indianapolis	\$4,531.10	\$4,531.10	Computer Expense
2/5/19	12649	Operating	IT Indianapolis	\$1,566.86	\$1,566.86	Computer Expense
2/5/19	12650	Operating	Principal Life Insurance Company	\$3,429.51	\$3,429.51	Feb 2019
1/4/19	20180494	Operating	ADP	\$129.04	\$129.04	Workforce Now
1/15/19	20190102	Operating	ADP	\$58,475.67	\$58,475.67	PPE 1/11/19
1/15/19	20190103	Operating	Empower Retirement (Hoosier STAR)	\$7,814.88	\$7,814.88	401A, 457b, Roth
1/16/19	20190105	Operating	Neofunds by Neopost	\$1,063.40	\$1,063.40	Postage and rental payment
1/23/19	20190106	Operating	Anthem Blue Cross Blue Shield	\$33,266.33	\$33,266.33	Employee Health Insurance
1/25/19	20190107	Operating	AT&T Mobility	\$1,325.31	\$1,325.31	Employee Mobile Service
1/28/19	20190108	Operating	ADP	\$56,667.23	\$56,667.23	Payroll expenses PPE 1/25/19
1/28/19	20190109	Operating	Empower Retirement (Hoosier STAR)	\$7,869.61	\$7,869.61	401A, 457b. Roth
1/28/19	20190110	Operating	AT&T Mobility	\$1,319.79	\$1,319.79	Liftstation phone service
1/24/19	20190111	Operating	ADP	\$256.86	\$256.86	Payroll & Time/attendance
1/31/19	20190112	Operating	Citizens State Bank	\$20.00	\$20.00	Bank fee -Jan 2019
1/30/19	20190113	Operating	State of Indiana	\$548.60	\$548.60	Filing cabinets
1/31/19	20190114	Operating	Duke Energy	\$17,962.15	\$17,962.15	Plant
1/31/19	20190115	Operating	Duke Energy	\$1,066.12	\$1,066.12	LS 14
1/31/19	20190116	Operating	Duke Energy	\$262.04	\$262.04	LS 16
1/31/19	20190117	Operating	Duke Energy	\$427.27	\$427.27	LS 23
1/31/19	20190118	Operating	Duke Energy	\$382.07	\$382.07	LS 19
1/31/19	20190119	Operating	Duke Energy	\$58.15	\$58.15	LS 6
1/31/19	20190120	Operating	Duke Energy	\$842.20	\$842.20	LS 17
1/31/19	20190121	Operating	Duke Energy	\$545.81	\$545.81	LS 26
1/31/19	20190122	Operating	Duke Energy	\$253.48	\$253.48	LS 21
1/31/19	20190123	Operating	Duke Energy	\$2,420.49	\$2,420.49	LS 1
1/31/19	20190124	Operating	Duke Energy	\$254.19	\$254.19	LS 11
1/31/19	20190125	Operating	Duke Energy	\$160.77	\$160.77	LS 5
1/31/19	20190126	Operating	Wex Bank	\$129.74	\$129.74	Fuel
				\$445,982.17	\$445,982.17	

ALLOWANCE OF CLAIMS

We have examined the claims listed on the foregoing Register of Claims, consisting of 3 pages, and except for claims not allowed as shown on the register, such claims are hereby allowed in the total amount of

\$445,982.17

The TriCo Connection

Volume 12 Issue 2 February 2019

MONTHLY NEWSLETTER

FINANCIAL UPDATE -CINDY SHEEKS- December 2018 Total Revenues was \$623,085 which is below the projected revenue of \$637,572 by \$14,487. Residential sales were \$406,178 and 3.54% higher than expected. Commercial sales totaled \$193,253 which is 14.5% lower than expected. Commercial revenue declined by \$11,997 in December from November. Total operating expenses were \$462,164 in December which is 14.39% above the monthly projection. Wages and benefits spending were below budget by \$22,888 for a total of \$149,908 during the month. Administration spending was \$33,627 in December and under budget by \$24,097. Treatment costs totaled \$151,365 which is over budget by \$8,865. Collection costs totaled \$127,262 in December which was over budget due to manhole repairs. Net income in December was \$110,896 after depreciation and amortization of CIAC and is under projections by \$96,361 for the month.

2018 Residential sales exceeded the projections by .48% for a total of \$4,730,116 in 2018 and was 5.3% higher than 2017. 2018 Commercial sales were \$2,537,037 which is \$173,624 under the projection of \$2,710,662 and 1.5% higher than 2017. Total Revenue in 2018 was \$7,580,199, above the 2017 revenues of \$7,334,381, but \$70,668 (.92%) below the budget. Total operating expenses were \$4,910,559 in 2018 and was 2.4% below budgeted expenses of \$5,034,900. YTD net income is \$1,767,597 after depreciation and amortization of CIAC and \$439,398 below budget.

Spending Breakdown in December:

Wages – 32.43%

Administration – 7.27%

Treatment Costs – 32.75%

Collection Costs – 27.53%

Spending Breakdown YTD:

Wages - 39.38%

Administration – 12.49%

Treatment Costs - 36.60%

Collection Costs – 11.51%

Cash generated for December shows a net increase in all funds by \$21,545. YTD, cash balances increased by \$1,906,172. Capital spending was \$26,852 for the month. It included spending for LS 4 elimination, 96th & Keystone, Plant Outfall, and 106th FM. Cash on hand at 12/31/2018 was \$8,680,446. The balances in the funds are listed below:

Operating \$1,843,351

Plant Expansion \$3,991,166

Reserve for Replacement \$621,258

Interceptor \$32,272

Operating Reserve \$2,192,400

The balances listed above include the annual transfer of \$300,000 from Operating to Reserve for Replacement and a \$550,000 transfer from Plant Expansion to Interceptor.

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Calendar of Events

February 11	Board Meeting	7:00 p.m.
February 13	Staff Meeting	10:00 a.m.
February 22	B&F Meeting	7:30 a.m.
February 25	P&B Meeting	7:30 a.m.
March 4	C&C Meeting	4:30 p.m.

CONSTRUCTION & ENGINEERING - WES MERKLE

The Engineering staff completed 284 locates, 26 I&I inspections and 17 lateral inspections in January. 1,149 locate requests were received and reviewed. Construction activity in the service area is typically slow this time of year. Nate and Jeff are wrapping up locating TriCo-owned utilities at the plant. Jeff created several maps using GIS and continued to review EDU allocation for past projects. Eric observed construction at Copper Run, completed warranty inspections on several projects, and followed up on completed repairs. Kermin caught contractor that made a lateral repair without a permit and did not comply with materials standards. He also recently inspected a lateral for a new home which was incorrectly installed on their neighbor's property. This issue is becoming more common in higher-density neighborhoods where less separation between homes means less space for utilities.

Nate observed a Duke Energy contractor installing new power poles along Michigan Road over our existing force main for Lift Station #14 (Austin Oaks). Several poles had to be relocated and staff investigated possible damage to the force main. The contractor had not requested locates through Indiana 811.

Jeff and Wes found several I&I sources through inspections in the Village of West Clay during a rain/snow melt event, including a suspected sump pump that was running almost continuously. Kermin will soon complete an I&I inspection of the property to verify the pump the has been removed. Lift Station #19, which serves the Village of West Clay, has seen abnormally and progressively higher flows in rain events.

Ryan found documentation showing that easements across two parcels where the existing outfall sewer is located went through condemnation in 1990-1991. While the current property owners are agreeable to granting new easements, there was a question regarding payment for easements covering the existing sewer. Records show the property owners were compensated at that time so we will not have to pay for it again. If we were to purchase these easements today, they would cost over \$50,000.

Outfall sewer design continues. Part of the new outfall sewer will run alongside Duke power transmission lines and a substation, which has unique challenges. Wes is working with design engineer GRW, the Town of Zionsville, Duke, and property owner Lids/Genesco to find a solution that works for everyone and allows the project to move forward.

Plant expansion design is underway. Site surveying continued through January. Surveying efforts revealed deteriorated concrete in the pretreatment building and influent splitter structure which had been covered several years ago to help capture foul odor. Engineering and Plant staff are working with design engineer GRW to identify major equipment and process options. Staff has visited several plants including Westfield, Carmel, Peru, Grissom, Lebanon, and Erlanger, Kentucky to observe proposed equipment and speak with plant operators. GRW will present their findings regarding equipment selection and recommendation in February.

COLLECTIONS REPORT – AARON STRONG

January resets the Collections Staff's yearly preventative maintenance and inspection cycle. We are currently in year one of the three year cycle which includes lift station basins 2, 5, 7, 8, 19, 21, 23, 24 and 25. By the end of the year, 437,816 feet of gravity sewer main and over 1,900 manholes will be inspected. Camera inspection has begun in Basin 2 and will continue throughout the year. Favorable temperatures in the early weeks of January allowed Staff to inspect 66 manholes and televised 4,862 feet of gravity main.

The first month of 2019 will be remembered for the arctic temperatures that dominated headlines in the waning days of January. Collections staff prepared lift station and emergency response equipment for the subzero temperatures. The fridge -11 degrees temperatures took down power to Lift Station #21 and #23. Collections staff responded and brought both Lift Stations back on-line with portable generators. Lift Stations #14 and #7 failed due to failed Uninterruptable Power Supply (UPS) at the stations. Crews were quickly able to identify the fault and bypassed the UPS in the control cabinet. Batteries in both UPS's have been replaced and returned to service.

Continued on Next Page

COLLECTIONS REPORT Continued

The Utility's fleet of vehicles have received their recommended maintenance, including the Aquatech sewer cleaning truck. The main seal on the debris body was replaced by Collections staff as well as the water level sight gauges. The 8-inch hard suction hose has exceeded its serviceable life and will be replaced in the coming month. Preventive maintenance was also performed on five macerators located at Lift Stations #1 and #2.

New media was ordered for both the Purafil odor scrubber at Lift Station #2 and the Ecoverde Bio unit at Lift Station #17. The Purafil unit at Lift Station #2 media is expiring faster than historically recorded. Routing of the new interceptor down Spring Mill Road from 111th Street may have changed the odor control measures needed for this station. Engineering staff is working on recommending a new odor control unit to be installed by year end.

To reduce energy demand charges at Lift Station #2, staff has been working with a team from Indiana University-Purdue University Indianapolis (IUPUI). The team and staff have reviewed, identified and accounted for the demand spikes experienced at the station. Staff has implemented the recommended changes and will monitor demand charges going forward.

PLANT REPORT - SCOT WATKINS

Pretreatment Staff completed forty-one FOG inspections last month with no observed violations. Staff entered the 4th quarter FOG reports; six violations were assessed due to late submittals. The Indy Stout House and Asian Cuisine are new customers of the Utility and were introduced to the FOG Program. All FOG facilities have had their addresses added into our asset management software; this allows for all the open work orders to now appear on a map view. This will make inspections much more efficient. All FOG customer data has been updated from the new quarterly reports.

Two telescoping valve guide rails were replaced by a contractor. The new rails were provided by the manufacturer at no cost to the Utility due to the unknown reason for the failure. A representative from the manufacturer was onsite to ensure proper installation.

Staff worked with the Instrument and Controls contractor to moderate the varying pressures in the non-potable water system after a new pressure vessel was installed.

During the winter storm, the plant lost power and when the generator ran it knocked out the Orbal flow transmitter. This has been sent for repairs and a new unit has been ordered. This flow meter and transmitter, along with five others are original equipment from the 2004 plant expansion and are scheduled to be replaced this year.

January's flows were about 10 million gallons more than last year, likely due to the large snow melt followed by almost 2.5 inches of rain. The plant entered storm mode early on January 23 and returned to normal operation late that evening. High flows during storm events are the bane of many Water Resource Recovery Facilities, causing clarifier solids washout and long-term loss of treatment performance. To prevent this type of problem, many plants design larger, more expensive clarifiers, operate at reduced suspended solids levels (requiring larger aeration basins to maintain the same solids inventory) or, add expensive equalization basins in front of the aeration tanks. With the Vertical Loop Reactor (VLR) process, none of these remedies are needed. Stormflow rates up to five times the average flow can go through the VLR without the danger of clarifier solids washout or loss of process performance. This is accomplished by redirecting the influent flow (including stormflow) to the 2nd or 3rd reactor while keeping the return activated sludge (RAS) flow in the 1st reactor. The result is a quick increase in solids concentration in the 1st reactor and a dramatic drop in suspended solids in the last reactor, which allows the solids loading on the clarifier to be reduced below design levels. When flows return to normal, the influent is returned to the 1st reactor and the VLR process shifts back into its conventional mode. There were no permit violations that resulted from this high flow event on January 23. Staff operators did a great job of adjusting flow and fine tuning the process during this time.

SAFETY UPDATE - LOREN PRANGE

TriCo had no reportable injuries and has gone 3,262 days without a loss time accident.

The following safety tailgate sessions were held:

12/11/18 Traffic Control During Manhole Entry

01/08/19 Climb on to the Ladder to Safety

01/22/19 Understand Safety Data Sheets

✓ Site Safety

3 2 4 9

No. of days since the last lost time accident.



Davit Arm Base

TriCo selected Safety Plus Web for online safety training. The web-based training has all the recommended training sessions required for a sewer utility. The software tracks the courses completed by employees and indicates what training is due each year. The online access will allow employees to minimize the disruption to their daily work schedules while still completing all the safety training.

The Collections Department purchased a davit arm base for entering Lift Stations. This device will replace a tripod that was difficult to set up over the open hatch doors of lift station wet wells. The new base is easier to set up and provides larger and safer access when entering a lift station for required maintenance.

Camera Truck's New Look

The box truck used to televise the sewers was wrapped this month with an informative image of what service is performed by this equipment. Staff is often approached by customers asking what they are doing in the street. This will provide a visual of the sort of maintenance TriCo is conducting to ensure there is no interruption to their sewer service.



CUSTOMER SERVICE-SHELLY KEEFE

Four liens were filed totaling \$618.16, bringing the current lien balance to \$8,145.26. The Utility received payment in full for one contract account, leaving 10 open contract accounts.

In January, 24 new locations were added to billing, bring the number of billed accounts to 15,406. The total number of customers receiving their statement by email is now 2,928.

Community Health performed the annual health screenings and weigh in for the Maintain No Gain challenge. A total of 18 employees met the challenge and received a \$25 gift card.

Birthdays

Bob Roudebush February 16

Cindy Sheeks February 29

Selected Statistics 2019	January	2019 Monthly Average	2019 YTD	2018 Total Through January
Maintenance Information				
Lateral Inspections	17	17	17	21
Certified I&I Inspections	26	26	26	46
Failed I&I Inspections	0	0	0	0
Sewer Locates	284	284	284	317
Manholes Added	1	1	1	2
Total # of Manholes	5,849	5,849	5,849	5,774
Manholes Inspected	66	66	66	12
Feet of Sewer Added	21,687	21,687	21,687	721
Total Footage of Sewers	1,652,834	1,652,834	1,652,834	1,631,147
Feet of Sewer Televised	4,862	4,862	4,862	11,877
Feet of Sewer Cleaned	0	0	0	462
Overflows	0	0	0	0
Station 1 to Carmel Utilities				
Rainfall/Precipitation (inches)	2.4	2.4	2.4	1.66
Total Flow (gallons)	61,408,530	61,408,530	61,408,530	51,695,973
Maximum Daily Flow (gallons)	3,197,275	3,197,275	3,197,275	2,272,143
Average Daily Flow (gallons)	1,980,920	1,980,920	n/a	1,667,612
Minimum Daily Flow (gallons)	1,150,531	1,150,531	1,150,531	1,328,783
Michigan Road WWTP				
Total Flow (gallons)	86,922,000	86,922,000	86,922,000	77,717,000
Maximum Daily Flow (gallons)	5,134,000	5,134,000	5,134,000	3,136,000
Average Daily Flow (gallons)	2,803,935	2,803,935	n/a	2,507,000
Minimum Daily Flow (gallons)	2,404,000	2,404,000	2,404,000	2,214,000
Total Flow to Both Plants	148,330,530	148,330,530	148,330,530	129,412,973
Biosolids Handling (gallons)				
Wasted (Biosolids)	1,667,480	1,667,480	1,667,480	874,610
Dewatered	735,000	735,000	735,000	353,000
Digested Sludge Withdrawn	787,000	787,000	787,000	834,900
Customer Information		Total Billed Accounts	15,430	
New Sewer Service Accounts	24	24	24	17
Permits Issued	24	24	24	33



BUDGET & FINANCE COMMITTEE

Friday, January 25, 2019, at 7:30 a.m.

Memorandum

Members Present: Committee Chair Jane Merrill, members Michael McDonald and Carl Mills. Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Controller Cindy Sheeks, and Administrative Assistant Maggie Crediford.

Ms. Merrill called the meeting to order at 7:30 a.m.

Public Comment

There was no one present from the public.

Fund Balances

Ms. Sheeks presented fund balance projections from November. The Year-to-Date Summary shows projections were close to actual spending. There is a difference in Reserve for Replacement Fund. \$83,000 was projected for expenses and \$10,000 was spent. Ms. Sheeks and Mr. Williams will verify managers are submitting purchases to the correct fund and expenses are correctly posted. The Plant Expansion Project revenue projection was \$973,000; however, actual revenue was just over \$1 million. Capital Expenses were \$667,000 while \$159,000 was projected. Ms. Sheeks believes the difference between the projection and actual comes from the Plant Expansion Project and the Outfall Sewer Project which came in over budget when IDEM denied the Utility's proposal, leading to substantial unexpected costs to complete the project. Interceptor Fee cash revenue projections were \$528,000 and actual fees collected were \$590,000; however, \$550,000 was infused from the Plant Expansion Project Fund by way of a temporary internal loan needed to satisfy the State Board of Account's request not to have any funds reflecting a negative balance at year-end. The Cash Balance projected to be \$8.9 million, while the actual cash balance at the end of 2018 was \$8.6 million.

Mr. Williams stated at the January Board meeting Mr. Hand questioned the increase in Collection Expenses. The monthly total was high, but year-to-date expenses were on track. It is hard to estimate when projects will be completed, leading to costs being higher in some months and lower in others.

Ms. Sheeks stated Commercial revenue projections were \$200,000 off, Residential projections were closer. In 2019 staff is projecting Commercial revenue to be down. Carmel Utilities is seeing the same downward trend in their Commercial revenue. Overall revenue is expected to be flat. There is no rate increase proposed in 2019.

Ms. Sheeks summarized revenue generated was close to the projected numbers and the expenditures were within one percent of the budget for 2018. Capital spending for the year was less than predicted. \$2.9 million was budgeted, \$2 million was spent. The Gross Wage category includes part-time and over-time employees. \$1.4 million was spent while \$1.45 million was budgeted. Mr. Williams stated he would look at the difference between the

projection and actual money spent in the Gross Wage category. Two changes in staffing led to lower paid employees being hired into spots previously occupied by higher waged employees.

Summer help and overtime hours are included in the Gross Wage category. Collections Staff said call-ins have been down compared to past years. However, Mr. Williams explained that call-ins fluctuate with the weather. This past week the on-call person was called in every day. In one case, power was lost at a lift station for two hours. Mr. Mills questioned how a lift station would lose power and asked which lift station it was. Mr. Williams noted some lift stations have mounted generators while with smaller lift stations mobile generators are brought on-site in the event of a power outage.

Mr. McDonald asked what it would cost to have generators on-site at all the lift stations. Mr. Williams stated the cost could be as high as \$100,000 per lift station, plus annual maintenance costs. The Utility has four portable generators. The generators have been tested. A chart was created to show employees which generators work at each lift station in the event of an outage. Mr. McDonald asked what would happen in the event of a regional outage. Mr. Williams said it be a challenge. Mr. Williams stated no other utility in the area has 100% backup for lift stations. Mr. McDonald suggested from a Risk-Based Analysis, it might be prudent to investigate purchasing more portable generators. Mr. Mills would like staff to investigate the cost associated with adding additional generators; smaller lift stations may not need a \$100,000 generator. Mr. Williams will have the collection superintendent investigate the cost of additional generators.

Financial Statements

Mr. Mills directed Ms. Sheeks to look at Cash Investments. He asked about the current basis points the Utility is receiving from Citizens. He suggested moving money to Merchants, where basis points are higher than Citizens. Ms. Sheeks stated the money is at Citizens to allow quick access to funds and it is on her list to ask Citizens about their basis points. Mr. Mills stated his bank is seeing a slowdown in the housing market. He forwarded TriCo's Balance Sheet from 2018 to a portfolio manager. He will bring the Utility's borrowing potential to the next meeting.

IT Security Update

Mr. McDonald stated he would like to meet with Rook Securities to discuss how things are going with IT security. He has a list of questions he would like to ask them. Mr. Williams stated he will try to set up a meeting with Rook.

The Meeting adjourned at 8:05 am.

Respectfully Submitted,



Cindy Sheeks
Controller



CAPITAL & CONSTRUCTION MEETING

Monday, February 4, 2019 at 4:30 p.m.

Memorandum

Members Present: Committee Chair Steve Pittman, members Marilyn Anderson and Eric Hand. Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Engineering Manager Wes Merkle and Administrative Assistant Maggie Crediford.

Mr. Pittman called the meeting to order at 4:31 p.m.

Public Comment

There was no one from the public in attendance.

Dedications

Sanctuary at 116th Section 2B

The committee members had no questions or concerns. A recommendation will be made for the Board of Trustees to accept the dedication at the February meeting.

#1901 Lift Station 14 (Austin Oaks) Parallel Force Main

Mr. Merkle stated easements are needed from six property owners. One easement has been acquired. Condemnation is underway for the Artest Easement. Mr. Merkle is negotiating with four additional property owners, who he has been communicating with since July. Two owners are still actively engaged in negotiations and two have not been in contact with the Utility since November. Mr. Merkle has shared the appraisal reports with each property owners. The Utility needs to move forward with the project.

Ms. Anderson asked if the property owners were given a date at which the Utility would initiate condemnation proceedings to acquire the easements if an agreement could not be met. Mr. Merkle stated he likes to negotiate with property owners without making a threat of condemnation. The property owners are aware that the Utility has that capability but prefers not to use it. Ms. Anderson asked if sending a letter indicating that the Utility is reluctant to file proceedings but needs to move forward with the project might restart negotiations. Mr. Merkle stated that a statutory offer is the next step – it is a formal letter sent to property owners via certified mail. The property owners then have 30 days to reach an agreement before the utility can proceed with condemnation.

Mr. Pittman asked if the offer letters give the options available for the Utility to obtain the easement; allowing the property owner the opportunity to accept, reject, or negotiate the offer. Mr. Pittman asked if a property owner makes a counter offer to the Utility does Staff engage in discussions and negotiations with the property owner before resorting to

condemnation proceedings. Mr. Merkle confirmed that Staff will discuss options with property owners and consider reasonable counter offers.

Mr. Hand asked if there is a possibility that any of the property owners are confused between the work Duke Energy is doing in that area and what TriCo is requesting. Mr. Merkle stated Duke is working in the right-of-way and to his knowledge they are not acquiring easements along Michigan Road from property owners at this time.

Mr. Hand asked Mr. Merkle the width of the road right-of-way and if he knows how much will be taken when Michigan Road is widened by the State. Mr. Williams stated that Mr. Merkle asked for easements outside of the future right-of-way, eliminating the need to relocate in the future. Mr. Merkle confirmed the Utility should not have to relocate the lines if or when Michigan Road is widened and easements would not impact future development.

Mr. Hand asked if additional easements will be needed further north along Michigan Road. Mr. Merkle stated additional easements are not needed north of the Little Eagle Creek bridge.

Mr. Hand questioned why condemnation proceedings were filed against the Artest property and not any of the other properties the Utility needs easements from. He asked if there is a benefit to filing condemnation proceedings collectively over individually. Mrs. Poindexter said there is not a benefit to filing them collectively. Mr. Merkle stated Mrs. Artest never responded to any correspondence sent by the Utility, whereas the other property owners were communicating with staff, which led to the filing.

Mr. Pittman said it is important for the Staff to do what is needed to move forward with the project as discussions have been ongoing since July.

A recommendation will be made to the Board of Trustees directing staff to issue the statutory offers to property owners; if an agreement cannot be reached with property owners then Mrs. Poindexter will proceed with condemnation.

Other Business

Mr. Merkle stated a developer has approached the Utility regarding the extension of sewer lines to the far northwest corner of the service area in old Union Township. Many requests have been made from developers and property owners since becoming part of our service area. Mr. Merkle revisited a study previously done by GRW regarding work needed to extend sewers to that area. Acquisition of easements is needed. At least one property owner is opposed to the project. The Committee discussed their comfort level with potential condemnation for easements needed to extend sewers. The topic will be revisited at the March Capital and Construction meeting before being brought to the Board of Trustees for consideration.

Mr. Hand asked if anyone from the Country Wood neighborhood has reached out to the Utility requesting sewer service. Mr. Merkle stated in the next five years there is money

budgeted for neighborhood sewer projects. Country Wood is a neighborhood that cannot be serviced without extending the sewer system and would be a low-pressure system. There are 13 neighborhoods and over 300 homes yet to be served. Interest letters were sent last fall to unsewered neighborhoods, which included a postage paid return post card for homeowners to indicate their interest. Staff was disappointed that more people did not respond. Ms. Anderson stated that homeowners in her neighborhood (Brandywine) received a letter from the City of Carmel around the same time announcing water service coming to the area and may have been confused that the letters were two separate issues. Mr. Merkle stated letters will be sent to homeowners who did not respond to the first round of letters to clarify that we did not hear from them and ask them if they are interested in sewers. Property owners requesting sewers due to failed septic systems will be served first. Mr. Merkle recommends the following neighborhoods for the next low-pressure sewer extension project in 2019: Larkspur and Oak Tree located at 116th Street and Shelborne Road, and Crossfields located at 116th Street and Towne Road. There is enough money in the 2019 budget to include Brandywine if there is more interest from property owners.

Capital Project Updates

Mr. Merkle discussed projects with changes since last month.

#1901 – Lift Station 14 Parallel Force Main (located along Michigan Road from Austin Oaks to Ansley Park)

Staff continues to work with property owners to acquire easements needed for this project. The project will be bid once remaining easements are acquired, anticipated this spring, with construction to follow. Construction will last 6 months.

#1902 – TriCo WRRF Expansion

Staff is working with GRW to identify major equipment and process options. Staff has visited several plants including Westfield, Carmel, Peru, Grissom, Lebanon, and Erlanger, Kentucky to observe proposed equipment and speak with plant operators. GRW will present their findings in regard to equipment selection and recommendation in February. Site surveying continued through January. Surveying efforts revealed deteriorated concrete in the pretreatment building and influent splitter structure. The locations had been covered several years ago to help capture foul odor. Plant expansion work must now include concrete repair and lining. In the meantime, Staff will continue to monitor deterioration.

#1906 – Eagle Creek Outfall Sewer Expansion (located between TriCo WRRF and Eagle Creek to the west)

This project is in the final design phase. Part of the new sewer will run alongside Duke power transmission lines and a substation, which has unique challenges. Staff is working with the Town of Zionsville, Duke, and property owner Lids/Genesco to find a solution that works for everyone and allows the project to move forward. Staff found documentation showing that easements across two parcels where the existing outfall sewer is located went through condemnation in 1990-1991. While the current property owners are agreeable to granting new easements, there was a question regarding

payment for the easements covering the existing sewer. Records show the property owners were compensated at that time. If we were to purchase these easements today, they would cost over \$50,000. Staff desires to finish design, permitting, bidding, and construction by the end of 2019. Given the unique challenges presented on this project, completion of construction may have to be pushed into early 2020.

Mr. Williams told the committee that Mr. Merkle had the opportunity to visit wastewater plants in Denmark this past December. He asked Mr. Merkle to share his experience. Mr. Merkle provided an overview of what was included in the trip, what he learned, and mentioned several items that could provide substantial benefit to the Utility. Ms. Anderson asked Mr. Merkle to give a presentation on his trip at the next Board of Trustees Meeting.

The meeting adjourned at 5:43 p.m.

Respectfully Submitted,



Wes Merkle
Engineering Manager



MEMORANDUM

To: Board of Trustees
From: Ryan Hartman
Date: January 31, 2019
Subject: Dedication

Sanctuary at 116th Sec. 2B sanitary sewers are complete and ready for dedication.

Staff is recommending acceptance of the dedication.

Recommended Action: Accept the dedication of Sanctuary at 116th Sec. 2B sanitary sewers.