



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.

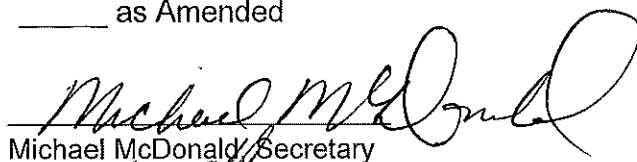

Respectfully submitted,



Andrew Williams
Utility Director

Approved:

as Presented
 as Amended


Michael McDonald, Secretary
~~Marilyn Anderson, President~~
