



CAPITAL & CONSTRUCTION MEETING

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