



## **TriCo Regional Sewer Utility**

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

**Monday, October 14, 2019 @ 6:30 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 September 9, 2019
- 4. Approval of Claims Docket**
- 5. Attorney's Report**
- 6. Utility Director's Report**
- 7. Committee Reports**
  - a. Budget & Finance Committee
    - i. Schafer Enforcement Action
    - ii. Policy Revisions
      1. Travel Policy
      2. Medical Insurance Waiver Policy
      3. Interim Check Signing Policy
      4. Capital Policy and Procedures
  - b. Personnel & Benefits Committee
  - c. Capital & Construction Committee
    - i. Dedications
    - ii. Lift Station 14 Parallel Force Main Contract Award #1901
    - iii. Digester Improvements Contract Award
  - d. Office Improvements Special Committee
- 8. Old Business**
- 9. New Business**
- 10. Adjourn**



## BOARD OF TRUSTEE MEETING

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Monday, September 9, 2019 at 6:30 p.m.

### Memorandum

#### **ROLL CALL**

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

Mr. Kimbell was absent.

Ms. Anderson called the meeting to order at 6:32 p.m.

#### **Public Comment**

There was no one present from the public.

#### **Approval of Meeting Memorandum**

Ms. Merrill made a motion to approve the memorandum from the August 12, 2019 Board Meeting. Mr. Mills seconded the motion and it was unanimously approved.

#### **Approval of Claims Docket**

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

#### **Attorney's Report**

Mrs. Poindexter received signed easement documents for the McClain easement. With the acquisition of this easement, the two outstanding easement condemnation cases previously pending in Boone County have been resolved.

#### **Utility Director's Report**

Mr. Williams said the bid opening for the parallel force main construction will be on October 1, 2019.

Staff would like to have a joint C&C and B&F meeting to discuss interest rates and financing the plant expansion project.

The two new collections employees are working out well and are excited to be employed at the Utility.

## **Committee Reports**

### **Budget & Finance Committee**

Ms. Merrill stated the B&F Committee did not meet and had no action items before the Board.

### **Personnel & Benefits Committee**

Ms. Lamb said the P&B Committee had no action items before the Board.

### **Capital & Construction Committee**

#### **Woodhall Lane Sanitary Sewer Dedication**

Mr. Pittman made a motion to accept the Woodhall Lane sanitary sewer dedication. Ms. Merrill seconded the motion and it was unanimously approved.

#### **#1906 Outfall Sewer Expansion Easements**

Mr. Pittman made a motion for the Board to direct Mrs. Poindexter to send a letter to DOW, which should include a uniform easement acquisition offer and notification the Utility will proceed with condemnation if an agreement cannot be reached. Mr. Hand seconded the motion and it was unanimously approved.

#### **Lateral Repair Policy**

Mr. Pittman made a motion to approve the proposed Lateral Repair Policy. Mr. Hand seconded the motion and it was unanimously approved.

Ms. Merrill asked if there is a policy addressing the enforcement of the Lateral Repair Policy. Mr. Williams said violators can be assessed with up to a \$1,000 daily fine per the Sewer Use Ordinance.

Mrs. Poindexter stated the Utility has the right to plug sewer lines if properties are in violation of the policy. If a sewer line is plugged, the county must be notified, and the home will be deemed uninhabitable.

Ms. Merrill was concerned that homeowners who violate the policy will not know the penalty at the time of being asked to make the repair. Ms. Anderson said that she assumes staff would relay the potential consequences to the homeowner when the repair request is made. Mrs. Poindexter said it would be good practice to let the homeowner know the potential consequences and inform property owners they will come before the Board to have a penalty assessed if the violation is not resolved.

### **Office Improvements Special Committee**

Mr. Pittman stated the committee met with staff and was brought up to speed on planning with Blackline. Mr. Merkle showed the Board renderings of the proposed building. Mr. Merkle gave a brief overview of the interior floor plan for the benefit of Board Members who were unable to attend the OIC meeting.

Ms. Merrill noted the large number of windows proposed for the western side of the building and voiced concerns about heat that would be generated in the summer. Mr. Williams said the windows will have a blind system. Mr. Merkle said Blackline is proposing metal visors for

the exterior of the windows as well.

Mr. Hand asked if there is a designated location for severe weather shelter. Mr. Williams said employees are currently directed to the interior bathrooms. Mr. Merkle will ask the designer to consider this in the final design.

Mr. McDonald asked if the shop area will be soundproofed. He was concerned about noise filtering through to the office area. Mr. Merkle said walls between the office and shop will be insulated. The shop is kept at a different temperature than the office during winter months. Mr. Williams said noise is not created by the shop daily. The collections staff has asked to add a pump shop in the biosolids building which would reduce potential noise even further.

Mr. Williams noted the current floor plan can accommodate seven additional employees. If the Utility grows large enough to require more than seven additional employees, the garage bays can be converted to office space.

Mr. Merkle gave the Board an overview of the sewer planning presentation he and Matt Smith (Strand Associates) made at the IWEA Annual Conference in Fort Wayne.

### **Adjournment**

Mr. Pittman made a motion to adjourn the meeting. Mr. Mills seconded the motion and the meeting adjourned at 7:29 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 09/05/2019-10/8/2019

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
9/5/19	13595	Operating	Allison Payment Systems LLC db	\$3,670.42	\$3,670.42	August billing
9/5/19	13595	Operating	Allison Payment Systems LLC db	\$5,003.98	\$5,003.98	Postage for billing
9/6/19	13596	Operating	Cody Cain	\$16.24	\$16.24	Mileage 9/3
9/9/19	13597	Interceptor	Douglas P McClain	\$15,000.00	\$15,000.00	CIP-Proj 1901 LS 14 Interceptor
9/10/19	13598	Operating	IPL	\$5,041.52	\$5,041.52	LS 2
9/10/19	13598	Operating	IPL	\$91.60	\$91.60	LS 24
9/10/19	13598	Operating	IPL	\$57.12	\$57.12	Valve Vault
9/11/19	13599	Operating	Taylor Oil Company, Inc.	\$1,509.01	\$1,509.01	Fuel
9/11/19	13600	Operating	Black Tie Courier	\$286.00	\$286.00	Courier Service-August
9/11/19	13601	Operating	Community Occupational Health S	\$50.00	\$50.00	Drug Screen 08/27/19
9/16/19	13602	Operating	Express Services, Inc.	\$1,252.40	\$1,252.40	Temp Staff 09/01/2019 C1197
9/16/19	13602	Operating	Express Services, Inc.	\$1,001.92	\$1,001.92	Temp Staff 09/08/2019 C1197
9/16/19	13603	Operating	Carmel Utilities	\$13.45	\$13.45	LS 1 Water
9/17/19	13604	Operating	AFLAC	\$504.04	\$504.04	Employee Deferred Liability
9/17/19	13605	Operating	AT&T Mobility	\$1,309.91	\$1,309.91	LS Phone Service
9/17/19	13606	Operating	Maggie Crediford	\$139.95	\$139.95	Grammerly Yearly Subscription
9/17/19	13607	Operating	Christopher Dennis	\$371.90	\$371.90	Refund-overpmt
9/18/19	13608	Operating	Shelly Keefe	\$18.56	\$18.56	Mileage 9/18
9/20/19	13609	Operating	Boone County Recorder	\$25.00	\$25.00	Lien Release
9/20/19	13610	Operating	Express Services, Inc.	\$1,299.37	\$1,299.37	Temp Staff w/e 09/18/2019
9/20/19	13611	Operating	Joe Hood	\$29.00	\$29.00	Travel/Mileage-On Call
9/23/19	13612	Operating	Boone County Recorder	\$25.00	\$25.00	Lien release - Anderson
9/24/19	13614	Operating	AT & T	\$698.93	\$698.93	Internet Service
9/24/19	13615	Operating	Citizens Energy Group	\$502.80	\$502.80	Billing Services
9/25/19	13616	Operating	Boone County Recorder	\$175.00	\$175.00	File 7 liens
9/25/19	13617	Operating	Carmel Utilities	\$13.45	\$13.45	LS 2 Water
9/25/19	13617	Operating	Carmel Utilities	\$27.35	\$27.35	LS 26 Water
9/26/19	13618	Operating	Cindy Sheeks	\$20.89	\$20.89	B&F Meeting
9/27/19	13619	Operating	Carmel Utilities	\$1,112.52	\$1,112.52	Sewer Cleaning
9/27/19	13620	Operating	Citizens Energy Group	\$64.02	\$64.02	LS 17
9/27/19	13621	Operating	Citizens Energy Group	\$65.74	\$65.74	Plant
9/27/19	13622	Operating	Eric Luis Delacruz	\$30.00	\$30.00	Cell Phone Reimb
9/27/19	13623	Operating	Jeffrey Martin	\$30.00	\$30.00	Cell Phone Reimb
9/27/19	13624	Operating	Kermin Huntley	\$30.00	\$30.00	Cell Phone Reimb
9/27/19	13625	Operating	Matt Starr	\$69.60	\$69.60	Travel/Mileage-On Call
9/27/19	13626	Operating	Nathan Crowder	\$30.00	\$30.00	Cell Phone Reimb
9/27/19	13627	Operating	Wes Merkle	\$849.36	\$849.36	Travel/Mileage Reimbursement
9/27/19	13628	Operating	Aaron Strong	\$30.00	\$30.00	Cell Phone Reimb
9/30/19	13629	Operating	AT & T	\$93.32	\$93.32	Plant Phone Service
9/30/19	13629	Operating	AT & T	\$698.93	\$698.93	Plant Internet
9/30/19	13630	Operating	Joel Cohen	\$12.37	\$12.37	Refund-9750 Summerlakes Dr
9/30/19	13631	Operating	Mary Beth Schueth	\$37.11	\$37.11	Refund-3719 Carwinion Way
9/30/19	13632	Operating	James H Scherer	\$17.45	\$17.45	Refund-10704 Pimlico Cirle
9/30/19	13633	Operating	Dr. Donald Baltzer	\$21.46	\$21.46	Refund-11554 Woodview Dr W
9/30/19	13634	Operating	Helen Lewis	\$83.66	\$83.66	Refund-10408 Windemere
9/30/19	13635	Operating	Elizabeth Sanders	\$34.63	\$34.63	Refund-9930 Towne Road
9/30/19	13636	Operating	Feng Hong	\$6.27	\$6.27	Refund-3138 Windy Knoll
9/30/19	13637	Operating	Cerissa Sperle	\$30.61	\$30.61	Refund-10348 Orchard Park Dr W
9/30/19	13638	Operating	Suresh Katta or Kalpana Kodi	\$46.81	\$46.81	Refund-13116 Golden Gate
9/30/19	13639	Operating	Anna Konradi	\$38.25	\$38.25	Refund-2195 Glebe St
9/30/19	13640	Operating	Katie M Montgomery	\$25.52	\$25.52	Refund-11750 Glenbrook Ct #206
9/30/19	13641	Operating	Blake Brennan	\$49.90	\$49.90	Refund-11715 Lenox
9/30/19	13642	Operating	Lisa Ipsen	\$14.97	\$14.97	Refund-13247 Lamana Pl
9/30/19	13643	Operating	Joseph Biondo	\$27.92	\$27.92	Refund-3864 Cornwallis Lane
9/30/19	13644	Operating	Ethan or Amy Brown	\$18.53	\$18.53	Refund-2478 Sutton Place Dr S
9/30/19	13645	Operating	Amar Gadkari	\$27.75	\$27.75	Refund-13004 Tuscany Blvd
10/3/19	13646	Operating	Express Services, Inc.	\$1,651.65	\$1,651.65	Temp Staff w/e 09/25/19
10/3/19	13646	Operating	Express Services, Inc.	\$1,710.36	\$1,710.36	Temp Staff w/e 10/02/19
10/7/19	13647	Operating	Sibusiswe Ndebele	\$225.00	\$225.00	Refund--14469 Timmis Circle
10/7/19	13648	Operating	IPL	\$102.21	\$102.21	LS 3
10/7/19	13648	Operating	IPL	\$374.58	\$374.58	LS 8
10/7/19	13648	Operating	IPL	\$232.10	\$232.10	LS 9

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
10/7/19	13648	Operating	IPL	\$659.34	\$659.34	LS 10
10/7/19	13648	Operating	IPL	\$74.77	\$74.77	LS 12
10/7/19	13648	Operating	IPL	\$49.70	\$49.70	LS 18
10/7/19	13648	Operating	IPL	\$70.96	\$70.96	LS 20
10/7/19	13648	Operating	IPL	\$47.74	\$47.74	LS 22
10/7/19	13648	Operating	IPL	\$50.31	\$50.31	LS 25
10/7/19	13648	Operating	IPL	\$56.61	\$56.61	Valve Vault
10/7/19	13648	Operating	IPL	\$5,215.73	\$5,215.73	LS 2
10/7/19	13648	Operating	IPL	\$91.54	\$91.54	LS 24
10/8/19	13649	Operating	Barbara Lamb	\$150.00	\$150.00	Board Member Fees
10/8/19	13650	Operating	Carl S. Mills	\$200.00	\$200.00	Board Member Fees
10/8/19	13651	Operating	Charles Ryerson	\$150.00	\$150.00	Board Member Fees
10/8/19	13652	Operating	Eric Hand	\$150.00	\$150.00	Board Member Fees
10/8/19	13653	Operating	Jane B. Merrill	\$200.00	\$200.00	Board Member Fees
10/8/19	13654	Operating	Jeffrey Kimbell	\$50.00	\$50.00	Board Member Fees
10/8/19	13655	Operating	Marilyn Anderson	\$200.00	\$200.00	Board Member Fees
10/8/19	13656	Operating	Michael A. McDonald	\$200.00	\$200.00	Board Member Fees
10/8/19	13657	Operating	Steve Pittman	\$200.00	\$200.00	Board Member Fees
10/8/19	13658	Interceptor	Indianapolis Star	\$341.12	\$341.12	CIP-Proj 1901 Force Main Ext-Bids
10/8/19	13659	Plant Expansion	GRW	\$57,200.00	\$57,200.00	CIP-Proj 1902 Final Design
10/8/19	13659	Plant Expansion	GRW	\$1,000.00	\$1,000.00	CIP-Proj 1902 NPW Sys Design
10/8/19	13660	Reserve for Repla	Straeffner Pump & Supply, Inc.	\$12,280.00	\$12,280.00	R4R-CIP-Lift Stations
10/8/19	13661	Reserve for Repla	Xylem Water Solutions USA Inc	\$10,364.00	\$10,364.00	Replacement mixer - PO 1689
10/8/19	13662	Operating	ACE Technologies, LLC	\$2,730.00	\$2,730.00	Plant Support
10/8/19	13662	Operating	ACE Technologies, LLC	\$1,185.00	\$1,185.00	Collections support
10/8/19	13663	Operating	Alfa Laval, Inc	\$829.04	\$829.04	Plant R&M
10/8/19	13664	Operating	Allison Payment Systems LLC db	\$3,678.55	\$3,678.55	September Billing
10/8/19	13664	Operating	Allison Payment Systems LLC db	\$5,017.01	\$5,017.01	Postage Expense
10/8/19	13665	Operating	Altman, Poindexter & Wyatt, LLC	\$2,392.50	\$2,392.50	Legal Fees
10/8/19	13665	Operating	Altman, Poindexter & Wyatt, LLC	\$55.00	\$55.00	Legal Fees-Young
10/8/19	13665	Operating	Altman, Poindexter & Wyatt, LLC	\$137.50	\$137.50	Legal Fees-McClain
10/8/19	13665	Operating	Altman, Poindexter & Wyatt, LLC	\$357.50	\$357.50	Legal Fees-Kuhn, Lapham
10/8/19	13666	Operating	ASAP Aquatics	\$154.00	\$154.00	Cattail prevention
10/8/19	13667	Operating	B&W Plumbing and Heating	\$822.06	\$822.06	Replace cabinet cooler
10/8/19	13667	Operating	B&W Plumbing and Heating	\$297.00	\$297.00	LS 23 R&M
10/8/19	13667	Operating	B&W Plumbing and Heating	\$210.64	\$210.64	LS R&M
10/8/19	13668	Operating	BBC Pump and Equipment Co Inc	\$3,501.97	\$3,501.97	Lift Station R&M
10/8/19	13669	Operating	Best Equipment Co	\$15,950.00	\$15,950.00	CIP-Camera Pole
10/8/19	13670	Operating	Bio Chem, Inc.	\$4,046.43	\$4,046.43	Biosolid disposal
10/8/19	13670	Operating	Bio Chem, Inc.	\$3,756.48	\$3,756.48	Aluminum Sulfate
10/8/19	13671	Operating	Black Tie Courier	\$273.00	\$273.00	Courier Service-September
10/8/19	13672	Operating	Blackline	\$10,613.75	\$10,613.75	CIP-Office remodel
10/8/19	13673	Operating	BLD Services, LLC	\$2,800.00	\$2,800.00	CIPP Lateral Liner 15' in Length
10/8/19	13673	Operating	BLD Services, LLC	\$2,750.00	\$2,750.00	CIPP Spot Repair 6' in length
10/8/19	13673	Operating	BLD Services, LLC	\$2,750.00	\$2,750.00	CIPP Patch AWM3-AWM2
10/8/19	13674	Operating	C&S Solutions, Inc	\$3,611.95	\$3,611.95	Transmitter, Battery, Chargers & Leads
10/8/19	13675	Operating	Carmel Utilities	\$79,666.13	\$79,666.13	September Flow to Carmel
10/8/19	13675	Operating	Carmel Utilities	\$1,032.60	\$1,032.60	September Reads
10/8/19	13676	Operating	Carmel Utilities	\$40.27	\$40.27	Storm Water Fees
10/8/19	13677	Operating	Chesley Associates, Inc.	\$780.45	\$780.45	Portable Jack Bar
10/8/19	13678	Operating	Clay Township Trustee	\$4,756.79	\$4,756.79	Gov't Center Expenses
10/8/19	13679	Operating	Coleman Auto Repair Service, LL	\$78.55	\$78.55	Vehicle R&M
10/8/19	13679	Operating	Coleman Auto Repair Service, LL	\$82.74	\$82.74	Vehicle R&M
10/8/19	13680	Operating	Commonwealth Biomonitoring Inc	\$3,000.00	\$3,000.00	Sewer Sampling
10/8/19	13681	Operating	Continental Research Corporation	\$426.75	\$426.75	Plant R&M
10/8/19	13682	Operating	Dell Marketing L.P.	\$219.00	\$219.00	Xerox Printer
10/8/19	13683	Operating	Eco Infrastructure Solutions, Inc.	\$245.97	\$245.97	Equipment Repair
10/8/19	13684	Operating	Element Materials Technology Da	\$38.00	\$38.00	Sewer Sampling
10/8/19	13685	Operating	Fastenal Company	\$484.95	\$484.95	Plant R&M
10/8/19	13685	Operating	Fastenal Company	\$183.83	\$183.83	Safety
10/8/19	13685	Operating	Fastenal Company	\$80.93	\$80.93	Safety
10/8/19	13685	Operating	Fastenal Company	\$399.61	\$399.61	Safety
10/8/19	13685	Operating	Fastenal Company	\$13.87	\$13.87	Safety
10/8/19	13685	Operating	Fastenal Company	\$259.19	\$259.19	Plant R&M

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
10/8/19	13686	Operating	Grainger	\$159.90	\$159.90	Lift Station R&M
10/8/19	13687	Operating	Hach Company	\$367.53	\$367.53	Sewer Sampling
10/8/19	13688	Operating	Henry P. Thompson Company	\$1,978.04	\$1,978.04	Plant R&M
10/8/19	13689	Operating	IN.GOV	\$15.00	\$15.00	Background Check
10/8/19	13690	Operating	IT Indianapolis	\$487.50	\$487.50	Computer Expense
10/8/19	13690	Operating	IT Indianapolis	\$4,531.10	\$4,531.10	Computer Expense
10/8/19	13690	Operating	IT Indianapolis	\$1,586.86	\$1,586.86	Computer Expense
10/8/19	13690	Operating	IT Indianapolis	\$738.00	\$738.00	Computer Expense
10/8/19	13691	Operating	IUPPS	\$2,421.55	\$2,421.55	Locates
10/8/19	13691	Operating	IUPPS	\$2,634.35	\$2,634.35	Locates
10/8/19	13692	Operating	Joe Hood	\$29.00	\$29.00	Mileage 10/2/19
10/8/19	13693	Operating	Kinetrex Energy	\$5.21	\$5.21	Natural Gas-Plant
10/8/19	13694	Operating	Landmark	\$71.25	\$71.25	Plant Gardening Service
10/8/19	13695	Operating	Merrell Brothers, Inc.	\$10,727.40	\$10,727.40	Biosolids Disposal
10/8/19	13696	Operating	Carol Kiefer	\$27.75	\$27.75	Refund-3821 Brigade Circle
10/8/19	13697	Operating	Nature Turf Services	\$200.00	\$200.00	Plant mowing-August
10/8/19	13698	Operating	NCL of Wisconsin, Inc.	\$945.09	\$945.09	Sewer Sampling
10/8/19	13699	Operating	Office Depot	\$97.48	\$97.48	Office Supplies
10/8/19	13699	Operating	Office Depot	\$27.39	\$27.39	Office Supplies
10/8/19	13699	Operating	Office Depot	\$57.39	\$57.39	Office Supplies
10/8/19	13700	Operating	Praxair Distribution, Inc.	\$30.05	\$30.05	Cylinder rental
10/8/19	13701	Operating	Quench USA, Inc.	\$101.97	\$101.97	Water cooler rental
10/8/19	13702	Operating	Quick Lane	\$25.04	\$25.04	Vehicle R&M
10/8/19	13703	Operating	Republic Services #761	\$479.66	\$479.66	Plant Trash
10/8/19	13704	Operating	Rook Security LLC	\$2,503.00	\$2,503.00	MDR Services 2/1/19-1/31/20
10/8/19	13705	Operating	Shrewsbury & Associates, LLC	\$14,287.50	\$14,287.50	Constr Insp-Estates at Town Meadow
10/8/19	13707	Operating	Simplifile	\$2,520.00	\$2,520.00	Filing Fees
10/8/19	13708	Operating	Southeastern Equipment Co., Inc	\$4,344.35	\$4,344.35	Equipment Repair
10/8/19	13709	Operating	Straeffer Pump & Supply, Inc.	\$510.88	\$510.88	Seal Kit
10/8/19	13709	Operating	Straeffer Pump & Supply, Inc.	\$1,088.36	\$1,088.36	Hydromatic Adapter
10/8/19	13710	Operating	Strand Associates, Inc.	\$3,724.60	\$3,724.60	Sludge Holding Tank Overflow Piping
10/8/19	13711	Operating	Structured Solutions, LLC	\$2,155.00	\$2,155.00	Manhole R&M
10/8/19	13712	Operating	Taylor Oil Company, Inc.	\$10.26	\$10.26	Fuel
10/8/19	13712	Operating	Taylor Oil Company, Inc.	\$1,614.66	\$1,614.66	Fuel
10/8/19	13713	Operating	USA BlueBook	\$431.44	\$431.44	Sewer Sampling
10/8/19	13714	Operating	Utility Supply Company	\$140.85	\$140.85	Line Repair
10/8/19	13714	Operating	Utility Supply Company	\$16.98	\$16.98	Line Maintenance
10/8/19	13714	Operating	Utility Supply Company	\$7.28	\$7.28	Line Maintenance
10/8/19	13715	Operating	Vasey Commercial Heating & AC	\$921.00	\$921.00	Plant R&M
10/8/19	13716	Operating	Wonderware North (Q-mation)	\$9,890.00	\$9,890.00	WCF Support
10/8/19	13717	Operating	Signius Communications	\$86.28	\$86.28	Answering Service
9/10/19	20190374	Operating	Vectren Energy Delivery	\$49.49	\$49.49	Plant Gas
9/9/19	20190375	Operating	PNC Bank	\$6,563.68	\$6,563.68	CC EXPENSES AUG 2019
9/10/19	20190376	Operating	Napa Auto Parts	\$3.91	\$3.91	Vehicle R&M
9/10/19	20190376	Operating	Napa Auto Parts	\$17.23	\$17.23	Vehicle R&M
9/10/19	20190377	Operating	Empower Retirement (Hoosier ST	\$8,452.46	\$8,452.46	401a, 457b, Roth
9/10/19	20190378	Operating	ADP	\$54,087.56	\$54,087.56	Payroll PPE 9/6/19
9/16/19	20190382	Operating	Vectren Energy Delivery	\$46.00	\$46.00	LS 2 Gas
9/16/19	20190383	Operating	Vectren Energy Delivery	\$17.95	\$17.95	LS 10 Gas
9/16/19	20190384	Operating	Principal Life Insurance Company	\$178.60	\$178.60	Fica match
9/20/19	20190385	Operating	ADP	\$129.50	\$129.50	Workforce Now Payroll
9/23/19	20190386	Operating	Empower Retirement (Hoosier ST	\$8,428.33	\$8,428.33	401a, 457b, Roth
9/23/19	20190387	Operating	ADP	\$53,653.69	\$53,653.69	PPE 9/20/19
9/24/19	20190388	Operating	AT&T Mobility	\$572.04	\$572.04	New account
9/24/19	20190389	Operating	AT&T Mobility	\$1,866.15	\$1,866.15	Emp phone service
9/27/19	20190390	Operating	ADP	\$124.70	\$124.70	Workforce Now Time & Attendance
9/27/19	20190391	Operating	Duke Energy	\$1,559.39	\$1,559.39	LS 1
9/27/19	20190392	Operating	Duke Energy	\$137.78	\$137.78	LS 5
9/27/19	20190393	Operating	Duke Energy	\$52.16	\$52.16	LS 6
9/27/19	20190394	Operating	Duke Energy	\$272.64	\$272.64	LS 11
9/27/19	20190395	Operating	Duke Energy	\$936.51	\$936.51	LS 14
9/27/19	20190396	Operating	Duke Energy	\$529.43	\$529.43	LS 26
9/27/19	20190397	Operating	Duke Energy	\$266.83	\$266.83	LS 16
9/27/19	20190398	Operating	Duke Energy	\$1,111.42	\$1,111.42	LS 17
9/27/19	20190399	Operating	Duke Energy	\$194.96	\$194.96	LS 19
9/27/19	20190400	Operating	Duke Energy	\$253.96	\$253.96	LS 21

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
9/27/19	20190401	Operating	Duke Energy	\$379.00	\$379.00	LS 23
9/27/19	20190402	Operating	Duke Energy	\$20,020.85	\$20,020.85	Plant
9/27/19	20190403	Operating	Anthem Blue Cross Blue Shield	\$32,657.78	\$32,657.78	Employee Insurance
9/30/19	20190404	Operating	Citizens State Bank	\$20.00	\$20.00	Bank fee-September
9/30/19	20190405	Operating	Napa Auto Parts	\$54.87	\$54.87	Vehicle R&M
9/30/19	20190405	Operating	Napa Auto Parts	\$46.88	\$46.88	Plant R&M
10/1/19	20190406	Operating	Principal Life Insurance Company	\$3,777.55	\$3,777.55	Employee Insurance - Oct 2019
10/4/19	20190407	Operating	ADP	\$129.50	\$129.50	Workforce Now Payroll Bundle
10/8/19	20190386	Operating	Empower	\$8,872.80	\$8,872.80	401a, 457b, Roth
10/8/19	20190387	Operating	ADP	\$58,201.32	\$58,201.32	PPE 10/4/2019

\$630,422.11      \$630,422.11

#### 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

**\$630,422.11**




## Docket Report Information

CIP-Proj 1901 LS 14 Forcemain Extension	\$ 15,341.12
CIP-Proj 1902 Plant Expansion	\$ 58,200.00
Lift Station Repairs-Pump	\$ 12,280.00
Camera Pole	\$ 12,950.00
CIP-Office Remodel	\$ 10,613.75
	\$ 109,384.87

District Insurance	\$36,435.33
Carmel September Flow	\$79,666.13

Other Expenses	\$404,935.78
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# The TriCo Connection

**Volume 12 Issue 10 October 2019**  
**MONTHLY NEWSLETTER**

## FINANCIAL REPORT-CINDY SHEEKS

August 2019 Total Revenues was \$706,440 which is below the projected revenue of \$707,343 by \$903. Residential sales were \$409,240 and 1.43% higher than expected. Commercial sales totaled \$267,342 which is 4.28% lower than expected. Total operating expenses were \$433,602 in August which is 1.58% under the monthly budget. Wages and benefits spending were over budget by \$15,307 for a total of \$191,352 during the month. Administration spending was \$47,429 in August and under budget by \$9,029. Treatment costs totaled \$138,501 which was under budget by \$6,915. Collection costs totaled \$56,319 in August which was \$6,983 under budget. Net income in August was \$262,862 after depreciation and amortization of CIAC and was above projections by \$21,104 for the month.

### Spending Breakdown in August:

Wages	44.13%
Administration	10.94%
Treatment Costs	31.94%
Collection Costs	12.99%

### Spending Breakdown YTD:

Wages	41.51%
Administration	13.05%
Treatment Costs	36.26%
Collection Costs	9.18%

Cash generated for August shows a net increase in all funds by \$305,178. Capital spending was \$129,141 which included spending for flow meter replacements, Neighborhood Sewers, WRRF Expansion, and Office Unification Plans. Cash on hand at 08/31/19 was \$10,850,857. The balances in the funds are listed below:

Operating	\$ 3,513,322
Interceptor	\$ 367,488
Plant Expansion	\$ 4,373,896
Operating Reserve	\$ 2,192,400
Reserve for Replacement	\$ 434,752

## In This Issue

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## Calendar of Events

October 14	Board Meeting	6:30 p.m.
October 23	P&B Meeting	7:30 a.m.
October 20	B&F Meeting	7:30 a.m.
November 4	C&C Meeting	4:30 p.m.

## PLANT REPORT- SCOT WATKINS

TriCo had a booth at this year's Public Safety Day; an event to show different displays and presentations by various City, County and private safety related organizations from around the community. Some of the displays included; Carmel Fire and Police Equipment, Household Hazardous Waste, Family Fire Escape Plan, When to use 911, Disaster Kits Personal Safety, Health and Wellness, Fire Extinguisher Demos, Water Safety, Public Safety Helicopters, Military Protection and Safety, Car Seat Clinic, Bicycle and Pedestrian Safety and many more. Please thank Loren and Brandon for working.



**2019 Public Safety Day  
St. Vincent Carmel Campus  
September 21, 2019**

Maddox Industrial Group was able to fabricate and install new scum brackets for Clarifier 2 and the equipment is back up and running. Staff replaced an actuator on the belt filter press and replaced a few guides on the conveyer system. The Collections staff assisted in the cleaning of the non-potable water filters; this is a preventative task to keep the system running properly.

The laboratory performed 443 CBOD5 tests, 233 Total Suspended Solids tests, 137 Phosphorus & Ammonia tests and 51 E. Coli tests. Brandon's training in the lab is complete and he has been added to the weekend lab rotation. Bob has completed the 2020 Indiana Water Environment Association (IWEA) calendars. He is now working on a presentation for the October Alliance of Rural Water Fall Conference.

TriCo has passed its Whole Effluent Toxicity (WET) testing for this quarter; WET refers to the aggregate toxic effect to aquatic organisms from all pollutants contained in a facility's wastewater effluent. It is one way the EPA implements the Clean Water Act's prohibition of the discharge of pollutants in toxic amounts. WET tests measure the wastewater's effect on specific test organisms' ability to survive, grow and reproduce. Passing the WET testing was critical in order to avoid a much more extensive testing and reporting process required of utilities that fail the test.



## OFFICE UPDATE

Blackline has provided this rendering of the proposed office expansion. The project will be bid in December and presented to the Board in January. If the bids are inline with the budget and the Board approves the project, construction could start in February and be completed as early as November.

## **CONSTRUCTION & ENGINEERING– WES MERKLE**

Engineering staff completed 546 locates, 55 I&I inspections and 44 lateral inspections in August. 2,977 locate requests were received and reviewed. Kermin had three failed I&I inspections – one for an illegal sump pump connection and the others for cleanout issues. Nate continues to monitor construction activity in our service area through locating duties. This month he dealt with several locations where tone wire – typically laid with new sewer pipe and used to find these sewers after they are buried – is inaccessible, falling apart or broken. Eric observed sewer construction at Zotec, warranty repairs for multiple projects, and punch list repairs for Waterfront at WestClay. Eric also observed construction for this year's neighborhood sewer project. Jeff assembled statistics to identify interceptor sewer cleaning locations. He is also investigating GIS system capabilities and potential upgrades. Jeff, Ryan and Wes updated EDU statistics to illustrate service area growth over the past 12 months. Ryan drove dedication of the Bridges project sewers so that the Zotec commercial project could finally move forward. Ryan continues to work with numerous developers, contractors and builders to keep construction in our service area moving forward.

Low pressure sewer installation is nearly complete in Lakewood Gardens and North Augusta. Work is underway in Oak Tree, Larkspur and Brandywine with Crossfields to follow. Ryan and Wes are waiting for updated plans and easement documents on the Haver Way sewer and lift station improvements project. Permitting and easement acquisition are expected to last several months with construction to follow in 2020. Bids for the Lift Station 14 (Austin Oaks) Parallel Force Main project were received. Construction is expected to run through next summer. Staff turned over to legal counsel the easement negotiations with DOW for the Outfall Sewer project. This project will proceed to bidding once easements are acquired. Staff has completed the final review for the plant expansion design. This project will go out for bidding next month. Design of the new plant office will wrap up later this month with staff completing the final plan review

## **CUSTOMER SERVICE REPORT– SHELLY KEEFE**

Eighty-six liens were filed and certified to fall property taxes for \$11,872.36. The total lien balance is now \$39,998.11.

New balanced billing rates were calculated and reflected on customers' September statements for August usage. Since then, Customer Service has been fielding calls for reviews and questions regarding fluctuations in account balances.

In September, 29 new customers were added to billing and 52 permits were issued

## COLLECTIONS REPORT - AARON STRONG

Collections Staff pulled and inspected nine pumps in the month of September thus completing pump inspections for 2019. Inspection Crews televised 8,650 feet of gravity main bringing our yearly total to just over 156,000 feet. Sewer cleaning footage totaled 3,490 feet of heavy cleaning as identified by CCTV inspection.

Rick and Manny have started the laborious task of inspecting and cleaning over 130 Air Release Valves (ARV) located throughout the Utility. ARV's release pockets of air trapped in force mains to improve efficiency by keeping Lift Station pumps on their curve. Inspections begin with a permit required confined space entry. Crews then isolate the ARV, remove, clean/replace serviceable parts and return it to service. In September, Rick and Manny serviced 47 units.

TriCo's redundant telemetry system vendor, OmniSite, notified us that they will no longer support their legacy radios and they would sunset on January 1, 2020. Working with Ace Technologies, Staff has installed six of the seven units with only Lift Station 26 remaining.

BLD Contractors installed Cured-In-Place Pipe (CIPP) patches on two damaged gravity mains and one lateral in the Cheswick Subdivision. A substantial amount of infiltration has been eliminated with these repairs. Collections staff completed annual confined space training and certified two technicians on the fork lift.

## SAFETY UPDATE - LOREN PRANGE

TriCo had no reportable injuries and has gone 3501 days without a lost time accident.

The following safety tailgate sessions were held:

08/27/19 Powerful Protection From PPE

09/06/19 Accident Investigation Key to Preventive Future Accidents

09/18/19 Safe Fueling Handling Practices

Confined Space training was completed on September 9<sup>th</sup>. The training provides new employees to work with a certified trainer to be prepared to make a preventive maintenance entry and or emergency repair entry.

Powered Industrial Truck training was also provided to the new workers and a refresher for the existing employees. New employees are required to be certified before they can operate the

✓ Site Safety

3 5 0 1

No. of days since the last lost time accident.

### Birthdays

Scot Watkins October 02

Shelly Keefe October 15

Nathan Crowder October 25

### Anniversary

Nathan Crowder October 10 3 years of service



Selected Statistics 2019	January	February	March	April	May	June	July	August	September	2019 Monthly Average	2019 YTD	2018 Total Through September
<b>Maintenance Information</b>												
Lateral Inspections	17	23	43	40	37	43	53	44	44	38	344	377
Certified I&I Inspections	26	21	54	53	52	72	95	59	55	54	487	497
Failed I&I Inspections	0	0	2	0	0	7	8	5	3	3	25	4
Sewer Locates	284	363	498	538	647	450	508	519	546	484	4,353	5,062
Manholes Added	1	3	0	0	6	0	4	3	5	2	22	50
Total # of Manholes	5,849	5,852	5,852	5,852	5,858	5,858	5,862	5,865	5870	NA	5,870	5,822
Manholes Inspected	66	704	700	368	46	34	13	21	0	217	1,952	1,816
Feet of Sewer Added	21,687	497	0	2,196	1,277	0	1,077	837	1009	3,176	28,580	18,396
Total Footage of Sewers	1,652,834	1,653,331	1,653,331	1,655,527	1,656,804	1,656,804	1,657,881	1,658,718	1,659,727	NA	1,659,727	1,648,822
Feet of Sewer Televised	4,862	13,441	30,592	25,559	20,123	12,760	28,116	12,331	8,650	17,382	156,434	178,227
Feet of Sewer Cleaned	440	0	0	0	0	0	2,349	2,227	3,490	945	8,506	15,049
Overflows	0	0	0	0	1	0	2	0	0	0	3	2
<b>Station 1 to Carmel Utilities</b>												
Rainfall/Precipitation (inches)	2.4	3.84	4.00	4.96	5.53	7.01	2.35	3.48	2.01	4.0	35.6	29.93
Total Flow (gallons)	61,408,530	68,878,012	66,012,786	76,532,259	68,859,498	69,004,316	49,074,332	49,549,769	43,685,385	61,444,987	553,004,887	518,072,114
Maximum Daily Flow (gallons)	3,197,275	2,979,329	3,563,156	3,857,564	3,422,487	4,142,014	2,074,887	1,905,693	1,607,947	NA	4,142,014	3,929,994
Average Daily Flow (gallons)	1,980,920	2,173,951	2,129,445	2,551,075	2,221,274	2,300,144	1,583,043	1,548,430	1,456,180	1,993,829	NA	17,104,442
Minimum Daily Flow (gallons)	1,150,531	1,173,951	1,556,890	1,885,976	1,902,004	1,569,690	1,260,633	1,291,801	1,251,971	NA	1,150,531	1,066,780
<b>Michigan Road WWTP</b>												
Total Flow (gallons)	86,922,000	83,180,000	81,694,000	91,138,000	85,733,000	89,754,000	78,493,000	78,087,000	72,248,000	83,027,667	747,249,000	699,160,000
Maximum Daily Flow (gallons)	5,134,000	6,199,000	3,298,000	4,300,000	3,089,000	4,705,000	3,106,000	2,953,000	2,666,000	NA	6,199,000	7,867,000
Average Daily Flow (gallons)	2,803,935	2,970,714	2,635,290	3,037,933	2,765,581	2,991,800	2,532,032	2,518,935	2,408,267	2,740,499	NA	23,065,015
Minimum Daily Flow (gallons)	2,404,000	2,430,000	2,343,000	2,415,000	2,517,000	2,426,000	1,751,000	2,172,000	2,218,000	NA	1,751,000	1,637,000
Total Flow to Both Plants	148,330,530	152,058,012	147,706,786	167,670,259	154,592,498	158,758,316	127,567,332	127,636,769	115,933,385	144,472,654	1,300,253,887	1,217,232,114
<b>Biosolids Handling (gallons)</b>												
Wasted (Biosolids)	1,667,480	2,107,310	2,301,830	2,225,420	1,729,930	1,589,000	1,922,030	1,731,100	2,332,500	1,956,289	17,606,600	11,579,100
Dewatered	735,000	480,000	460,000	832,000	769,000	783,000	810,000	822,000	562,000	694,778	6,253,000	3,659,000
Digested Sludge Withdrawn	787,000	715,400	853,800	83,170	811,600	780,800	879,000	752,000	724,000	709,641	6,386,770	7,798,800
<b>Customer Information</b>										<b>Total Billed Accts</b>	<b>15,676</b>	
New Sewer Service Accounts	24	26	18	36	39	33	33	32	29	30	270	265
Permits Issued	24	31	31	40	35	36	27	23	51	33	298	364



## BUDGET & FINANCE COMMITTEE

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Friday, September 20, 2019 at 7:30 a.m.

### Memorandum

#### **Roll Call**

Members Present: Committee Chair Jane Merrill, Members Michael McDonald and Carl Mills. Others in attendance were: Legal Counsel Anne Poindexter, Controller Cindy Sheeks, Plant Superintendent Scot Watkins, Administrative Assistant Maggie Crediford, and Consultant for Schafer Powder Coating Vince Stennett.

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

#### **PUBLIC COMMENT**

There was no one present from the public.

#### **SCHAFER POWDER COATING FEE**

Schafer Powder Coating is the Utility's only industrial customer. In June, the Budget and Finance Committee granted Schafer a 60-day extension for a determination of fines after two elevated zinc levels in an 18-month period were discovered. The extension was granted based on the expectation of results from ongoing tests, as laid out in the June meeting, be presented to TriCo within 48 hours of Schafer receiving test results. As of September 17, 2019, no data has been submitted to TriCo for review. Mr. Watkins recommended imposing a \$2,000 fine on Schafer Powder Coating for the two elevated zinc level violations in an 18-month period.

Vince Stennett, Environmental Consultant for Schafer Powder Coating, addressed the Committee. Mr. Stennett stated he had verbally been sharing the results Schafer had been receiving from Micro-Bac labs with TriCo as they were received. He acknowledged that he had not however provided TriCo with written test results until Thursday, September 19, 2019 (please see attached slides provided by Mr. Stennett to view Schafer's findings).

The Committee and Mrs. Poindexter listened to Mr. Stennett's presentation and discussed the options available to them when making a recommendation to the Board of Trustees regarding the proposed fine.

Mr. Mills made a motion to recommend the Board implement the proposed \$2000 fine to Schaefer Powder Coating but to hold the fine in abeyance for 12-months from the Board's approval date, and only collect the fine if there is another violation in that 12-month period with monthly samples being evaluated by both Schafer and TriCo. The motion was seconded by Mr. McDonald and the recommendation will be made to the Board of Trustees at their October 14, 2019 meeting.

## **POLICY UPDATES**

Ms. Sheeks gave an overview of proposed updates to some of TriCo's current policies.

**Travel Policy:** The suggested update asks that ride services (Lyft, Uber, etc) be added as acceptable means of reimbursable travel methods. The proposal also updates meal reimbursement limits and includes Indiana and an out-of-state differential. Max in-state reimbursement would be \$50 per day (\$10 breakfast, \$15 lunch, \$25 dinner), max out-of-state to be \$65 (\$15 breakfast, \$20 lunch, \$30 dinner) per day. Meal reimbursement limits may be adjusted for high cost cities at the Utility Director's discretion.

**Medical Insurance Waiver Policy:** Will be updated to adjust payment dates to the closest payroll on January 1 and July 1 (from April 1 and October 1) and clarify the payment is an advance payment. A prorated payment of \$38.46 per week will be made to new employees waiving coverage.

**Interim Check Signing Policy:** Added language to broaden "interim" checks to include: Property or services purchased or leased from the United States government, its agencies, and all other political subdivisions, license or permit fees, insurance premiums, utility payments, internet and mobile phone charges, and fuel charges, maintenance agreements, service-agreements or lease payments, bond or coupon payments, payroll, federal, state or county taxes, land acquisition projects approved in the capital budget, refunds to Utility customers, vendors that offer discounts or charge late fees, employee reimbursements, class or training registration fees, hotel accommodations, and other vendors at the Director's discretion. No changes to signatures required.

**Capital Policy and Procedure:** Increase the cost of assets to be capitalized from \$2,000 to \$5,000 per request by the State Board of Accounts. No other changes.

Mr. Mills made a motion to approve the proposed policy updates. The motion was seconded by Mr. McDonald and approved unanimously.

## **ORDINANCE NO. 10-09-2017 REVISE/RENOTICE**

Ms. Sheeks stated Ordinance 10-09-17 was passed on November 13, 2017 establishing connection fees for a low-pressure system along Spring Mill Lane and Spring Mill Road. The language in the Ordinance states, "Until paid, the Local Construction Cost shall increase at an annual rate of 2.5% commencing on January 1, 2020 as detailed in Exhibit A." Year 2020 was repeated on the original Exhibit A and the connection costs were not correctly calculated after 2021. The annual increase was shown less then it should have been and would benefit the customers if remains as stated. Ms. Merrill commented that it is essentially a scrivener's error but is part of an ordinance. Ms. Sheeks said the approved Ordinance can remain as is or it can be revised which would require a public hearing. Any change to the Ordinance will affect 10 homeowners as two have already connected. If the Ordinance is left as is, the maximum net impact is \$10,690 if all 10 homes wait 30 years to connect. This is highly unlikely.



Mr. Mills made a motion to leave Ordinance 10-09-17 as approved. Ms. Merrill seconded the motion and approved unanimously.

### **FINANCIAL STATEMENTS**

Ms. Sheeks stated cash balances are going up, partly because capital spending has not been as much as scheduled. Ms. Sheeks said Mr. Merkle is expecting \$1.5 million in capital spending between now and the end of the year. As of August, the Utility has over \$10 million in the bank.

The meeting adjourned at 8:24 a.m.

Respectfully Submitted,

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

Cindy Sheeks  
Controller

## Summary of Investigation

(Follow-up Items Cont.)

- 38 Samples of in-coming waters from the City of Carmel were analyzed for Zinc during July/August...
  - results yielded 0.11ppm - 0.77ppm
    - (Permit Limit for Zn is 2.5ppm)
  - In total 58 samples collected of in-coming waters (June-Aug)
  - 12 samples were > 0.50ppm
- Schafer split and delivered all third-party lab samples collected during July/August with TriCo Regional Sewer Utility
  - Results yielded 0.048ppm-0.566ppm
  - Mixed results
- Schafer collected 152 in-house samples in July/Aug and analyzed for Zinc
  - Results yielded 0.10ppm – 0.88ppm
- 6/27 analytical split comparison
  - Micro-Bac Labs 0.35ppm
  - Element Labs 0.566ppm

## Summary of Investigation

(Follow-up Items)

- Schafer immediately requested retains of elevated samples within 30-45 days of original sample collection date. Even though the samples were collected with a Nitric Acid preservative (six (6) month holding time)... Element Lab stated they did NOT retain the samples
  - Neither of the elevated samples were available to analyze/confirm results
  - Micro-Bac's policy is to retain all elevated samples AT LEAST 90-days
- Element Labs declined our request to audit the location/process in Ft. Wayne
- Element Labs provided their Quality Manual
  - Vague notations of sample retain policy... then reference to a specific SOP
- Element Labs stated it is NOT their policy to share internal SOPs
  - No confirmation of breaching retain policy

## Conclusions

- After over 60-days of in-depth evaluations Schafer's position remains the same
  - 160 data points of in-house/third party testing does NOT show a trend/issue
- Schafer has tried to do EVERYTHING possible to get an elevated Zinc result
  - Sample on all three (3) shifts
  - Sampled ALL process baths
  - Sampled during different parts
  - Prolong bath lives
  - No PM's
  - Excessive rust preservatives/oil and dirt on parts
  - Sample baths in worst case scenario
- The results appear to be:
  - Slug of Zinc from in-coming City Water
  - Cross contamination of sampling equipment
  - Lab Error
  - An anomaly

## Summary of Cost

### Hard Dollar Cost (\$2,730.00)

- Analytical Testing \$1,400.00
- Used Mass-Spec \$1,000.00
- Testing Reagents \$200.00
- pH Meter \$130.00

### Soft Dollar Cost (\$3,750.00)

- Testing \$5,000.00 (100hrs @ \$50.00)
- Management \$3,750.00 (50hrs @ \$75.00)



## Memorandum

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**To:** Board of Trustees

**From:** Scot Watkins, Superintendent

**Date:** October 9, 2019

**Subject:** Schafer Powder Coating – Zinc Limits Exceeded

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The Budget and Finance Committee was presented with information regarding Schafer's discharge limit violations and what they are doing to prevent future violations. The Committee recommends the Board implement the proposed \$2,000 fine to Schaefer Powder Coating but hold the fine in abeyance for 12-months from the Board's approval date, and only collect the fine if there is another violation in that 12-month period. Monthly samples should be evaluated by both Schafer and TriCo.

**Recommended Action:** Implement the proposed \$2000 fine to Schaefer Powder Coating and place it in abeyance for 12-months pending no additional violations.



## MEMORANDUM

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**To:** Board of Trustees  
**From:** Cindy Sheeks  
**Date:** October 9, 2019  
**Subject:** Policy Revisions

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The B&F Committee reviewed the following updates to internal policies and is recommending approval.

**Travel Policy:** Added ride services (Lyft, Uber, etc) as acceptable means of reimbursable travel methods. Updated meal reimbursement limits and includes Indiana and an out of state differential. Max in-state reimbursement is \$50 per day (\$10 breakfast, \$15 lunch, \$25 dinner), max out-of-state is \$65 (\$15 breakfast, \$20 lunch, \$30 dinner) per day. Meal reimbursements limits may be adjusted for high cost cities at the utility director's discretion.

*The previous policy listed reimbursement for breakfast \$8.00, lunch \$12.00 and dinner \$20.00 for a total of \$40. There was not an out of state differential.*

**Medical Insurance Waiver Policy:** Updates to adjust payment dates to closest payroll on January 1 and July 1 (from April 1 to Oct 1) and clarify the payment is an advance payment. A prorated payment of \$38.46 per week will be made to new employees waiving coverage.

*The previous policy did not indicate it is an advance payment and did not specify the amount of the proration for new employees.*

**Interim Check Signing Policy:** Added language to broaden "interim" checks to include: Property or services purchased or leased from the United States government, its agencies, and all other political subdivisions, License or permit fees, Insurance premiums, Utility payments, internet, mobile phone charges, and fuel charges, Maintenance agreements, service- agreements or lease payments, Bond or coupon payments, Payroll, Federal, state or county taxes, Expenses that must be paid because of emergency circumstances, Payments for land acquisition projects approved in the capital budget, Refunds to District customers, Vendors that offer discounts or charge late fees, Employee reimbursements, Class or training registration fees, Hotel accommodations, and Other vendors at the Director's discretion. No changes to signatures required.

*The previous policy only included payroll, liens, vendors that assess late fees or offered discounts, and other vendors at the Director's discretion.*

**Capital Policy and Procedure:** Increase the cost of assets to be capitalized from \$2,000 to \$5,000 per request by State Board of Account. No other changes.

**Recommend Action:** Approve the above policy changes.



## PERSONNEL AND BENEFITS

Wednesday, September 25, 2019 at 7:30 a.m.

### Memorandum

#### **Roll Call**

Members Present: Committee Chair Barb Lamb, Members Chuck Ryerson and Jeff Kimbell, and Utility Director Andrew Williams.

Ms. Lamb called the meeting to order at 7:41 a.m.

#### **Public Comment**

There was no one present from the public.

#### **2020 Cost of Living Adjustment**

Mr. Williams reviewed the STEP pay system that was implemented in 2019. It consists of 10 Steps within a range. Employees move up a step if they receive a competent rating in their year end performance evaluation. In order to keep the pay ranges competitive with the market, the Board determined that a Cost of Living Adjustment (COLA) would be considered each year.

Ms. Lamb stated that a COLA was given to TriCo employees in 2019. At that time, it was decided that the Board would vote each year to decide if a COLA would be given for the following year. The Board determined that it did not want the COLA tied to any particular market indicator.

As of July, the national unadjusted CPI was 1.7% and the Midwest CPI was 1.4%. Ms. Lamb said she and Mr. Williams will continue to look at those numbers get back to the Committee to make a 2020 COLA recommendation to the Board.

#### **Safety Update**

Mr. Williams said the Plant Staff have been familiarizing our two new employees on the yearly safety training. TriCo is approaching 10 years without a lost time accident.

#### **Office Unification**

Mr. Williams stated plans are being refined. Updates will be coming back to the Board. Mr. Merkle gave an overview of the plans at the last Board Meeting.

Mr. Ryerson stated he feels the project is moving forward but the Board has not approved it yet.

Mr. Williams said the proposal with the Clay Township Trustee to purchase the current space has not been finalized. Mr. Callahan is reviewing the proposal prepared by TriCo's legal counsel to purchase the space. Mr. Williams will update the Board when an agreement is ready to go to the Board.

Mr. Kimbell stated the discussions regarding the current space and the cost for the expansion at the plant are being discussed in the Office Improvements Committee Meetings. The Committee reviewed three options: one, to keep the administrative staff in the current location and renovate that space; two, to sell the current space to the Clay Township Trustee and rent an office space for the administrative staff; and three, to move the administrative staff to the plant, effectively placing all employees in one location, and tie in the construction of site work with the proposed plant expansion project.

The Committee decided that out of the three options it made sense to go down the path of the consolidated office. However, until there were plans and costs associated with the plans, the actual costs would be unknown. The Office Improvements Committee recommended moving forward with vetting the cost of consolidating all the employees at the plant. A recommendation will be voted on by the Board of Trustees when all pertinent information is gathered.

### **360 Reviews**

Mr. Williams is waiting on a response and revised cost proposal from HRD. Mr. Williams proposed removing the \$7500 question development fee and only contracting HRD for the hourly interview fee. He had not received a response from HRD prior to the meeting.

Ms. Lamb stated TriCo has invested a lot of money in training this year and she wants to be sure it has made a difference. If the training has not made a difference, then the Committee needs to decide what to do next. A non-biased third-party employee interview might lead to a more accurate assessment of employee satisfaction.

The meeting adjourned at 8:25 a.m.

Respectfully submitted,



Andrew Williams  
Utility Director



## CAPITAL & CONSTRUCTION MEETING

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Monday, October 7, 2019 at 4:30 p.m.  
Memorandum

### **Roll Call**

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

Mr. Pittman called the meeting to order at 4:35 p.m.

### **Public Comment**

There was no one present from the public.

### **Dedications**

Mr. Pittman said the recommended action from staff is for the committee to accept the dedications of Aria Apartments, The Bridges Retail Development, and Jackson's Grant at Williams Creek Section 6 sanitary sewers. There were no questions or concerns from the committee members. The Committee will recommend the Board of Trustees accept the proposed dedications at their October meeting.

### **#1901 Lift Station 14 Parallel Force Main**

Mr. Pittman said the recommended action from staff is to award the sanitary sewer extension project construction contract to TPI Utility Construction, LLC in the amount of \$853,500. There were no questions or concerns from the Committee. A recommendation to award the project will be made to the Board of Trustees at their October meeting.

### **2019 Digester Improvements**

Mr. Pittman said the recommended action from staff is to award the Digester Improvement project construction contract to Maddox Industrial Group in the amount of \$48,750. There were no questions or concerns from the Committee. A recommendation to award the project will be made to the Board of Trustees at their October meeting.

### **2020 Capital Budget**

Mr. Merkle explained the first few lines of the Capital Budget are for plant expansion. There are three separate funding sources for the plant expansion. EDU fees pay for new capacity. Grit removal, paid from the Operating Fund, enhances the entire plant. The three original clarifiers will be replaced using Reserve for Replacement funds. Project cost, including the design work, is \$17.2 million for the entire plant expansion project.



Mr. Williams said \$17.2 million is the engineer's current estimate, he hopes the final numbers will be lower.

Mr. Merkle gave an overview of other items included in the proposed 2020 Capital Budget.

#1906 Outfall Sewer Project - The Utility is waiting on an easement acquisition to move forward. Mr. Merkle is estimating completion in 2020. The proposed budget is \$2.3 million.

#1910 Office Unification Project - \$2.15 million is budgeted for the project. If approved, construction would be done in the fall of 2020 and the administrative staff would be relocated to the plant by the end of 2020.

#1802 Lift Station 1 Carmel Creek - \$650,000 is budgeted for the Haver Way Lift Station and sewer improvements.

#2002 Lift Station 2 Odor Control Unit - \$200,000 was budgeted for 2019. The project was pushed off with the hopes staff could make current equipment on site work. TriCo is still receiving complaints of odor in that location. The \$200,000 has been moved to the 2020 Budget in anticipation of equipment replacement.

#1901 Michigan Road Parallel Force Main - \$900,000 is budgeted to get the Utility through construction, this includes a contingency for change orders if needed.

#2001 Little Eagle Creek Interceptor Sewer Extension - Staff is waiting on the developer to give the go ahead to begin design work. Mr. Merkle is hoping easement acquisitions in the area will not be difficult. The budget is \$1.5 million spread across 2020 and 2021.

#1905 Lift Station 16- \$800,000 is budgeted for relocation. This project is only needed if the farm at Michigan Road and Sycamore is developed.

#1908 Neighborhood Sewer Projects- \$300,000 is budgeted per year for the next three years to complete the projects. Mr. Merkle anticipates completion could take less than three years and cost less than the budgeted amount.

Mr. Merkle said over the next three years Buzz Krohn with O.W. Krohn & Associates estimated capital projects will total over \$30 million. Mr. Merkle presented a spread sheet with estimated spending assuming 500 EDU's per year growth in user base with a three-year recession where growth is cut in half. The recommendation is for the Board to borrow \$13.7 million with pay back in 10 years. The discussion at the Office Improvements Committee meeting went in the direction of seeking a private placement loan from a bank. This would give TriCo flexibility and should reduce costs. A series of three (2021, 2022, 2023) 4% rate increases were discussed. Mr. Mills and Mr. Krohn felt upfront rate increases would be favorable to a lending institution when considering a loan request.

Mr. Hand asked what the Utility's loan rate will be for borrowing money versus the rate extended to customers. Mr. Williams said the Utility extends a 2.50-2.75% rate to

customers. Mr. Williams and Mr. Merkle said Mr. Krohn anticipates the loan rate to be between 2.00-3.00%.

Mr. Hand requested future spreadsheets be dated to allow Board Members to be sure they are reviewing the most current information.

### **System Development Update**

Mr. Merkle was not ready to present data with the Committee this month. Mr. Hartman and Mr. Martin are reviewing GIS information to be sure accurate data is presented to the Committee for the last 12-month period. Mr. Williams said the 2019 EDU fees collected through July have exceeded the projected total for 2019.

### **Other Business**

Mr. Merkle said Mr. Byrum has been approached by a private school interested in his property. The deal is contingent on the school having water and sewer accessible. At this time there has not been a formal request made by Mr. Byrum or the school to Trico for service.

Mr. Williams said Steve Henke called regarding the Bradley property north on 200 South which sits on both sides of Michigan Road. There could be a request coming to service this property either by Mr. Hanke or HSE.

Mr. Merkle spoke with Wayne Delong from the Town of Zionsville. Mr. Delong suggested TriCo present the office design proposal to the Zionsville Plan Commission for approval. The Committee discussed the request and decided it would be beneficial to share the proposed office design plans with the planning staff in Zionsville and consider requests and suggestions from them; however, it is the Committee's preference not to take the plans before the Zionsville Plan Commission.

### **Capital Project Updates**

Mr. Merkle reviewed the capital projects.

#1802 Haver Way Sewer Improvements- Design work is wrapping up. TriCo will submit to IDEM for permitting. Staff is working with property owners to acquire easements. The project will go out to bid in two to three months once easements and permits are secured. Construction is anticipated through the fall of 2020.

Mr. Pittman said there is property for sale along Westfield Boulevard to Haverstick. He spoke with the broker for the property. The broker said he is speaking with Citizens regarding sewer service. Mr. Merkle said Citizens told TriCo several years ago they are not capable of servicing that area. Mr. Pittman asked if the broker or consultants have approached TriCo regarding service. Mr. Hartman said he has spoken with an engineering firm regarding that land.

#1901 Lift Station 14 Parallel Force Main- Bids for construction were received by staff. If awarded by the Board in October, construction could conclude by the end of summer 2020 pending the contractor's schedule. The project is expected to be under budget.

#1902 Plant Expansion- Mr. Merkle is reviewing the project manual and specs. Mr. Williams said GRW's design provides good details and specifications. Clear details should result in a cleaner bid for the project and allow less discretion to contractors, which also helps with the inspection process. Plans were submitted to IDEM for permitting. Bids should be received mid-December. The project should be up for award at the January meetings.

#1906 Eagle Creek Outfall Sewer- The project will move forward when easements are secured from DOW. Mrs. Poindexter sent a communication regarding the easements to DOW's legal department last week but has not received a response. Completion of the project is targeted for late 2020.

#1908 Larkspur, Oak Tree, Crossfields, Brandywine, North Augusta and Lakewood Gardens Sanitary Sewer Extension- Construction is underway, all work should be complete by November 2019.

#1910 Office Unification- Staff reviewed plans from Blackline's first submittal. Staff is expecting final design/construction documents by the end of October 2019. Bids will be received mid-December 2019, along with bids for the plant expansion.

Mr. Williams said Mrs. Poindexter drafted a sales agreement for the current administrative office space. The Clay Township Trustee has said the agreement is acceptable to him. He expects to take it before his board in January. The agreement allows TriCo up to 18 months to vacate, while adhering to the current maintenance and building expense agreement the Utility has with the Trustee.

Mr. Hand noted Boone County does not have digital easement records prior to 1995. They have physical copies of recorded easements before 1995; however, they are not accessible from a computer. Something to consider when researching easements.

The meeting adjourned at 5:35 p.m.

Respectfully Submitted,

Wes Merkle  
Engineering Manager



## MEMORANDUM

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**To:** Board of Trustees

**From:** Wes Merkle

**Date:** October 9, 2019

**Subject:** Dedications

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The C&C Committee is recommending the acceptance of the dedications of sewers in Aria Apartments, The Bridges Retail Development, and Jackson's Grant at Williams Creek Section 6.

**Recommended Action:** Accept the dedication of Aria Apartments, The Bridges Retail Development, and Jackson's Grant at Williams Creek Section 6 sanitary sewers.



## MEMORANDUM

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**To:** Board of Trustees

**From:** Wes Merkle

**Date:** October 9, 2019

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

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The following bids were received on October 1 for the subject project:

TPI Utility Construction, LLC	\$853,500
S.C. Case Excavating, LLC	\$871,900
TSW Utility Solutions, Inc	\$1,188,894
Thieneman Construction, Inc	\$1,357,000

TPI was the lowest responsive and responsible bidder. The design engineer's estimate for construction was \$1,187,000. The total budget for this project was \$1,475,000, including construction, a five percent change order contingency, and approximately \$163,000 in engineering design and easement acquisition costs. The C&C Committee agreed to recommend award to TPI Utility Construction.

**Recommended Action:** Award the force main construction contract to TPI Utility Construction, LLC in the amount of \$853,500.



## MEMORANDUM

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**To:** Board of Trustees  
**From:** Wes Merkle  
**Date:** October 9, 2019  
**Subject:** 2019 Digester Improvements

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The following bids were received on October 1 for the subject project:

Maddox Industrial Group	\$48,750
Central Indiana Contractors	\$63,240
Wise Building Solutions	\$87,400
Thieneman Construction	\$93,000

Maddox Industrial Group was the lowest responsive and responsible bidder. The design engineer's estimate for construction was \$45,000. The total budget for this project was \$60,000; TriCo purchased equipment prior to expedite the project at \$13,919. The total project will come in at \$62,669. The C&C Committee agreed to recommend award of the project to Maddox Industrial Group.

**Recommended Action:** Award the Digester Improvement project construction contract to Maddox Industrial Group in the amount of \$48,750.



## Office Improvements Committee Meeting

Tuesday, October 1, 2019 at 12:00 p.m.

### Memorandum

#### **Roll Call**

Present: Committee Chair Steve Pittman, Members Carl Mills and Jeff Kimbell. Others in attendance: Utility Director Andrew Williams, Engineering Manager Wes Merkle, Controller Cindy Sheeks, Administrative Assistant Maggie Crediford, and Buzz Krohn from O.W. Krohn & Associates.

#### **PUBLIC COMMENT**

There was no one present from the public.

#### **OFFICE UNIFICATION PROJECT STATUS UPDATE**

Mr. Merkle said the schematic design plans submitted by Blackline are about 40% complete. Staff submitted a list of minor comments back to Blackline but were happy with the proposed design overall. The project is expected to be on budget.

Mr. Merkle said Blackline forwarded the 40% drawings to 16 local commercial contractors. Positive responses were received from eight of them. Several asked if TriCo would consider doing a prequalification of contractors before an open bidding process.

Mr. Pittman asked if contractors are required to post a bond for the project. Mr. Merkle said per state law a performance and payment bond is required for 100% of the contract.

Mr. Mills asked if contractor prequalification can be done on a government project. Mr. Merkle said that is to be determined. Mr. Merkle is researching it and will report what he learns to the Committee. Mr. Mills said he has never seen an instance where a government agency has a prequalification process before public bidding of a project.

Mr. Merkle reviewed a rendering of the proposed project. Mr. Merkle said the project should be complete in the fall of 2020. The committee members had a favorable reaction to the renderings. Skylights are being added above the center workstations in the building proposal to bring more light into the workspace. Staff has requested a designated storm shelter be added to the center of the building. Staff would like to incorporate displays to showcase what the Utility is and does as an educational component for guests that come to the facility. Mr. Merkle hopes different industry associations will utilize the new space as well. The building is expected to be on budget.

Mr. Merkel presented the site plan to the Committee. There will be a new entrance to the facility off Mayflower Park Drive. There will be approximately 38 parking spaces in front of the building. Behind the parking lot will be the security fence, which is required at a

water treatment facility, with automatic gates for vehicles to pass through. There will be 25 parking spaces behind the security fence for company vehicles. The pond currently at the plant will be replaced with a bioretention basin which will meet storm water quality and retention requirements set by the Town of Zionsville. There is a patio proposed just outside the interior breakroom.

### **GOVERNMENT CENTER OFFICE SALE UPDATE**

Mr. Williams said Mrs. Poindexter drafted a sales agreement between the Utility and the Clay Township Trustee for the sale of the current administrative office space. Mr. Callahan is reviewing the document and intends to execute the sale at the beginning of 2020. Mr. Williams said the timing of the sale should coincide with the timing of when bids are received for the proposed consolidation project. The proposed agreement allows the admin staff to stay in the current location for up to 18 months from the date of sale with a sales price of \$946,000.

### **OFFICE/PLANT CAPITAL BUDGET AND PROJECT REVIEW**

Mr. Merkle reviewed the Capital Budget spreadsheet. He explained that bold numbers on the spreadsheet correlate to project numbers. Project fact sheets were provided in the meeting packet for reference. The proposed Capital Budget includes spending for equipment replacement, grit removal, and plant expansion.

Overall costs spread between 2020 and 2021, as well as design costs in 2019, are projected to be roughly \$17.2 million. Mr. Mills asked for clarification on what years are represented in the spreadsheet. Mr. Merkle said 2019, 2020 and 2021. Mr. Mills asked that the numbers from 2019 be removed from the proposed 2020 and 2021 budget because it will have been spent in 2019 or moved forward to the 2020 budget.

#1906 Outfall Sewer Project - Mr. Merkle said the money shown for 2019 will get pushed to 2020. There are outstanding easement acquisitions for this project that need to be resolved before moving forward. Mr. Kimbell asked if the \$800,000 budgeted for 2019 has been spent. Mr. Merkle said about \$30,000 has been spent. The 2019 numbers need to be updated to include expenditures that have occurred. Mr. Kimbell asked if the \$800,000 budgeted for 2019 is money that was already approved but has not been spent yet. Mr. Merkle verified that was correct.

#1910 Office Unification - Mr. Merkle has budgeted \$2.1 million for this project.

#1802 Carmel Creek (Haver Way Lift Station) - Mr. Merkle said the Utility is waiting on signed easement documents from property owners. When easements are acquired construction can begin. Mr. Merkle said staff anticipates most of this project will be in 2020, so money approved in 2019 will carry forward to 2020 for this project.

#2002 Lift Station 2 Odor Control Unit - \$200,000 was budgeted for 2019 but was not spent. Staff is evaluating solutions for that site and will have updates for an action plan when it is available. Mr. Pittman asked for clarification between the 2019 and 2020



numbers. He asked if the 2020 numbers include money from 2019 that will be pushed forward because it wasn't spent. Mr. Merkle said that was correct.

Mr. Mills suggested updating the budget to reflect unspent money from 2019 in the 2020 budget, for clarification purposes. Mr. Pittman agreed he would like to see the previously approved money from 2019 shown in the 2020 budget so it reflects a true dollar amount available for the proposed projects. Mr. Merkle and Ms. Sheeks said they would update the budget.

#1901 Michigan Road Parallel Force Main - Mr. Merkle said most of the work will get pushed to 2020. Bids have been received. The project came in about \$450,000 under budget at \$855,000.

#2001 Little Eagle Creek Interceptor Extension - Mr. Merkle said this project is in the far northwest corner of TriCo's service area. The developer has about 175 acres under contract and expects to move forward in 2020. Approximately 100 acres of the project do not require zoning approval.

#1905 Lift Station 16 Relocation - Is pending the redevelopment of The Farm property to move forward.

Mr. Merkle directed the Committee to view the numbers budgeted for the Future Neighborhood Sewer projects through 2022. There is \$300,000 budgeted for these projects per year and he believes the upcoming projects may come in under budget as the others have to date.

Mr. Merkle said there are a sprinkling of replacement projects projected beyond 2021. Several pumps and generators at lift stations are getting to an age where they will need to be replaced. Those have been grouped further out because currently the equipment is working. Staff is hoping to package projects together in order to procure a better deal as well as staff being overwhelmed with projects already proposed for 2020 and 2021.

Mr. Mills asked if money is being set aside for replacement issues that may arise. Mr. Williams said there is \$50,000 a year allocated for unforeseen replacement issues in the proposed budget.

Buzz Krohn from O. W. Krohn & Associates presented his recommendations for funding the plant expansion project. He began by looking at what funding would be needed if there was a three-year recession. He conservatively projected 250 EDUs (new customers) per year in growth for the Utility and reduced the connection and improvement fees in half for 2020 to 2023 as well. The Utility has consistently been achieving 500 EDUs, even during the three-year recession that began in 2009. In 2024, he brought the projections back up by half in each of those categories.

Mr. Kimbell asked how many EDUs the Utility gained per year for the past five years. Mr. Merkle said over 600.

Mr. Krohn said capital outlay projections in 2021 and 2022 will be the highest years with the plant expansion, office consolidation, and other projects. Spending is estimated to be \$30 million to \$34 million. The goal is to spend TriCo's cash on hand without going below \$3 million. There are three years that will need capital above what is available in cash balances and projected availability, connection and user fees. In the recession-based scenario, the Utility will need to borrow \$13.7 million. Mr. Krohn projects the debt could be repaid within a 10-year window. The proposal factors in two 4% rate increases, one in 2022 and one in 2027. TriCo would still have the lowest rates and fees in the area.

Mr. Krohn presented a scenario that does not account for a recession but does include the proposed 4% rate increases in 2022 and 2027. This proposal shows the Utility borrowing \$11.5 million instead of \$13.7 million. Under this plan the 2026 cash reserves would dip down to \$2.4 million.

Mr. Mills clarified for the other committee members that the Budget and Finance Committee decided that not dropping below \$3 million in reserves would be a comfortable financial position for the Utility and that is where Mr. Krohn got that figure.

Mr. Mills said the Utility has previously imposed a 5% rate increase when needed. Mr. Pittman and Mr. Mills questioned why the Utility would not do rate increases to help pay back loans. Mr. Williams said it could be a more conservative approach if the Board is willing to pass rate increases. Smaller increases could be done yearly instead of the 4% increases proposed in 2022 and 2027. Mr. Mills said he would be more comfortable implementing rate increases since the Utility will not be debt free. Mr. Krohn said yearly rate increases would help with lender credibility. Mr. Williams pointed out the proposals also assume 3.5% operating costs increases which are aggressive.

Mr. Krohn said the debt should be structured as a bond issue. A regional sewer district can acquire a loan through competitive or negotiated sales. Mr. Mills asked if the Utility could do a private placement loan. Mr. Krohn said yes, that would be a negotiated sale. Mr. Mills said a private placement loan would save on the cost of the loan. Mr. Krohn said if TriCo spends bond money first and reserve money last there would be unrestricted yields. Mr. Krohn said loan repayment of seven to ten years is attractive to banks.

The Committee agreed borrowing money based on the most conservative projections for growth and operating costs seemed like the best option, which would be borrowing \$13.7 million. The Capital and Construction Committee and Budget and Finance Committee will also discuss the funding options before it is brought to the Board of Trustees for a vote.

Mr. Pittman questioned the need for rate increases if the Utility borrows based on the most conservative projections. Mr. Mills said banks would be more comfortable lending money with rate increases incorporated into the proposal.

Mr. Kimbell and Mr. Mills asked Mr. Krohn to remove as many variables as possible in the \$13.7 million borrowing scenario and to show 4% rate increases for three years in a row beginning in July of 2020.

The Office Improvements Committee will recommend support of Mr. Krohn's proposal to borrow \$13.7 million to fund the plant expansion and consolidation project to the Capital and Construction Committee, Budget and Finance Committee, and the Board of Trustees.

The meeting adjourned at 1:47 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Drew Williams". The signature is written in a cursive, flowing style.

Drew Williams  
Utility Director