



TriCo Regional Sewer Utility

www.TriCo.eco Phone (317) 844-9200 Fax (317) 844-9203

Board of Trustees Meeting Agenda

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

John W. Hensel Government Center

10701 N. College Avenue, Indianapolis, IN 46280

- 1. Roll Call**
- 2. Public Comment**
- 3. Approval of Meeting Memorandum**
 - a. Board Meeting February 11, 2019
- 4. Approval of Claims Docket**
- 5. Attorney's Report**
 - a. Easement Acquisitions
 - b. Open Door Law Presentation
- 6. Utility Director's Report**
- 7. Committee Reports**
 - a. Budget & Finance Committee
 - i. Internal Control Policy Revision
 - ii. Programable Logic Controllers Replacement Contract
 - b. Personnel & Benefits Committee
 - c. Capital & Construction Committee
 - i. Lift Station 14 (Austin Oaks) Parallel Force Main (#1901) Easements
 - ii. Little Eagle Creek Interceptor Extension (#2001) Design Contract
 - iii. Haver Way Sewer Improvements (#1802) Design Contract
 - iv. Neighborhood Sewer Extension Project (#1908) Design Contract
 - v. WRRF Expansion (#1902) Design Contract Modification
- 8. Old Business**
- 9. New Business**
- 10. Adjourn**



BOARD OF TRUSTEE MEETING

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

Memorandum

ROLL CALL

Present: President Marilyn Anderson, Secretary Michael McDonald, members, Barb Lamb, Eric Hand, Carl Mills, and Chuck Ryerson. Others in attendance: Utility Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Engineering Manager Wes Merkle, Plant Superintendent Scot Watkins, and Administrative Assistant Maggie Crediford.

Members absent: Vice President Steve Pittman, Treasurer Jane Merrill and member Jeff Kimbell.

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

PUBLIC COMMENT

There was no one present from the public.

APPROVAL OF MEETING MEMORANDUM

Mr. McDonald made a motion to approve the January 14, 2019 meeting memorandum. Mr. Hand seconded the motion, and it was approved unanimously.

APPROVAL OF CLAIMS DOCKET

Mr. Mills made a motion to approve the Claims Docket. Mr. McDonald seconded the motion, and it was approved unanimously.

ATTORNEY'S REPORT

Easement Acquisitions

Mrs. Poindexter informed the Board she filed a case in Boone County to initiate condemnation of the Artest easement. A hearing date has not been set. She will hopefully have an update at the March Board of Trustees' meeting.

Mr. Mills asked for clarification on the status of other easements needed to complete the project along Michigan Road. Mrs. Poindexter said Mr. Merkle has been negotiating with property owners. Four properties are still involved in negotiations.

Ms. Anderson asked Mr. Merkle to update the Board on the status of the easement acquisitions.

Mr. Merkle stated staff would like to move forward with the Michigan Road, Lift Station 14 Parallel Force Main (Austin Oaks) project. Lift Station 14 is at capacity. Six easements are needed to complete the project. One of the six easements is secured. The Artest

easement is in condemnation proceedings because Mrs. Artest has not responded to any correspondence from the Utility. Staff began reaching out to property owners in July of 2018. Four of the property owners have engaged in conversations with staff. Two of the four remaining property owners have not responded since November. Mr. Merkle is in active negotiations with the other two property owners. The project needs to move forward. Mr. Merkle asked the Board for permission to issue the remaining four property owners the Statutory Offer, meaning certified letters are sent with a monetary offer for the easements based off an appraised value. Property owners have thirty days to respond to the offer. After thirty days, Mrs. Poindexter will file condemnation proceedings against any of the property owners who do not respond to the certified letter.

Mrs. Poindexter explained that a condemnation case is a bifurcated proceeding (takes place in two parts). Part one is called the Take Hearing, to determine whether the Utility is entitled to take the easement or land. The Utility must prove it is an entity that has condemnation powers, there is a just and reasonable need for the property and establish a good faith effort has been made to acquire the land by negotiation with the property owner. A good faith effort to acquire the land is proven by making a Statutory Offer (Uniform Acquisition Offer). Mr. Merkle asked the Board for permission to send four Uniform Acquisition Offers based upon appraisals of the properties. Copies of Appraisals along with the Statutory form will be sent to the property owners via Certified Mail. They will have thirty days to accept or reject the offer. If there is no response or rejection from property owners', part one of the condemnation proceedings begin. Part two is receiving an Order of Condemnation from the Court, who will appoint three independent appraisers. The Utility will incur the appraisal fees. The appraisals can be similar or much different from the original appraisal and offer made by the Utility. Once the independent appraisals come back, the Utility will deposit the amount of money the appraisers said the easement is worth with the Court, and the Utility gets an Order of Possession. Either party can object to the award, the Utility would still get possession of the easement, but then there would be a trial on damages.

Mr. Hand made a motion for staff to send Statutory Offers to the remaining four property owners for the easements needed to complete the Lift Station 14 Parallel Force Main Project. Mr. Mills seconded the motion.

Mr. Ryerson asked if the easements are along the edges of the property at the street and what size the sewer pipe will be. Mr. Merkle said the pipeline will be a twelve-inch diameter pipe at a depth of four to five feet. Mr. Williams stated the pipe will be directionally drilled and should not interfere with tree. Mr. Ryerson asked for confirmation that the condemnation will not affect the use and value of the properties involved. Mr. Merkle stated the pipeline would be installed far enough back on the property that it will be out of the future right of way needed by the State to widen Michigan Road, but close enough to the road it will not affect future development.

Ms. Anderson called for a vote on the motion. The motion was approved unanimously.

UTILITY DIRECTOR'S REPORT

2018 Annual Report

Mr. Williams presented a preliminary 2018 Annual Report to the Board. Mr. Williams and the Utility Managers compiled the report which highlights the accomplishments and Utility statistics from 2018. Mr. Williams asked for the Board's input and suggestions regarding the content and structure of the report. He encouraged them to send suggestions to him before the March Board meeting. Mr. Williams hopes to bring a final version of the report to that meeting. Once finalized, the 2018 Annual Report can be distributed to customers and posted on the webpage.

COMMITTEE REPORTS

Budget & Finance Committee

Mr. Mills stated there were no action items before the Board from the Budget and Finance Committee meeting.

Personnel & Benefits Committee

Ms. Lamb presented updated meeting dates for the Personnel and Benefits Committee. The Committee decided to move their meetings from the fourth Monday of each month to the fourth Wednesday of each month. New schedules were distributed to the Board.

Capital & Construction Committee

Dedication – Sanctuary at 116th Section 2B

Mr. Hand read the Dedication memo prepared by staff recommending the acceptance of the completed sewers.

Mr. Hand made a motion to accept the sanitary sewers at Sanctuary at 116th Section 2B. Mr. Mills seconded the motion. The motion was approved unanimously.

Mr. Hand stated the Committee would like Mr. Merkle to give the Board an overview of his recent trip to Denmark.

Mr. Merkle said the trip was paid for by the Denmark Trade Council. Participants paid for their transportation. Utilities from around the United States were invited. About ten utilities participated in the trip. Denmark uses this opportunity to educate and promote their industries. Denmark is far ahead of the U.S. in treatment standards and technology. The trip took place in December 2018. Mr. Merkle found it to be the best continuing education opportunity he has attended.

Tour guides escorted the participants throughout the country. They were on the go from 8:00 a.m. to 6:00 p.m. each day. Denmark has about 5 million people. There are more people per square mile than there are in Indiana which has approximately 6 million people. Denmark doesn't have a lot of their own natural resources including water and energy (coal or oil resources). There isn't much water to go around. Most of the drinking water is drawn from the ground, so they are very sensitive to treatment limits. TriCo's water limits are strict for Indiana but would be on the high end in Denmark. Denmark imports all their power, and they pay a lot for it. Comparable to utility rates on the West

Coast of the United States. The regulatory framework is different as well. Limits are set, but there are also fees assessed to utilities based on how much they send out into the environment. Whatever suspended solids stay in the waste stream that are returned to the environment is billed by the government - incentivizing utilities to remove as many suspended solids as possible.

Mr. Merkle visited a brand new 5 MGD facility in the city of Hillerod outside of Copenhagen. The wastewater plant is entirely indoors, very compact and efficient with no odor. Everything is pumped to their plant just like TriCo's. Mr. Merkle was surprised that hydrogen sulfide was not a problem. That plant was constructed for \$40 million which equates to eight dollars per gallon of capacity.

Another plant visited in the city of Aarhus is also around 5 MGD. This plant produces one hundred and fifty percent more electricity than it consumes. The electricity generated is sold back to the power company. TriCo pays Duke Energy around \$240,000 a year for energy at the plant. Impurities are scrubbed out of the methane gas produced by the digesters in Aarhus. The clean gas is then run through a generator to create electricity. This process has been tried less successfully in the U.S. Generators don't run well on our gasses which are dirty and not scrubbed clean.

Larger cities in Denmark have what is called District Heating. Hot water pipes run everywhere, eliminating the need for citizens to have a water heater or furnace. Hot water is drawn from the piping. In addition to creating electricity, hot water is pumped onto the grid with digester gases. The Danish are not only developing these technologies but doing it efficiently. Much of the equipment had payback periods of less than five years.

The Danish have a device that takes the slurry from the grit collection tank and cleans it. The product produced from this process is beach quality sand. It is clean, has no odor and deposited at the beach.

The City of Aarhus has four plants. One person runs lab work for all four plants with the help of a \$100,000 computer, reducing the need for multiple lab techs. Several of the facilities had robots doing much of the work.

Danish equipment manufacturers helped sponsor the trip and educated participants on the equipment available. There are opportunities to implement these products in the U.S., for example, smart Variable Frequency Drives. Mr. Merkle attended a presentation given by Danfoss, a manufacturer of Variable Frequency Drives. A Variable Frequency Drive is a device that allows a pump to operate on a dimmer switch. The drives have so much technology built into them that they run the pumps more efficiently. They can derag which saves operators time. The drives can sense issues and shut pumps down, if necessary.

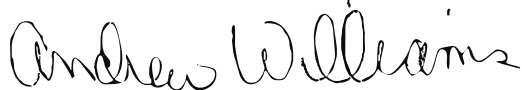
Optimizing processes and producing energy were the emphasis of the trip. Mr. Merkle hopes to utilize what he has learned to make TriCo a better utility in the future.

Mr. Williams pointed out that TriCo's Variable Frequency Drives help control the flow to the plant keeping it steady and the pumps running more efficiently. However, the ones TriCo owns are temperature sensitive. The computers need air-conditioning. TriCo's control panels each have an air conditioning unit (about the size of a home a/c unit) to keep the panel cool. The air conditioners are around \$5,000 each and last about four years. The Variable Frequency Drives used in Denmark do not require air conditioning. They are designed to sit outside with only a sunshade for hotter months. Mr. Williams stated that TriCo will look at some of these more efficient options in the future when purchasing equipment.

ADJOURNMENT

Ms. Lamb made a motion to adjourn the meeting. Mr. McDonald seconded the motion. The meeting adjourned at 8:17 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 02/05/2019-03/06/2019

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
2/5/19	12651	Operating	Dream Street Graphics	\$3,723.33	\$3,723.33	Box Truck Graphic
2/6/19	12652	Operating	Dixon Phone Place	\$24.00	\$24.00	EHS adapter
2/7/19	12655	Operating	Black Tie Courier	\$276.00	\$276.00	Courier Service
2/7/19	12656	Operating	Community Employer Health	\$1,545.00	\$1,545.00	Maintain No Gain-Weight In/Out
2/8/19	12657	Operating	Ricoh	\$556.05	\$556.05	Office printer cartridges
2/8/19	12657	Operating	Ricoh	\$224.04	\$224.04	Office printer waste bottle & cartridge
2/8/19	12657	Operating	Ricoh	\$224.04	\$224.04	Plant printer waste bottle & cartridge
2/8/19	12657	Operating	Ricoh	\$556.05	\$556.05	Plant printer cartridges
2/10/19	12658	Operating	Stephanie Curts	\$82.97	\$82.97	Refund-3845 Conifre
2/11/19	12659	Operating	Cole Closser	\$19.72	\$19.72	Travel/Mileage-On Call
2/11/19	12660	Operating	Tim Altman	\$2,426.01	\$2,426.01	Overpayment on sewer bill
2/12/19	12661	Operating	BL Anderson Company, Inc.	\$980.00	\$980.00	Blower #3 Repair
2/12/19	12662	Operating	Franklin Equipment	\$1,510.00	\$1,510.00	Kubota repairs
2/12/19	12663	Operating	Kinetrex Energy	\$676.03	\$676.03	Natural gas
2/12/19	12664	Operating	Maco Press	\$215.70	\$215.70	TriCo Pens
2/12/19	12665	Operating	Republic Services #761	\$406.37	\$406.37	Plant trash service
2/12/19	12666	Operating	White's Ace Hardware-Carmel	\$25.01	\$25.01	Sink repair supplies
2/12/19	12667	Reserve for	Whipps, Inc.	\$3,400.00	\$3,400.00	CIP-R4R-Plant Projects
2/13/19	12668	Reserve for	Commonwealth Biomonitoring Inc	\$2,000.00	\$2,000.00	Biomonitoring Job Number 18118.01
2/13/19	12669	Reserve for	Allison Payment Systems LLC dba D	\$250.00	\$250.00	Programming to change backer
2/13/19	12670	Reserve for	Jamia Jacobsen	\$226.14	\$226.14	Refund-Overpayment
2/18/19	12677	Operating	Bridgestone Hosepower, LLC	\$58.52	\$58.52	Equipment Repair
2/18/19	12678	Operating	Carmel Utilities	\$12.46	\$12.46	LS 1 Water
2/18/19	12679	Operating	Operating Energy Group	\$62.30	\$62.30	Plant Water
2/18/19	12680	Operating	Cole Closser	\$78.88	\$78.88	Travel/Mileage-On Call
2/18/19	12681	Operating	Ferguson Enterprises Inc #1480	\$10.35	\$10.35	Lift Station R & M
2/18/19	12682	Operating	Hach Company	\$1,938.97	\$1,938.97	Sewer Sampling
2/20/19	12683	Operating	Boone County Recorder	\$175.00	\$175.00	Liens to be filed - Feb 2019
2/20/19	12684	Operating	Kinetrex Energy	\$1,247.04	\$1,247.04	Natural gas - Nov 2018
2/21/19	12686	Operating	Maggie Crediford	\$13.05	\$13.05	B&F Packet Delivery
2/22/19	12687	Operating	AT&T Mobility	\$1,347.54	\$1,347.54	Employee mobile service
2/22/19	12687	Operating	AT&T Mobility	\$1,305.10	\$1,305.10	Lift Station phone service
2/22/19	12688	Operating	Cindy Sheeks	\$20.24	\$20.24	Food for meeting
2/22/19	12689	Operating	Shrewsberry & Associates, LLC	\$37.50	\$37.50	Waterfron of West Clay 2C- Constr. Obsv. Fees
2/22/19	12689	Operating	Shrewsberry & Associates, LLC	\$225.00	\$225.00	Sanctuary at 116th St 2B - Constr. Obsv. Fees
2/22/19	12689	Operating	Shrewsberry & Associates, LLC	\$562.50	\$562.50	Albany Place Sec 2 - Constr. Obsv. Fees
2/22/19	12689	Operating	Shrewsberry & Associates, LLC	\$487.50	\$487.50	Waterfront of West Clay 2C - Constr. Obsv. Fees
2/22/19	12689	Operating	Shrewsberry & Associates, LLC	\$112.50	\$112.50	Sanctuary at 116th St 2B - Constr. Obsv. Fees
2/27/19	12690	Operating	AFLAC	\$504.04	\$504.04	Insurance
2/27/19	12691	Operating	AT & T	\$698.93	\$698.93	Office internet
2/27/19	12692	Operating	Carmel Utilities	\$700.28	\$700.28	Sewer line cleaning
2/27/19	12693	Operating	Carmel Utilities	\$12.85	\$12.85	LS 2
2/27/19	12693	Operating	Carmel Utilities	\$26.34	\$26.34	LS 26
2/27/19	12694	Operating	Cole Closser	\$26.00	\$26.00	Parking
2/27/19	12695	Operating	Matt Starr	\$34.80	\$34.80	Mileage - 2/16/19
2/27/19	12696	Operating	Robert T Schimp	\$7.15	\$7.15	Refund-11430 Mckenzie Pkwy
2/27/19	12697	Operating	Diane Schussel	\$21.46	\$21.46	Refund-456 Leeds Circle
2/27/19	12698	Operating	Zhicong Zheng	\$135.02	\$135.02	Refund-9938 Estep
2/27/19	12699	Operating	William or Marie Vincent	\$22.03	\$22.03	Refund-4035 Teague Pl
2/27/19	12700	Operating	Heidi Hubler	\$39.48	\$39.48	Refund-1882 Trowbridge High St
2/28/19	12701	Operating	Aaron Strong	\$30.00	\$30.00	Feb cell phone
2/28/19	12702	Operating	Eric Luis Delacruz	\$30.00	\$30.00	Feb cell phone
2/28/19	12703	Operating	Jeffrey Martin	\$30.00	\$30.00	Feb cell phone
2/28/19	12704	Operating	Kermin Huntley	\$30.00	\$30.00	Feb cell phone
2/28/19	12705	Operating	Nathan Crowder	\$30.00	\$30.00	Feb cell phone
2/28/19	12706	Operating	Barbara Lamb	\$200.00	\$200.00	Feb Board Fees
2/28/19	12707	Operating	Carl S. Mills	\$200.00	\$200.00	Feb Board Fees
2/28/19	12708	Operating	Charles Ryerson	\$250.00	\$250.00	Feb Board Fees
2/28/19	12709	Operating	Eric Hand	\$150.00	\$150.00	Feb Board Fees
2/28/19	12710	Operating	Jane B. Merrill	\$100.00	\$100.00	Feb Board Fees
2/28/19	12711	Operating	Jeffrey Kimbell	\$100.00	\$100.00	Feb Board Fees

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
2/28/19	12712	Operating	Marilyn Anderson	\$350.00	\$350.00	Feb Board Fees
2/28/19	12713	Operating	Michael A. McDonald	\$200.00	\$200.00	Feb Board Fees
2/28/19	12714	Operating	Steve Pittman	\$100.00	\$100.00	Feb Board Fees
2/28/19	12715	Operating	Boone County Recorder	\$50.00	\$50.00	Lien releases
2/28/19	12716	Operating	John C Nayagam	\$680.72	\$680.72	Refund - 3817 Castle Rock
2/28/19	12719	Plant Expansion	GRW	\$1,200.00	\$1,200.00	CIP-1906 Eagle Creek Final Design
2/28/19	12719	Plant Expansion	GRW	\$1,500.00	\$1,500.00	CIP-1906 Eagle Creek Easements
2/28/19	12720	Reserve for	Graybar Electric Company	\$1,615.41	\$1,615.41	Equipment repairs - R4R PO 1655
2/28/19	12721	Operating	Altman, Poindexter & Wyatt, LLC	\$187.50	\$187.50	Legal fees
2/28/19	12721	Operating	Altman, Poindexter & Wyatt, LLC	\$1,787.50	\$1,787.50	Legal fees
2/28/19	12722	Operating	AT & T	\$698.93	\$698.93	Internet service
2/28/19	12722	Operating	AT & T	\$91.01	\$91.01	Phone service
2/28/19	12723	Operating	AutomationDirect.com, Inc	\$176.00	\$176.00	Power supply
2/28/19	12724	Operating	Best Drive Indianapolis	\$27.00	\$27.00	Repairs
2/28/19	12724	Operating	Best Drive Indianapolis	\$692.92	\$692.92	Tires
2/28/19	12724	Operating	Best Drive Indianapolis	\$649.04	\$649.04	Tires
2/28/19	12725	Operating	Carmel Utilities	\$102,615.84	\$102,615.84	February Flow
2/28/19	12726	Operating	Carmel Utilities	\$1,036.80	\$1,036.80	Feb meter reads
2/28/19	12727	Operating	Carmel Utilities	\$40.27	\$40.27	Stormwater fees
2/28/19	12728	Operating	Clay Township Trustee	\$2,404.12	\$2,404.12	Feb Gov't Center Expenses
2/28/19	12729	Operating	Commonwealth Biomonitoring, Inc	\$3,000.00	\$3,000.00	Effluent toxicity testing
2/28/19	12730	Operating	CSO Architects	\$688.59	\$688.59	CIP-Office Remodel
2/28/19	12731	Operating	Culy Contracting, LLC	\$1,679.00	\$1,679.00	T & M Valve vault @LS 16
2/28/19	12732	Operating	Element Materials Technology Dalev	\$277.00	\$277.00	Sewer Sampling
2/28/19	12733	Operating	Fluid Waste Services, Inc.	\$715.00	\$715.00	Lateral launch - Durbin Dr
2/28/19	12734	Operating	Grainger	\$87.56	\$87.56	LS R&M
2/28/19	12735	Operating	Huntington Insurance, Inc	\$1,244.00	\$1,244.00	Bond-Steve Pittman
2/28/19	12735	Operating	Huntington Insurance, Inc	\$807.00	\$807.00	Bond-Cindy Sheeks
2/28/19	12735	Operating	Huntington Insurance, Inc	\$1,244.00	\$1,244.00	Bond-Andrew Williams
2/28/19	12735	Operating	Huntington Insurance, Inc	\$278.00	\$278.00	Additional due-Premium increase
2/28/19	12735	Operating	Huntington Insurance, Inc	\$278.00	\$278.00	Additional due-Premium increase
2/28/19	12735	Operating	Huntington Insurance, Inc	\$278.00	\$278.00	Additional due-Premium increase
2/28/19	12736	Operating	IPL	\$90.91	\$90.91	LS 12
2/28/19	12736	Operating	IPL	\$122.88	\$122.88	LS Valve vault
2/28/19	12736	Operating	IPL	\$50.77	\$50.77	LS 18
2/28/19	12736	Operating	IPL	\$50.04	\$50.04	LS 22
2/28/19	12736	Operating	IPL	\$82.70	\$82.70	LS 24
2/28/19	12736	Operating	IPL	\$605.82	\$605.82	LS 8
2/28/19	12736	Operating	IPL	\$50.45	\$50.45	LS 25
2/28/19	12736	Operating	IPL	\$364.13	\$364.13	LS 9
2/28/19	12736	Operating	IPL	\$929.72	\$929.72	LS 10
2/28/19	12736	Operating	IPL	\$128.33	\$128.33	LS 3
2/28/19	12736	Operating	IPL	\$71.36	\$71.36	LS 20
2/28/19	12737	Operating	IRSDA	\$50.00	\$50.00	Dues-2019
2/28/19	12738	Operating	IT Indianapolis	\$11,500.00	\$11,500.00	CIP-Dell Server replacement
2/28/19	12738	Operating	IT Indianapolis	\$888.00	\$888.00	Windows Server
2/28/19	12738	Operating	IT Indianapolis	\$1,512.00	\$1,512.00	Spam Filter
2/28/19	12738	Operating	IT Indianapolis	\$1,062.50	\$1,062.50	IT support
2/28/19	12738	Operating	IT Indianapolis	\$144.00	\$144.00	Office 365
2/28/19	12739	Operating	IUPPS	\$1,084.90	\$1,084.90	Monthly tickets
2/28/19	12740	Operating	Indiana Water Environment Associati	\$65.00	\$65.00	CSII Exam
2/28/19	12741	Operating	Indiana Water Environment Associati	\$65.00	\$65.00	CSII Exam
2/28/19	12742	Operating	Indiana Water Environment Associati	\$75.00	\$75.00	CSIII Exam
2/28/19	12743	Operating	Lowe's Business Account	\$22.74	\$22.74	Asphalt
2/28/19	12744	Operating	Maco Press	\$75.65	\$75.65	Sewer Service Interest Postal
2/28/19	12745	Operating	Merrell Brothers, Inc.	\$10,191.03	\$10,191.03	Biosolid disposal
2/28/19	12746	Operating	Maher Rizkalla	\$104.87	\$104.87	Refund-12474 Brookline St
2/28/19	12747	Operating	NCL of Wisconsin, Inc.	\$765.90	\$765.90	Sewer Sampling
2/28/19	12748	Operating	Office Depot	\$55.96	\$55.96	Ink & Scale
2/28/19	12749	Operating	Quick Lane	\$65.08	\$65.08	Vehicle R&M
2/28/19	12749	Operating	Quick Lane	\$65.08	\$65.08	Vehicle R&M
2/28/19	12749	Operating	Quick Lane	\$63.92	\$63.92	Vehicle R&M
2/28/19	12749	Operating	Quick Lane	\$57.23	\$57.23	Vehicle R&M
2/28/19	12749	Operating	Quick Lane	\$841.40	\$841.40	Vehicle R&M
2/28/19	12749	Operating	Quick Lane	\$66.93	\$66.93	Vehicle R&M

Payment date	Payment number	Bank name	Payee name	Amount	Amount Allowed	Description
2/28/19	12750	Operating	Ray Clemens	\$400.00	\$400.00	Cleaning fees
2/28/19	12751	Operating	Republic Services #761	\$406.37	\$406.37	Trash service
2/28/19	12752	Operating	Rook Security LLC	\$2,503.00	\$2,503.00	MDR Service - 2/19-1/20
2/28/19	12753	Operating	Signius Communications	\$86.79	\$86.79	Answering Service
2/28/19	12754	Operating	Simplifile	\$1,500.00	\$1,500.00	E-Recording Liens
2/28/19	12755	Operating	Spraying System Co	\$81.14	\$81.14	Plant R & M
2/28/19	12756	Operating	Taylor Oil Company, Inc.	\$1,020.62	\$1,020.62	Fuel
3/6/19	12757	Operating	IT Indianapolis	\$4,531.10	\$4,531.10	March billing
3/6/19	12757	Operating	IT Indianapolis	\$1,566.86	\$1,566.86	Monthly billing for March
3/6/19	12757	Operating	IT Indianapolis	\$670.00	\$670.00	Office 365
2/28/19	12758	Operating	GRW	\$76,750.00	\$76,750.00	CIP-1902
2/7/19	20190127	Operating	PNC Bank	\$5,951.12	\$5,951.12	CC Expenses Jan 2019
2/8/19	20190128	Operating	ADP	\$126.92	\$126.92	Workforce Now Payroll Bundle 1/25/2019
2/6/19	20190132	Operating	Napa Auto Parts	\$39.98	\$39.98	Wiper Blades
2/6/19	20190132	Operating	Napa Auto Parts	\$2.56	\$2.56	Oil
2/6/19	20190132	Operating	Napa Auto Parts	\$65.98	\$65.98	Sealer
2/12/19	20190133	Operating	ADP	\$55,739.12	\$55,739.12	Payroll PPE 020819
2/19/19	20190134	Operating	Empower Retirement (Hoosier STAR	\$7,778.51	\$7,778.51	457b, 401A, Roth
2/19/19	20190135	Operating	Anthem Blue Cross Blue Shield	\$31,981.63	\$31,981.63	Employee Health Insurance
2/19/19	20190136	Operating	IPL	\$7,603.09	\$7,603.09	101824 LS 2
2/22/19	20190137	Operating	Vectren Energy Delivery	\$353.35	\$353.35	Plant Gas Service - dup payment - credit balance
2/22/19	20190138	Operating	ADP	\$252.62	\$252.62	Payroll, Time & Attendance
2/24/19	20190140	Operating	Vectren Energy Delivery	\$45.12	\$45.12	LS 2
2/24/19	20190141	Operating	Vectren Energy Delivery	\$16.99	\$16.99	LS 10
2/20/19	20190142	Operating	Wex Bank	\$129.74	\$129.74	Fuel
2/26/19	20190143	Operating	Empower Retirement (Hoosier STAR	\$7,843.89	\$7,843.89	401A, 457b, Roth
2/25/19	20190144	Operating	ADP	\$56,076.67	\$56,076.67	PPE 2/22/19
3/1/19	20190145	Operating	Principal Life Insurance Company	\$3,446.51	\$3,446.51	Insurance - March 2019
2/28/19	20190146	Operating	Duke Energy	\$2,133.12	\$2,133.12	LS 1
2/28/19	20190147	Operating	Duke Energy	\$163.97	\$163.97	LS 5
2/28/19	20190148	Operating	Duke Energy	\$55.07	\$55.07	LS 6
2/28/19	20190149	Operating	Duke Energy	\$277.50	\$277.50	LS 11
2/28/19	20190150	Operating	Duke Energy	\$1,090.82	\$1,090.82	LS 14
2/28/19	20190151	Operating	Duke Energy	\$263.34	\$263.34	LS 16
2/28/19	20190152	Operating	Duke Energy	\$1,013.45	\$1,013.45	LS 17
2/28/19	20190153	Operating	Duke Energy	\$339.65	\$339.65	LS 19
2/28/19	20190154	Operating	Duke Energy	\$260.02	\$260.02	LS 21
2/28/19	20190155	Operating	Duke Energy	\$460.19	\$460.19	LS 23
2/28/19	20190156	Operating	Duke Energy	\$588.62	\$588.62	LS 26
2/28/19	20190157	Operating	Duke Energy	\$18,490.88	\$18,490.88	Plant
2/28/19	20190158	Operating	Napa Auto Parts	\$23.51	\$23.51	Rivets
2/28/19	20190158	Operating	Napa Auto Parts	\$17.80	\$17.80	Plant operating supplies
2/28/19	20190160	Operating	Operating State Bank	\$20.00	\$20.00	Bank fee -Feb 2019
2/28/19	20190161	Operating	ADP	\$226.00	\$226.00	W-2 reporting
3/5/19	20190162	Operating	ADP	\$126.92	\$126.92	Workforce Now
				\$480,988.34	\$480,988.34	

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

\$480,988.34

The TriCo Connection

Volume 12 Issue 3 March 2019
MONTHLY NEWSLETTER

FINANCIAL REPORT-CINDY SHEEKS

January 2019 Total Revenues was \$622,360 which is above the projected revenue of \$621,861 by \$499. Residential sales were \$406,999 and .88% higher than expected. Commercial sales totaled \$189,576 which is 2.18% lower than expected and down slightly from December 2018. Total operating expenses were \$432,113 in January which is 1.3% above the monthly projection. Wages and benefits spending were below budget by \$8,767 for a total of \$167,278 during the month. Administration spending was \$77,421 in January and over budget by \$20,963. Treatment costs totaled \$161,777 which is over budget by \$4,360. Collection costs totaled \$25,637 in January which was \$11,030 under budget. Net income in January was \$180,276 after depreciation and amortization of CIAC and is over projections by \$10,000 for the month.

Spending Breakdown in January:

Wages – 38.71%

Administration – 17.92%

Treatment Costs – 37.44%

Collection Costs – 5.93%

Cash generated for January shows a net increase in all funds by \$492,477. Capital spending was \$41,326.50 for the month. It included spending for Odor Control, 96th & Keystone, Plant Outfall and capital equipment repairs. Cash on hand at 01/31//2019 was \$9,172,924. The balances in the funds are listed below:

Operating \$2,128,864

Interceptor \$32,272

Plant Expansion \$4,203,285

Operating Reserve \$2,192,400

Reserve for Replacement \$616,103

In This Issue

Financial Report	1
Engineering & Construction	2
Customer Service Update	2
Collections Report	3
Plant Report	4
Safety Report	4
Birthdays & Anniversaries	4

Calendar of Events

March 11	Board Meeting	7:00 p.m.
March 13	Staff Meeting	10:00 a.m.
March 22	B&F Meeting	7:30 a.m.
March 27	P&B Meeting	7:30 a.m.
April 1	C&C Meeting	4:30 p.m.

CONSTRUCTION & ENGINEERING-WES MERKLE

Engineering staff completed 363 locates, 21 I&I inspections and 23 lateral inspections in February. 1,491 locate requests were received and reviewed. Construction activity in our service area is typically slow this time of year but picked up with warmer weather. Nate and Jeff completed locating TriCo-owned utilities at the plant and uploaded the data into GIS. Jeff 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, Ryan and Wes revised standard specifications to accommodate sewer lateral installation on narrow lots. Issues are becoming more common in higher-density neighborhoods where less separation between homes means less space for utilities like sewers. Ryan worked with Maggie to send out follow up letters to homeowners in unsewered neighborhoods to gauge interest in sewer availability.

Jeff and Eric completed flow meter maintenance and downloaded data. Results from two heavier rain events in 2019 showed the same trouble spots remain in Basin 8 north of Crooked Stick. During those rain events we worked with Collections staff to identify significant I&I sources including sump pumps, broken lines and damaged/leaking manholes.

Outfall sewer design is being finalized. Wes is working with design engineer GRW, Zionsville, Duke, and property owners to find a solution that works for everyone and allows the project to move forward. Easement acquisition should be underway shortly. Wes continued to negotiate easement acquisition for the Lift Station 14 (Austin Oaks) Parallel Force Main project along Michigan Road.

Plant expansion design continues. Engineering and Plant staff worked with design engineer GRW to identify major equipment and process options that work best for our plant and provide the most value long-term. Many cost saving opportunities were identified. Design will continue through summer.

CUSTOMER SERVICE UPDATE-SHELLY KEEFE

In February, 56 liens totaling \$8,297.08 were filed. The current lien balance is now \$16,187.70.

There were 26 new customers added to billing and 31 permits were issued. The total number of customers receiving their statement by email is now 2,946.

COLLECTIONS REPORT – AARON STRONG

In the month of February, Collections staff weathered 2 significant rain events totaling 3.84 inches of rain compounded by snow melt. Lift Station #8 went high level during both events, prompting Collections staff to search Basin #8 for sources of Inflow & Infiltration. Staff searched targeted areas north of 116th Street and Towne Road. Collections reported field notes to Engineering staff for flow monitoring comparison and further investigation. Collections camera crews televised mains in the targeted area in and around these events. High flows were noted during the initial I&I search coming from the southern portion of Laurel Lakes. Camera inspection found substantial flow coming from 2 laterals along Durbin Drive. Further investigation found that one of the laterals has been struck by presumably another utility. Identifying this unknown utility and coordinating the repair will be driven by Engineering Staff.

Lateral Damage
along Durbin Drive



Camera inspection totals for the month were just over 13,000 feet bringing our yearly total to 18,303 feet. Manhole Inspections are in progress with 704 inspections taking place in the month of February, totaling 770 manhole inspections for the year. Inspection crews found an internal chimney seal had failed and fell into the flow channel of manhole HAG-700 in the subdivision of Hadley Grove, surcharging the manhole and influent lines. TriCo crews deployed the Aquatech sewer cleaning truck to remove the blockage, clean the mains and the manhole.

Lift Station repair and maintenance crews replaced guide rail brackets at Lift Station # 6 and Lift Station #11. Weekly lift station inspections identified that the bolts holding the pump guide rails in both wet wells had rusted off. New concrete anchors, nuts and guide rail stoppers were installed. New media has been installed in the air scrubber unit at Lift Station #2. In addition, the polishing media at Lift Station #17 has been replaced and nutrients added to the Ecoverde biological unit.

Staff attended the 2019 WWETT (Water & Wastewater Equipment, Treatment & Transport) show at the Indiana Convention Center. Collections staff attended educational workshops and spent a day learning of new trade technology in the Expo Hall.

PLANT REPORT-SCOT WATKINS

Pretreatment Staff completed fifty-four FOG inspections last month with no observed violations. Staff has been communicating with other utilities regarding the possibility of adding a FOG facility fee to help cover the cost of the program; many utilities in the area currently have this in place. Zionsville is looking to adopt any changes we make and Hamilton Southeastern is adopting our new interceptor specifications. Under slab inspections were completed at Interactive Academy, Puccini's Pizza of West Clay and the new Hyatt Hotel.

Plant Staff continues to perform preventive maintenance tasks and inspections. Some key equipment inspections included the Biosolids conveyer, non-potable water filters and clarifiers. Inspections found the skimmer arm had come loose on clarifier 3. Staff acted and prevented future damage by securing the arm. TNTechnical replaced a flow transmitter that failed during the last storm event and BL Anderson assisted staff with a blower replacement.

Staff has been meeting with GRW and equipment vendors to evaluate new headworks screens and grit removal systems. This process has been educational for our operators as they are able to speak with other operators about equipment operations and maintenance issues that may exist.

Please congratulate Shaun Odom for passing the Indiana Department of Environmental Management Wastewater Operators Class II exam.

SAFETY UPDATE - LOREN PRANGE

TriCo had no reportable injuries and has gone 3,292 days without a lost time accident

Safety training with Safety Resources was conducted on Monday February 18, 2019.

The training covered TriCo's Emergency Action Plan / Hazard communication- GHS, and Fire Prevention. The training took place in a class room setting with an experienced licensed instructor. This is beneficial because employees can ask the instructor questions, get quick accurate answers and good feedback helping to keep up with our safety program.

Trico is working with Safety Plus on setting up employees' information with online training. We have a one-year contract allowing us to pick topics that fit each employees job description. We plan to start training in March.



Birthdays

Shaun Odom March 15

Anniversary

Colleen Byrnes March 8 15 years of service

Bob Roudebush March 15 8 years of service

Shaun Odom March 16 4 years of service

Selected Statistics 2019	January	February	2019 Monthly Average	2019 YTD	2018 Total Through February
Maintenance Information					
Lateral Inspections	17	23	20	40	59
Certified I&I Inspections	26	21	24	47	87
Failed I&I Inspections	0	0	0	0	0
Sewer Locates	284	363	324	647	760
Manholes Added	1	3	2	4	30
Total # of Manholes	5,849	5,852	5,851	5,852	5,802
Manholes Inspected	66	704	385	770	14
Feet of Sewer Added	21,687	497	11,092	22,184	5,694
Total Footage of Sewers	1,652,834	1,653,331	1,653,083	1,653,331	1,636,120
Feet of Sewer Televised	4,862	13,441	9,152	18,303	27,975
Feet of Sewer Cleaned	440	0	220	440	824
Overflows	0	0	0	0	0
Station 1 to Carmel Utilities					
Rainfall/Precipitation (inches)	2.4	3.84	3.1	6.2	5.88
Total Flow (gallons)	61,408,530	68,878,012	65,143,271	130,286,542	108,310,356
Maximum Daily Flow (gallons)	3,197,275	2,979,329	3,088,302	3,197,275	3,929,994
Average Daily Flow (gallons)	1,980,920	2,173,951	2,077,436	n/a	3,689,554
Minimum Daily Flow (gallons)	1,150,531	1,173,951	1,162,241	1,150,531	1,328,783
Michigan Road WWTP					
Total Flow (gallons)	86,922,000	83,180,000	85,051,000	170,102,000	154,183,000
Maximum Daily Flow (gallons)	5,134,000	6,199,000	5,666,500	6,199,000	4,746,000
Average Daily Flow (gallons)	2,803,935	2,970,714	2,887,325	n/a	5,237,929
Minimum Daily Flow (gallons)	2,404,000	2,430,000	2,417,000	2,404,000	2,214,000
Total Flow to Both Plants	148,330,530	152,058,012	150,194,271	300,388,542	262,493,356
Biosolids Handling (gallons)					
Wasted (Biosolids)	1,667,480	2,107,310	1,887,395	3,774,790	2,106,250
Dewatered	735,000	480,000	607,500	1,215,000	610,000
Digested Sludge Withdrawn	787,000	715,400	751,200	1,502,400	1,637,900
Customer Information			Total Billed Accounts	15,456	
New Sewer Service Accounts	24	26	25	50	42
Permits Issued	24	31	28	55	67



BUDGET & FINANCE COMMITTEE

Friday February 22, 2019 at 7:30 a.m.

Memorandum

Members Present: Committee Chair Jane Merrill, members Michael McDonald and Carl Mills. Others in attendance: Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Controller Cindy Sheeks, Plant Superintendent Scot Watkins, Utility Billing Specialist Shelly Keefe, and Administrative Assistant Maggie Crediford.

Ms. Merrill called the meeting to order at 7:34 a.m.

PUBLIC COMMENT

Shelly Keefe, TriCo's Utility Billing Specialist, addressed the Committee on behalf of a customer at 10297 Towne Road. The home was purchased by the neighbor, but there is an Irrevocable Living Trust Account on the property. The neighbor cannot take possession until the death of the current owner. Ms. Keefe provided the Committee with a written statement from the customer regarding the trust. The customer provided proof that other utilities to the home have been shut off and the well was winterized. The Utility Director has already authorized Customer Service to take the account to the base charge with no consumption charges. The customer is requesting that the base charge also be waived until the home is occupied. Ms. Merrill and Mrs. Poindexter reviewed the statement provided by the customer and requested more information including the terms of the sale be brought to the Committee before a decision can be made regarding the request.

INTERNAL CONTROL POLICY UPDATE

Ms. Sheeks requested an update be made to the TriCo Internal Control Policy Manual. She asked for an increase to the limit on Purchasing Policy and Procedures. The current policy was drafted in 2016. Ms. Sheeks asked that the threshold for purchase orders be raised from \$500 to \$1000.

Ms. Sheeks explained the State Board of Accounts requires annual internal control training for employees and Board members. The training can be completed online. A link to the training will be going out to all employees and Board members soon. Each person must watch the training and return the signed completion form to Ms. Sheeks.

Mr. Mills asked for an explanation of TriCo's payroll procedures, with regards to checks and balances. Mrs. Sheeks explained that ADP calculates the timecards, which are approved by both the employees and their managers. She then verifies the calculations in ADP are correct before they are submitted. Mr. Mills asked that another employee besides the Utility Director be trained on the ADP processes in the event of Mrs. Sheeks absence. It was decided Ms. Crediford will be trained for backup in payroll processing.

Mr. McDonald had a question regarding a reference in the Internal Control Manual about risk assessments being conducted annually by the Over-site Committee. The Internal Control Policy names TriCo's Executive Committee as the Over-site Committee. The Committee members felt it would make more sense for the Over-site Committee to be the Budget and Finance Committee. The Committee will ask the Board to vote on the update at the March meeting.

Mr. McDonald suggested having a set list of items for the Over-site Committee to review each year making sure risk assessments are completed. It was decided that the Budget and Finance Committee would review the Internal Control Policy Manual each year in January or February to evaluate IT security, payroll procedures and material issues to determine the effectiveness of TriCo's internal controls.

With the review of the Internal Control Manual, the Budget and Finance Committee completed the risk assessment for 2019. The Committee reviewed the controls of the Internal Control Policy Manual as well as IT control policies. Updates will be recommended to the Board of Trustees for approval at the March 2019 meeting, including raising the purchase order limit from \$500 to \$1000 and changing the Oversight Committee from the Executive Committee to the Budget and Finance Committee.

ACE PLC UPGRADE

Mr. Watkins said the 11 Programmable Logic Controllers (PLC's) are what run TriCo's plant operations. They were installed in 2009. The units are aging out. Newer equipment is VDF/Ethernet controlled, instead of running individual wires for each input or output. The proposal from ACE Technologies includes replacement of the 11 PLC's at a cost of \$36,800, PLC/HMI software development and testing for \$6,720 and installation/start-up services for \$4,800; for a total investment of \$48,320. Mr. Williams stated that ACE Technologies is used for all the programming at the plant so that set up and training is consistent. Staff reviewed and verified the pricing on the units.

Mr. Watkins stated that a sub-issue that will also be resolved by replacing the 11 PLC's is an IP addressing issue. Mr. McDonald clarified that when the SCADA system was installed it was given a foreign IP address. The upgrades will allow TriCo to update to private IP addresses, allowing for better security and improved internal communication. Mr. McDonald recommended using a different IP address range from the one used for TriCo's Admin, so only SCADA traffic can go to the SCADA network. Mr. Watkins stated that this project is a 2019 approved Capital Project.

The Committee will recommend approval of the contract to ACE Technologies in the amount of \$48,320 at the March Board meeting.

FINANCIAL STATEMENTS

Ms. Sheeks stated revenue projections are close to actual revenue. Cash balances are coming up. After the transfer of \$550,000 from the Plant Expansion Fund to the Interceptor fund, there is a balance of \$32,000 currently in the Interceptor Fund. The fund

will be negative again by the end of 2019 as more projects come in. Money will be repaid when projects are complete, and customers connect into the system.

Mr. Mills asked about the Money Market Rate TriCo is receiving from Citizens Bank. He suggested looking at rates from other financial institutions which TriCo uses and consider moving some money around to get better interest rates.

The meeting adjourned at 8:20 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'C. Sheeks', written over the printed name.

Cindy Sheeks
Controller



Memorandum

To: Board Members, Drew Williams and Anne Poindexter

From: Cindy Sheeks

Date: March 6, 2019

Subject: Internal Control Policy

Attached please find an update to the Internal Control Policy Manual for TriCo Regional Sewer Utility. Indiana Code 5-11-1-27 requires each political subdivision in Indiana, including TriCo (the "Utility"), to establish and maintain a system of internal controls to promote governmental accountability and transparency. The purpose of the internal control process is to provide reasonable assurance that the mission and objectives of the Utility will be achieved and that public funds and property are properly accounted for.

Included in the update approved on February 22, 2019, by Budget and Finance committee is the definition of the "Oversight Committee" to be the Budget and Finance Committee. Also, the required threshold for the Purchasing Limits includes an increase from \$500 to \$1,000 for the issuance of a purchase order.

All board and staff members will be required to watch the YouTube video "Indiana State Board of Account Internal Control Webinar" <https://youtu.be/L0N80PBbPHQ> and complete the Internal Control Training Certificate. The completed certificates will be kept on file in the Controller's office to indicate compliance with the State guidelines.

TriCo Regional Sewer Utility



Internal Control Policy

Draft Dated: February 18, 2019

Table of Contents

Internal Control Policy Overview	1
Cash and Deposits Internal Controls	8
Purchasing Internal Controls	9
Payroll Internal Controls	11
Petty Cash Internal Controls	12
Information Technology Controls	13
Fixed Asset Controls	14
Exhibits A – D	15

INTERNAL CONTROL POLICY OVERVIEW

Effective July 1, 2015, Indiana enacted Ind. Code §5-11-1-27 which requires each political subdivision in Indiana, including TriCo Regional Sewer Utility (the “Utility”), to establish and maintain a system of internal controls to promote governmental accountability and transparency. The purpose of the internal control process is to provide reasonable assurance that the mission and objectives of the Utility will be achieved and that public funds and property are properly accounted for.

Internal controls are not separate systems of the Utility or an isolated activity; rather, internal controls are an integral part of each activity used to guide the Utility. The purpose of internal control includes the reduction of risk associated with fraud as well as the safeguarding of Utility resources against loss due to waste, abuse, mismanagement or errors. Internal control processes provide a check and balance system over operations, promoting operational effectiveness and overall efficiency. A system of sufficient internal control produces reliable financial and management data, ensures accuracy and timeliness in reporting, and promotes compliance with applicable laws. This Internal Control Policy is intended to meet the compliance requirements defined by the State Board of Accounts under Ind. Code §5-11-1-27(e) for the Utility.

Controls are put in place to detect or prevent errors and fraud. An error is an unintentional mistake that has the potential to affect the financial statements and fraud is the intentional misuse or misappropriation of Utility assets.

Enforcement, maintenance and ongoing evaluation of the Utility’s internal control policy shall be the responsibility of the Internal Control Oversight Committee (“Oversight Committee”). For the Utility, the Oversight Committee shall be the Budget & Finance Committee. The evaluation of internal controls includes identifying the framework used by the Oversight Committee to determine the effectiveness of internal controls.

OBJECTIVES OF INTERNAL CONTROL

The three objectives of internal controls are to ensure: (1) the effectiveness and efficiency of operations, (2) the reliability of financial reporting, and (3) compliance with applicable laws and regulations. The safeguarding of Utility funds and assets is a subset of each of these objectives.

Continuous monitoring and testing is needed to help identify poorly designed or ineffective internal controls. The Utility Director is responsible for communicating the objectives of internal control to the personnel of the Utility, the training of personnel and ensuring the Utility is committed to sustaining an effective internal control environment.

COMPONENTS OF INTERNAL CONTROLS

The five components of internal controls include: (1) the control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring of the controls. Each of these components is discussed further below.

CONTROL ENVIRONMENT

The control environment includes the organizational structure, the control framework, the Utility's policies and procedures and internal and external influences. The tone set by the Board of Trustees and the Utility Director determines the attitude toward the controls implemented for the Utility.

Organizational Structure

The Board of Trustees is responsible for adopting internal control policies, and the Oversight Committee has primary responsibility for enforcement, maintenance and ongoing evaluation of the policies. The Utility Director has primary responsibility for implementing the controls and certifying the training of all appropriate personnel.

Control Framework

Elements of a control framework include the following:

Segregation of duties to help ensure the reliability of the Utility's internal controls; i.e. one person should not have access to all stages of a process. If proper segregation is not in place, situations may arise where errors, irregularities or fraud may occur and remain undetected. Due to the small number of Utility employees, segregation is difficult and alternate procedures should be explored.

Integrity and competence of personnel performing the duties are key to achieving the desired controls. This includes hiring the proper people and continually training personnel. It is important to ensure that employees who perform financial tasks have the knowledge and skill to perform their duties.

Communication by the Utility Director of the controls and each employee's responsibilities are as important as ensuring that employees know how to communicate irregularities that may arise.

Proper supervision of employees is also needed to ensure proper execution of control activities. This will be the primary responsibility of the Utility Director.

Utility's Policies and Procedures

The Utility's policies set the overall direction of the Utility. Procedures for all areas of financial preparation, reporting, operations, transportation, maintenance, personnel and payroll are required. These policies and procedures will become the basis for the determination of compliance with internal control policies.

OVERSIGHT COMMITTEE'S RISK ASSESSMENT

The Oversight Committee shall conduct an assessment of risks relevant to the Utility's financial statements. This includes the identification of potential risks, the analysis of the potential impact of those risks on the ability to properly report the Utility's financial statements and the overall management of risks. Items to consider in risk assessment include, but are not limited to:

1. The hiring of new personnel or the assignment of new duties to existing personnel.
2. How a change in accounting information system impacts existing controls and how effectively the training of personnel on any new system is conducted.
3. Changes in regulations and laws that may affect the control environment.
4. Securing records appropriately.
5. Limiting access to computers and data files.
6. Segregation of duties relating to financial matters.
7. Timely recording of all transactions.
8. Assuring that cash is deposited timely.
9. Physically safeguarding and accounting for valuable assets.
10. Assuring financial transactions are performed only by authorized personnel.
11. Reconciliations are properly and promptly completed.
12. Occurrences of management override of established controls are limited.
13. Minimizing opportunities for fraud and unintentional error.

CONTROL ACTIVITIES

Control activities include the policies and procedures that are in place to achieve the controls desired. Documentation of the control activities is vital to the overall control environment. These activities include, but are not limited to:

1. Segregation of duties where possible.
2. Timely transaction recording.
3. Timely cash deposits.
4. Physically safeguarding valuable assets.
5. Assuring financial transactions are performed by authorized personnel only.
6. Assuring reconciliations are properly and promptly completed.

7. Documenting reported variances, actions taken in response thereto and recommended changes to internal controls.

INFORMATION AND COMMUNICATION

The Utility Director shall determine if the information systems utilized in the Utility are adequate and relevant for their intended purpose and shall make any recommended changes by the Oversight Committee.

The Utility Director is responsible for communicating the controls of the Utility to Utility employees and also the responsibilities of each employee in the control system.

The Utility Director is also charged with reviewing information, however generated, that may indicate a flaw in the controls that may impede the detection of errors in a timely fashion.

MONITORING

The Oversight Committee is charged with reviewing internal controls on an ongoing basis. Monitoring can include responding to the recommendation of the State Board of Accounts in changes in the controls and reviewing correspondence from outside sources such as banks and vendors for unusual items. Employees should understand the control activities and their responsibilities in those activities.

ONGOING EVALUATION OF CONTROLS

Utility controls shall be evaluated at least annually by the Oversight Committee and at any other time that circumstances dictate. Evaluations shall be reported to the Board along with any recommended revisions to control policies. Evaluation should also occur every time one of the following conditions exists:

- a. Change in personnel performing a control function.
- b. Change in accounting or payroll system.
- c. Change in regulations.

Written acknowledgment of the annual review of the current control policies should be maintained in the minutes of the Board of Trustees.

As controls are evaluated, a determination should be made that designates the control as either “effective” or “ineffective” at achieving the proposed control. Controls are effective when there would be no material weaknesses in internal controls involved in financial reporting. Ineffective controls would be those where at least one material weakness exists. If a control is determined to be ineffective, then the control deficiency needs to be evaluated and revised.

CONTROL DEFICIENCIES

A control deficiency exists when the design or operation of a control does not allow the Utility Director to prevent or detect misstatements on a timely basis. A design deficiency exists when a necessary control is missing or is not designed to enable the control objective to be met. An operational deficiency exists when a control is designed properly, but does not operate as designed or the person performing the control is not qualified to perform the control.

A deficiency may exist that is unavoidable (e.g. segregation of duties in a small office). For these deficiencies, compensating procedures shall be put in place by the Utility Director.

LIMITATIONS ON EFFECTIVENESS OF CONTROLS

The Utility should understand that potential fraud could exist and not be detected timely in at least the following circumstances: (1) when the Utility has poorly designed or operated internal controls, (2) when there are too many management overrides of established controls, and (3) when there is collusion between employees or between an employee and a third party.

REVIEW OF UTILITY PROCESSES

When reviewing control processes in the Utility, the Utility Director should consider incorporating the “5 W’s”.

1. Who performs each activity? Who receives the outcome of the activities?
2. What activities are performed? What forms and reports are used? What computer systems and files are used?
3. When are activities performed? What is the sequence of activities? What is the timing of the activities? What is the frequency of the activities?
4. Where are activities performed?
5. Why are activities performed (i.e., what risks are controlled)

The Utility Director should also consider whether any changes to the process will increase the efficiency of the process or firm up the controls.

COMMUNICATING STAFF MEMBERS’ ROLES

The Utility Director will establish a procedure to ensure that all employees who are charged with a control understand the importance of the control and their role in the control environment. Controls that are not performed with an understanding of the purpose of the control will not be effective. A review of the controls and the staff members’ role in the controls should be conducted at least annually and anytime there is a change in the control, personnel, or the laws

and regulations affecting the control. Documentation of these reviews should be maintained by the Utility Director.

STAFF MEMBERS' SELECTION AND TRAINING

With respect to internal control monitoring delegated to an employee, the Utility Director shall ensure professional and educational reference checks are made prior to hiring a new employee to verify the proposed employee is competent to implement the delegated internal controls. The Utility Director shall ensure that employees responsible for implementing internal controls receive routine training on the Utility's applicable internal control procedures and certifications of training are obtained and maintained for inspection. The Utility Director shall also ensure that each employee receives an annual employee performance evaluation.

STATEMENT REGARDING MATERIALITY AND REPORTING

In accordance with Ind. Code 5-11-1-27(j) the Utility establishes the following materiality thresholds for the items and categories indicated. The discovery of an irregular variance, loss or shortage (other than due to misappropriation as discussed below) shall be reported to the entity indicated when the amount shown is discovered and confirmed:

ITEM	AMOUNT	UTILITY DIRECTOR	BOARD OF TRUSTEES	STATE BOARD OF ACCOUNTS
CASH AND DEPOSITS	\$25	X		
	\$250*	X	X	
	\$500*	X	X	X
CREDIT CARD AND PURCHASES	\$25	X		
	\$250*	X	X	
	\$500*	X	X	X
FIXED ASSETS	\$5,000	X	X	X
PAYROLL, OTHER	\$25	X		
	\$250*	X	X	
	\$500*	X	X	X

* Asterisked amounts may be a single occurrence or a cumulative variance during a calendar month period. The Board of Trustees shall make a materiality determination in writing for annual or other noted variances not included above.

CONFIRMATION OF VARIANCE PRIOR TO REPORTING AND DOCUMENTATION

It is anticipated that some routine (non-misappropriation) variances can be resolved prior to the need for reporting to the above entities. For instance, if a trial balance of a bank statement

comes up \$85 short in the first attempt, no immediate need for reporting arises prior to a confirmation that the bank statement balance cannot be resolved. Employees should first confirm their own work, and if a balance or other transaction cannot be confirmed or resolved, the employee should take the matter to their immediate supervisor for confirmation prior to reporting the variance. If the variance cannot be resolved, reporting to the Utility Director should occur immediately. A log of reported variances, actions taken in response thereto and any recommended changes to internal controls shall be maintained by the Utility Director and submitted to the Oversight Committee as part of the annual review. The Utility Director shall be responsible for reporting to the Board of Trustees, the State Board of Accounts and any law enforcement personnel if required.

KNOWN OR SUSPECTED THEFT

In accordance with the provisions of Ind. Code 5-11-1-27(l), if any public official has actual knowledge of or reasonable cause to believe that there has been a theft or misappropriation of public funds, immediate notice of such known or suspected misappropriation shall be given to the State Board of Accounts and the Hamilton County Prosecutor's office. There is no minimum level of materiality for this reporting. Any Utility personnel with knowledge or suspicion of such theft or misappropriation should immediately notify the Utility Director or any member of the Board of Trustees to report such activity so that it may be investigated, confirmed and reported. Reports of suspected theft or misappropriation will be investigated confidentially. Any confirmed or suspected theft or misappropriation will be reported to the appropriate authorities by the Utility Director or the President of the Board of Trustees.

STATEMENT REGARDING ETHICAL CONDUCT

It is the policy of the Utility that each Utility employee, the Utility Director, the Board of Trustees and others affiliated with the Utility conduct themselves in the highest ethical and honest manner when handling, dispensing, or accounting for public funds and property. The funds and property of the Utility are generated by user and development fees and are entrusted to the Utility for the purpose of providing sanitary sewer service in the Utility. The Board of Trustees expects each individual affiliated with the Utility to handle Utility funds and property with the highest public interest in mind. Instances of intentional violation of this expectation will be dealt with through the Utility's disciplinary process and can result in discipline up to and including immediate dismissal from employment.

CASH AND DEPOSITS INTERNAL CONTROLS

GENERAL

The Utility receives cash, checks and electronic deposits on a daily basis. The purpose of this control is to assure accurate accounting and deposit for all funds received by Utility personnel.

PROCESS

The Customer Service staff receives and accounts for cash, checks and electronic deposits received by the Utility. Customers that come to the office to pay their monthly sewer bill or other fees shall be issued a receipt indicating the amount paid. Payments received by mail shall be matched against an invoice or other documents. All receipts shall be entered daily in the billing system.

Funds received shall be deposited in the Utility's depository by the next business day as required by Ind. Code §5-13-6-1(c). Checks received shall be scanned for deposit at the Utility's depository. When cash on hand exceeds \$500, such funds shall be deposited the next business day as required by Ind. Code §5-13-6-1(g). All amounts on-hand shall be deposited on the last working day of a fiscal period regardless of any dollar or time threshold. The deposit slips and electronic deposit forms shall be given daily to the Administrative Assistant – Data Entry clerk to be entered in the Cash Receipts and Accounts Receivable ledgers.

RECONCILIATION OF CASH DEPOSITS AND BANK STATEMENTS

Receipts in the billing system shall be reconciled to the Cash Receipts and Accounts Receivable ledgers monthly by the Customer Service Manager and reviewed by the Controller for confirmation. The Controller shall review and reconcile all bank statements on a monthly basis. The Utility Director shall review and approve the reconciliation between the cash balance and the bank balance for each prior month no less than quarterly.

REPORTING & MATERIALITY

It is the policy of the Utility that any erroneous or irregular variances, losses or shortages, discovered in the cash and deposits process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the Utility's Statement Regarding Materiality and Reporting.

PURCHASING INTERNAL CONTROLS

GENERAL

The Utility purchases materials and services in the course of providing sanitary sewer service. The purpose of this control is to assure accurate accounting and payment for all purchases made by Utility personnel and to limit the opportunity for personal use of Utility resources.

PROCESS

The Board of Trustees authorizes procedures for purchases by the Utility. All purchasing for the Utility must be conducted by managers or other authorized personnel per the Purchasing Policy and Procedure (Exhibit A).

Purchases over \$1,000 shall require a Purchase Order as stated in the policy.

The Utility is sales tax-exempt and therefore all purchases are not subject to sales tax. A tax-exempt certificate shall be presented to the vendor prior to the purchase. These forms can be obtained from the Controller. If not obtained before the purchase, the purchasing personnel can be held responsible for any sales taxes incurred.

Supporting documentation such as receipts, cancelled checks, tickets, invoices, bills, contracts, and other pertinent records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible employee.

The Controller shall be responsible for final review of all claims submitted for payment.

Any purchase over \$2,000 that meets the requirements of a fixed asset as described in the Capital Policy & Procedure (Exhibit B) shall be recorded in the Fixed Asset System.

RECONCILIATION OF PURCHASE DISBURSEMENTS

Vendor disbursements shall be accounted for in numerical order and listed on the Utility's Register of Claims on a monthly basis by the Controller. The Register of Claims shall be presented at the monthly Board of Trustees meeting for approval. Invoices or other receipts shall be attached to each claim to support the disbursement. All disbursements shall be signed by the authorized board or staff members per the Check Signing Policy (Exhibit C). The Controller and any other staff member that processes claims for payment are prohibited from being an authorized check signer.

CREDIT CARD PURCHASES

The Utility Director is the officer designated by the Utility to administer use of all Utility credit cards. Utility credit cards may be issued to an employee for appropriate Utility purposes per the

Credit Card Policy (Exhibit D). The employee is responsible for all purchases made with their credit card.

Employees with Utility credit cards shall maintain a log of credit card usage. Supporting documents such as paid bills and receipts must be submitted monthly with the credit card log to their supervisor for review and approval. The approved credit card log will be sent to Accounting to reconcile with the credit card statement prior to payment. The reconciliation will be reviewed by the Controller.

PURCHASING LIMITS

Purchasing limits for the Utility shall adhere to Indiana Code and the Purchasing Policy & Procedure as follows:

- **\$0 - \$1,000** – Bids and purchase orders not required.
- **\$1,001 - \$2,500** – Contact vendors for quotes and purchase order required.
- **\$2,501 - \$50,000** – Contact at least three vendors for quotes and purchase order required.
- **\$50,001 - \$150,000** – “Invitation to Quote” letter must be sent to at least three vendors known to deal in the lines or classes of supplies or equipment being purchased. The invitations to quote must be sent at least seven (7) days before the time fixed for receiving quotes for the supplies or equipment to be purchased. If a satisfactory quote is received, the Board of Trustees must approve and may award the purchase to the lowest responsible and responsive offer.
- **\$150,000 and up** – Formal bid process following state guidelines and with final approval by the Board of Trustees.

REPORTING AND MATERIALITY

It is the policy of the Utility that any erroneous or irregular variances, losses or shortages, discovered in the purchasing process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the Utility’s Statement Regarding Materiality and Reporting.

PAYROLL INTERNAL CONTROLS

GENERAL

Payroll is one of the Utility's largest expenditures. The purpose of this control is to assure accurate accounting and payment for all salaries and wages to Utility personnel. The Utility Director may authorize the use of a third party fee-based payroll service to process the Utility's payroll.

PROCESS

The Controller is responsible for processing the bi-weekly payroll. Time sheets shall be maintained by all employees and submitted to their supervisor for approval on the first working day of the new pay period. Corrections to time entries will be entered by the employee's supervisor or the Controller. Supervisors shall review their staff's timesheets for accuracy and submit them for processing. Each employee's net pay will be deposited electronically into their designated bank account. Pay stubs may be accessed from the online payroll service.

The Utility Director shall perform specific verification activities at least annually and include the following:

- Reviewing for fictitious employees
- Confirming employees' County of residence
- Reviewing improper alterations of payroll amounts
- Verifying that proper tax deductions are taken
- Confirming employees' additional withholding authorizations are on file
- Spot checking time sheets and tracing to payroll records in order to verify the proper recording of employee hours.
- Verifying the accuracy of individual pay rates.
- Reviewing the adequacy of internal controls relating to the incurrence of overtime and spot checking for accuracy.
- Determining if proper payroll forms exist such as W-4s and I-9s.

Access to payroll computer applications shall be appropriately controlled by user logins and passwords. Payroll administrative rights shall be limited to the Controller, Customer Service Manager, Utility Director and the Utility's payroll contractor. Any change in payroll procedures must receive the approval of the Utility Director.

REPORTING

It is the policy of the Utility that any erroneous or irregular variances, losses or shortages, discovered in the payroll process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the Utility's Statement Regarding Materiality and Reporting.

PETTY CASH INTERNAL CONTROLS

GENERAL

The Utility maintains a small petty cash fund to provide change for cash payments made by customers. The purpose of this control is to assure accurate accounting and deposit for all funds received by Utility personnel.

PROCESS

The Utility maintains a petty cash fund in the amount of \$200. A designated Customer Service Specialist is responsible for \$100 with the remaining \$100 in the control of the Customer Service Manager. The Customer Service Specialist will notify the Customer Service Manager when cash received is approaching \$500 so a bank deposit can be prepared. The fund will be balanced on a weekly basis. The Customer Service Manager shall review the balance of this fund on a monthly basis.

REPORTING

It is the policy of the Utility that any erroneous or irregular variances, losses or shortages, discovered in the petty cash process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the Utility's Statement Regarding Materiality and Reporting.

INFORMATION TECHNOLOGY CONTROLS

GENERAL

The Utility maintains both public and confidential information on the Utility's computer systems. The purpose of this control is to assure that only those authorized personnel with the need to access confidential or integral Utility applications have such access, and that unauthorized users are identified and restricted from access.

PROCEDURE

The Utility's information technology consulting firm (the "IT Consultant") shall be selected by the Utility Director based on the recommendation of the Plant Manager. The IT Consultant shall implement the following internal controls with respect to the Utility's information technology:

All users shall have unique user names and passwords. User names and passwords should not be shared. Only the Plant Manager and IT Consultant shall have a list of all user names. Passwords will only be known by the users.

- The Plant Manager shall notify the IT Consultant immediately when an individual's employment or contract is terminated so that user's access to all computer-related applications can be terminated.
- An authentication system shall be used to log-on to the network and to access specific applications.
- Users shall be required to log off or lock their account before stepping away from the computer and shall shut off individual computers before they leave for the day.
- The IT Consultant shall give users access only to the areas of the applications (including within financial software) and the network they need to access to perform their job duties.
- The Utility Director or his designee shall periodically review logs of the applications, including the financial software, to assure only authorized users are accessing for a proper purpose.
- The IT Consultant shall ensure a systematic and routine off-site data backup plan.

REPORTING

It is the policy of the Utility that any erroneous or irregular variances, losses or unauthorized usage discovered in the Utility's information technology system or databases shall be reported to the Utility Director. If determined to be appropriate, the Utility Director shall report such events to the Board of Trustees, the State Board of Accounts and other appropriate officials in accordance with the Utility's Statement Regarding Materiality and Reporting.

FIXED ASSETS CONTROLS

OVERVIEW

Utility property is for the sole use of Utility employees and only for a proper Utility purpose. All property, including vehicles, equipment, furniture, inventory, etc., that is owned by the Utility shall remain in the custody of, and be maintained by, the Utility and its employees. No Utility property shall be used for personal use unless specifically approved by the Utility Director. Any exceptions to this policy will be required to have the prior approval of the Utility Director.

FIXED ASSETS

Fixed Assets will be purchased and recorded per the Capital Policy & Procedure (Exhibit B). In general, an item must cost \$2,000 or more to be considered a fixed asset. All fixed assets shall be recorded in the Fixed Asset System by the Controller on an annual basis.

When practicable, fixed assets should be tagged with a unique Utility identifier.

The date of acquisition and the item's acquisition value shall be recorded for each item that meets the criteria set forth above. Also to be recorded are the item's life expectancy, serial number, and location.

Any time a fixed asset or other asset is no longer considered by the Utility Director to be usable property, the reason for such determination along with any sales value (if applicable), shall be recorded.

To the extent possible, the Utility Director shall ensure that access to portable fixed assets is limited to personnel who have a business need. Keys and lock combinations to secured locations shall be provided only to designated personnel who shall be responsible for access to the assets.

On an annual basis, the fixed asset list shall be reviewed and new purchases added to the Fixed Asset System. The Controller is responsible for completing this task.

REPORTING

It is the policy of the Utility that any erroneous or irregular variances, losses or shortages, discovered in the inventory of fixed assets shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the Utility's Statement Regarding Materiality and Reporting.

INTERNAL CONTROL TRAINING CERTIFICATION
FOR ELECTED OFFICIALS, APPOINTEES, AND EMPLOYEES

I, _____, the duly elected, appointed, or
(print name)

employed _____ for TriCo Regional Sewer Utility certify that I
(position or title)

received the following training concerning internal controls standards and procedures as required by Indiana Code 5-11-1-27(g)(2).

Title of Training:

Time Spent:

Indiana State Board of Account Internal Controls Webinar _____

<https://youtu.be/L0N80PBbPHQ>

Date: _____

Signature: _____

*This certification may be printed, signed and retained in paper form or electronically. If signed electronically, the elected official, appointee, or employee must designate his or her signature by typing the last 4 digits of their Social Security number in the signature line.



Memorandum

To: Board of Trustees

From: Scot Watkins, Superintendent

Date: March 6, 2019

Subject: Plant PLC Upgrade

TriCo's WRRF has eleven Programable Logic Controllers (PLC) that were installed in 2010. These PLC's run all the plant processes from controlling return activated sludge rates to opening valves during storm mode. The existing PLC's are only compatible with firmware versions up to v20; the current version is v30. With all the newer equipment going to ethernet control, much more data is being transmitted through these PLC's. The existing units are beginning to lag and not take user inputs when desired. They have essentially become a bottleneck in the SCADA system. To ensure that the plant PLC's are capable for future upgrades, it is recommended to upgrade these eleven PLC's to the most current version.

The proposal from ACE Technologies includes the replacement of 11 PLC's at a cost of \$36,800, PLC/HMI Software development/testing for \$6,720 and Installation/Start-Up services for \$4,800. For a total of \$48,320. Staff has checked the local vendor for pricing and ACE's cost is in line.

This upgrade will also re-address the IP scheme to meet current IP standards. Historically, Instrumentation and Controls (I&C) and Information Technologies (IT) did not overlap. But with the increased use of technology in all processes, the overlap is happening more and more. There are two types of IP addresses: Private (192.168.X.X, 10.X.X.X, 178.16.X.X) and Ratable. Private addresses are used for internal networks and are dedicated ranges for that purpose. Ratable addresses are unique to each organization in the world (like static IP's from AT&T). When the IP scheme was set up in 2010 it was configured with "ratable" IP addresses inside our network which can cause communication issues internally. IT Indianapolis has managed to work around these issues but highly recommends re-addressing the entire SCADA network to avoid future issues. TriCo does not own these IP addresses and does not have the right to use them.

Recommended Action: The B&F Committee is recommending approval of the ACE proposal to upgrade the WRRF's PLC's for the total cost of \$48,320.



PERSONNEL AND BENEFITS

Wednesday, February 27, 2019 at 7:30 a.m.
Memorandum

Members Present: Committee Chair Barb Lamb, members Chuck Ryerson and Jeff Kimbell. Others in attendance were: Utility Director Andrew Williams and Administrative Assistant Maggie Crediford

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

PUBLIC COMMENT

There was no one present from the public.

SAFETY UPDATE

Mr. Williams stated that TriCo is implementing a new online safety training program called SafetyPlus. Each employee will have a unique user name and password so their training progress can be tracked and recorded. Switching to online training will allow field employees to complete training sessions on their own schedule, like when the weather doesn't allow them to be in the field.

Mr. Williams said that TriCo's Workers' Compensation insurance is up for renewal. TriCo's rating is 0.8. Mr. Ryerson commented 0.8 is a good rating and should qualify the Utility for discounted rates.

HR CONSULTANTS UPDATE

Mr. Williams presented a handout from HRD Advisory Group, a local company. He has been researching training options for TriCo's management staff. Staff and Board feedback from 2018 indicated that more HR training for the management staff would be beneficial. HRD recommended TriCo managers participate in their Managers Essentials 6-month training program. DePauw University is currently participating in this program. The format consists of one session a month for six months. Each session is two and a half hours long. Before managers would begin their training sessions, HRD would conduct a DiSC assessment and training with all TriCo employees. Data collected through the DiSC assessment would be used as a training tool for the manager's training sessions.

The cost of the program is \$18,020. Consisting of program development \$7,520, training delivery and materials \$10,500 and the DISC workshop (\$215/person) \$4,950. Ms. Lamb stated she feels the investment is worth the cost. The 2018 reviews indicated staff is dissatisfied with the handling of HR issues. The staff should know that the Board heard their concerns and is committed to addressing them. Ms. Lamb said she would like Mr. Williams to get more references from HRD to see if other businesses have been satisfied with the training.

Mr. Kimball asked Mr. Williams what he expects out of the training both for himself and the managers. Mr. Williams said the main goal is to improve responses to employee issues and motivation at the management level. Feedback from employees indicated that problems get pushed to the director level to be addressed. The goal is to train managers to be able to deal with issues within their departments. Mr. Ryerson said he would like to see at least one reference from a company that has completed the training. He would like to know if the material learned during the training has been implemented and if it was beneficial to their company. Mr. Williams said he would ask for more references.

Mr. Williams stated that he would like to go forward with the initial employee training and DiSC assessment. The cost will be covered with funds already approved in the 2019 training budget. Mr. Williams feels that DiSC assessments will provide a starting point regardless of what management training program is selected.

When a firm is selected for management training, Ms. Lamb believes they should help Mr. Williams develop a new performance appraisal for the managers. Ensuring the Utility is assessing managers on what they learn through the training and holding them accountable to implement what they have learned.

Mr. Williams will follow up with the Committee in March after speaking with HRD's references. The Committee agreed Mr. Williams should move forward with the DiSC assessment for all employees. They agreed the information it would gather would be beneficial regardless of which management training program is chosen.

LABOR ATTORNEY UPDATE

Mr. Williams reminded the Committee that TriCo used Faegre Baker Daniels law firm for labor issues in the past. The original attorney assigned to TriCo retired. The account was assigned to Craig Browoski who has since left the firm. Mr. Williams spoke to Mr. Browoski who said he is willing to continue working with the Utility on an on-call basis at his new firm. Mr. Kimbell suggested a firm for Mr. Williams to contact. Mr. Williams will update the Committee in March after he researches more options. Once an attorney is chosen, the Committee would like to have TriCo's Employee Handbook reviewed to be sure it is up-to-date and compliant with current labor laws.

OTHER BUSINESS

Mr. Williams said the City of Carmel is holding an open house for the Home Place residents on Saturday March 2, 2019 at the Fire Station connected to the Hensel Government Center. Mr. Williams will be at the TriCo office with brochures and handouts to reassure customers nothing is changing with their sanitary sewer service.

The meeting adjourned at 8:20 a.m.

Respectfully Submitted,



Andrew Williams
Utility Director



CAPITAL & CONSTRUCTION MEETING

Monday, March 4, 2019 at 4:30 p.m.
Memorandum

Members Present: Marilyn Anderson and Eric Hand. Others in attendance were: Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Engineering Manager Wes Merkle, District Engineer Ryan Hartman, Collection Superintendent Aaron Strong and Administrative Assistant Maggie Crediford

Committee Chair Mr. Pittman was absent.

Mr. Hand called the meeting to order at 4:37 p.m.

Public Comment

There was no one present from the public.

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

Mr. Merkle reminded the Committee that in February the Board directed Staff to extend statutory offers to property owners of the 4 remaining easements needed to proceed with the project. One easement has been acquired and one is in condemnation proceedings. Offers were mailed to the remaining 4 property owners on February 14. They have 30 days to respond. Mr. Merkle recommended legal counsel proceed with condemnation of easements if agreements can not be reached with the property owners. Mr. Hand and Ms. Anderson were both comfortable with the recommendation to move forward with condemnation if agreements are not made within the 30-day time frame.

The Committee will recommend that the Board of Trustees vote to move forward with condemnation proceedings for the remaining 4 easements if agreements are not made by March 14, 2019.

#2001 Little Eagle Creek Interceptor Extension

Mr. Merkle stated this item is also a continuation from the February C&C meeting. The project would make sanitary sewer service available to approximately 600 acres in the northwest corner of TriCo's existing service area. Staff has received multiple requests for sewer service from several property owners and developers. An alternate sewer alignment follows a creek that cuts across the back of several properties. This route would be less deep, much less expensive to construct, and require fewer easements. Regardless of the route chosen, the Utility will likely need to condemn at least one easement to complete the project. Mr. Merkle recommended proceeding with the design of the less expensive alternative sewer alignment following the creek. Mr. Williams stated that TriCo would move forward with the design of the project but will not do the work until developers are ready to move forward.

Mr. Hand asked if property owners are opposed to the sewers being installed or the proposed route of the sewers. Mr. Merkle stated that property owners who are opposed to the project are opposed to development in the area.

Ms. Anderson stated she is more comfortable moving forward with the project since there have been multiple inquiries, not just from one developer. Mr. Hand asked if the multiple inquiries have been many people asking about one parcel or if multiple parcels in the service area have had inquiries. Mr. Hartman stated multiple parcels and multiple parties have inquired about sewer service in the area. Mr. Hand said he is comfortable moving forward with the project if there are no environmental concerns regarding installing the sewer line next to the creek, as it is already part of TriCo's service area.

The Committee will recommend the Board of Trustees vote to move forward with project #2001 Little Eagle Creek Interceptor Extension with the assumption easements will be condemned, if necessary.

#1802 Haver Way Sewer Improvements

Mr. Merkle stated Staff issued a Request for Proposals to three design firms familiar with the Haver Way Sewer Project and TriCo lift station design standards. Staff reviewed their responses and recommends moving forward with the proposal from MS Consultants, Inc. The proposal includes engineering design, permitting, easement acquisition, bidding and construction administration services. MS Consultants also designed the 96th Street and Keystone project. Mr. Williams reminded the committee the property owners deposited money with TriCo to help fund the project.

The Committee will recommend the Board of Trustees approve the professional services agreement with MS Consultants, Inc. in the amount not to exceed \$66,600.

#1908 Neighborhood Sewer Extension Project

Mr. Merkle stated #1908 is a newly created neighborhood project using the \$300,000 budgeted for 2019 sewer extensions. The neighborhoods proposed for this project are: Larkspur, Oak Tree, Crossfields and Brandywine. Interest cards were sent to neighbors that did not respond the first time. Staff have received many responses indicating interest in sewer service in these neighborhoods. Staff recommends proceeding with the design, permitting and bidding of the project with GRW Engineers for \$48,510.

Mr. Hand asked if the total project will cost more than the \$300,000 budgeted for 2019. Mr. Merkle stated the project would be done in two parts. The first part, being the design phase, for \$48,510. The second phase would be the construction of low-pressure systems in the neighborhoods, and Mr. Merkle anticipates the total cost including construction to be under the \$300,000 budgeted for 2019.

The Committee will recommend the Board of Trustees vote to proceed with engineering services for extending sewers to Larkspur, Oak Tree, Crossfields and Brandywine neighborhoods and approve the professional services agreement with GRW in an amount not to exceed \$48,510.

Other Business

#1902 WRRF Expansion

Mr. Merkle explained that staff has been working with design engineer GRW over the past two months to determine equipment and process needs at the plant. Many savings opportunities were identified in addition to many opportunities to add value to the overall project. Mr. Merkle highlighted several changes and explained why they are needed. It makes sense to complete these changes under this project while similar work is underway. Staff believes these changes will provide the best long-term value for the Utility and recommends adding \$27,970 to GRW's professional services agreement to cover the additional design effort. Mr. Hand asked that staff provide a clear breakdown of costs differentiating between expanding capacity, replacing aging equipment, and overall operational improvements, once the project is ready for bidding. The Committee will recommend the Board of Trustees vote to approve the contract modification with GRW for \$27,970.

1135 E 104th Street

Mr. Williams said a customer expressed an interest in addressing the Board at the March 11, 2019 meeting regarding a rental property he owns. The customer has asked to be reimbursed for 3 years of sewer payments because the house was vacant. The customer contacted Customer Service in 2015, 2017, and 2019. He was encouraged to send a letter to the Board asking for billing to be suspended for his property. He chose not to do that, but now expressed that he will come to the meeting in March and ask for reimbursement for payments made. The property was on a well until January of 2019, so there is no way to measure water usage from 2015-2019.

Byrum/Citizens Service Agreement

Mr. Williams stated Citizens presented a preliminary agreement with Mr. Byrum, requesting to enter into a wholesale service agreement with TriCo to provide sanitary sewer service to Mr. Byrum's property. The proposal is for 65 EDU's, substantially more EDU's than the original proposal brought to TriCo by Mr. Byrum to service 1-3 homes for his family. Mrs. Poindexter will contact Mr. Byrum's attorney to verify the agreement presented to Mr. Williams is agreeable to Mr. Byrum. The Committee will discuss the offer further at the April 1, 2019 C&C Committee meeting.

Capital Project Updates

Mr. Merkle noted that staff is working with the architect to finish plans and specifications for the administration office improvements project. Bids will be received this month or next month and presented at the next C&C Committee meeting.

The meeting adjourned at 5:45 p.m.

Respectfully Submitted,



Wes Merkle
Engineering Manager



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: March 7, 2019

**Subject: #1901 Lift Station 14 Parallel Force
Main - Easements**

The Utility needs easements from 6 property owners to proceed with this project. To date one easement has been acquired and one easement is proceeding to condemnation because the property owner has been non-responsive.

Staff has been communicating with the remaining four property owners since July 2018. On February 11, the Board directed staff to issue statutory offers to the four remaining property owners. Offers were mailed on February 14 and property owners have 30 days to respond. Staff has received no response from Roberson since the letters went out. Staff has been in contact with McClain, Ridolfo, and Shan-Wang; however, an agreement to acquire easements has not been reached.

Lift Station 14 (Austin Oaks) is nearing capacity. This project is needed to expand the lift station's capacity, allowing us to continue reliably serving new customers in Zionsville and northwest Carmel.

The C&C Committee recommended the Board direct legal counsel proceed with condemnation of easements if staff cannot reach agreements with property owners.

Recommended Action: Direct legal counsel to proceed with condemnation of easements if agreements cannot be reached with property owners.



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: March 7, 2019

Subject: #2001 Little Eagle Creek Interceptor Extension

At the February 4 C&C Committee meeting, the Committee discussed extending the Little Eagle Creek Interceptor northward into old Union Township. This project is required to make sanitary sewer service available to approximately 600 acres in the northwest corner of our existing service area. This project has been a part of TriCo's master plan since these parcels were added to our service area many years ago. It is scheduled for construction in 2020 pending sewer service interest from property owners and developers.

Staff has received multiple requests for sewer service from several property owners and developers. Parties were previously told that TriCo is willing to extend sewers along County Road 1200 East; however, it will be their responsibility to extend sewers westward and acquire easements on their own. An alternative sewer alignment follows a creek but cuts across the back of several properties. This alternative will be much less deep and cost approximately \$400,000 less than the County Road 1200 East route. This alternative also requires six less easements. It has become apparent to staff that regardless of which alternative is selected, one or more easements may need to be condemned in order to extend sewer service to this area.

The C&C Committee recommended proceeding with design of the less expensive alternative sewer alignment following the creek, making sewer service available to approximately 600 acres in the northwest corner of our existing service area, with the understanding that condemnation may be necessary to acquire easements. Staff will solicit proposals from engineering firms to provide design services and present to the Committee and Board for approval in the coming months. Staff would only proceed with the work once appropriate commitments are made from property owners and developers requesting service, such that TriCo is not carrying all the risk of extending sewers, similar to other sewer extension projects.

Recommended Action: Direct staff to proceed with Project #2001 Little Eagle Creek Interceptor Extension and work with property owners and developers requesting service to shoulder the risk of extending sewers.



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: March 7, 2019

Subject: #1802 Haver Way Sewer Improvements

Staff issued a Request for Proposals to three firms familiar with the project and TriCo lift station design standards to provide consulting services for the subject project. Staff reviewed their responses and recommends MS Consultants Inc. to complete the work, which includes engineering design, permitting, easement acquisition, bidding and construction administration services. The C&C Committee concurred with staffs' recommendation.

Recommended Action: Approve the professional services agreement with MS Consultants Inc. in an amount not to exceed \$66,600.



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: March 7, 2019

Subject: #1908 Neighborhood Sewer Extension Project

Currently there are 13 unsewered neighborhoods with over 300 homes in TriCo's service area. The capital budget includes \$300,000 annually through 2023 for neighborhood sewer extension projects, with a goal of making service available to all neighborhoods. Staff prioritizes neighborhoods based on interest in connecting and failed or failing septic systems.

Last fall staff sent interest letters to homeowners in remaining unsewered neighborhoods. At its February 4 meeting, the C&C Committee discussed a project extending sewers to Larkspur, Oak Tree, and Crossfields neighborhoods, based on strong interest and failing septic systems. Follow-up interest letters were mailed to homeowners who did not respond to the previous letter. Based on responses received to date, staff recommends adding Brandywine to this year's project. Project costs are expected to be below \$300,000 budgeted.

The next step in this project is to proceed with design, permitting and bidding of the project. GRW Engineers, who completed the last couple of neighborhood low pressure sewer design projects, has proposed a fee of \$48,510. This fee is in line with past projects based on a similar scope of work. The C&C Committee concurred with staff's recommendation.

Recommended Action: Proceed with engineering services for extending sewers to Larkspur, Oak Tree, Crossfields, and Bradywine neighborhoods and approve the professional services agreement with GRW in an amount not to exceed \$48,510.



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: March 7, 2019

Subject: #1902 WRRF Expansion Design Contract Modification

Staff has spent the last two months working with design engineer GRW to determine equipment and process needs at the plant. Many savings opportunities were identified in addition to many opportunities to add value to the overall project, with changes highlighted below.

- Replace the original mechanical screen in the pretreatment building. This screen has become less effective and reliable as it is near the end of its service life. It makes sense to do this now while we add a third mechanical screen with conveyance and compaction equipment.
- Add piping and modifications to existing and new VLRs to enable total nitrogen removal, which is an anticipated future treatment requirement.
- Repair deteriorated concrete in the pretreatment building and influent splitter, and add epoxy lining to prevent future deterioration
- Add lightning protection to all plant buildings to reduce the risk of damage to electrical equipment critical to plant functionality
- Add a portable emergency generator docking station for redundancy purposes
- Replace existing UV disinfection equipment instead of building a third UV channel
- Remove the upper level addition to the pretreatment building due to selection of grit removal equipment that will fit in the existing space.

The professional services agreement with GRW included design, permitting and bidding phase services. The original contract amount was \$532,000. The proposed changes add \$27,970, making the new contract amount \$559,970. The overall project cost is still expected to be below budget.

Staff recommends approving the contract modification. The C&C Committee concurred and asked staff to provide a breakdown of costs differentiating between expanding capacity, replacing aging equipment, and overall operational improvements, once the project is ready for bidding.

Recommended Action: Approve the contract modification with GRW for \$27,970.