



## CAPITAL & CONSTRUCTION MEETING

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Monday, December 2, 2019 at 4:30 p.m.  
Memorandum

Members Present: Committee Chair Steve Pittman, Members Marilyn Anderson and Eric Hand. Others in attendance: Board Member Carl Mills, 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 asked committee members if they had questions or concerns about the staff's recommendation to accept the dedication of Nottingham sanitary sewers. No one had any questions or concerns. The Committee will recommend the Board of Trustees accept the dedication of Nottingham sanitary sewers.

### **2020 CAPITAL BUDGET**

Mr. Merkle reviewed updates to the capital budget since was presented at the October C&C meeting. Bids will be opened for the Plant Expansion and Office Improvements projects on December 17, 2019. Projects 2001 (Little Eagle Creek Extension) and 1905 (Lift Station 16, Michigan Road and 116<sup>th</sup> Street/Sycamore) are expected to move forward in 2020. Neighborhood sewer projects are expected to take three more years to complete. Smaller amount of money has been set aside each year to service estate lots if the Utility is asked for service. Staff has had inquiries from estate lot owners who would prefer to connect to sewer instead of installing new septic systems.

Mr. Hand asked if money allocated for estate lot projects includes single family homes that are not part of a subdivision but are not considered estate lots. Mr. Merkle said it is for properties that are not included in a platted subdivision. Staff determined interceptor fees collected will be enough to cover these projects.

Mr. Merkle asked the Committee to delay approving the Capital Budget until January. The Budget and Finance Committee is not approving the Operating Budget until bids are opened on December 17 and Mr. Krohn has time to review bid results and structure the bond and repayment. Both the operating and capital budgets will be updated as needed.

Ms. Anderson asked if the Budget and Finance Committee has reviewed the Capital Budget as it stands. Mr. Williams and Mrs. Poindexter said they have.

Mr. Mills arrived at 4:45 p.m.

Mr. Hand asked if there are projects in the vicinity of the plant in Indianapolis that TriCo would need to help Citizens with or is there something Citizens could not service. Mr. Merkle said from time to time trading happens depending on who has sewers in the area and what is being developed. In the Michigan Road area, Citizens has the south side of 96<sup>th</sup> Street well covered with sewer service.

Mr. Pittman said he received a call from Citizens regarding the Bradley property located north along Michigan Road. Citizens is trying to work with HSE to service that property.

### **SYSTEM DEVELOPMENT UPDATE**

The committee packet included an update on information presented in October. This included an overview of where things stand in the service area. The overview projects future growth, determining capacity needed at the plant and when it needs to be built. In the last ten years TriCo averaged 520 EDUs (equivalent of one home) per year. In the last twelve months, the Utility has added 741 EDUs. If the Utility continues at that growth rate, it will be unable to allocate new capacity after two and a half years. There is a two-year construction timeline for the Plant Expansion project.

Mr. Merkle reviewed a table with four categories: allocated capacity (capacity that has been committed but is not yet sending us flow), planned projects (projects known to the Utility in various stages of design, but have not been allocated capacity), raw land (no known project, just acres available and assigned an estimated density; 1.5 units per acre for residential properties and 3 units per acre for commercial properties), and unsewered parcels (estate lots in the territory). Not all allocated capacity was included in the total buildout numbers on the chart because not all allocated capacity is online. Some parcels are still in the development stages. Mr. Merkle said the Utility can meet the aggressive growth projection in the table with the permitted capacity it has from IDEM, 5.72 million gallons per day at TriCo's plant and 3.08 million gallons per day allocated to TriCo at Carmel's plant.

Mr. Hand asked if developers must provide the Utility a timeline when allocated capacity will be needed based on different phases of proposed projects or is capacity allocated to the total project upfront. Mr. Merkle said capacity is usually allocated per phase of a project. For instance, phase one of a project can be under allocated capacity while other phases of the project would be listed under planned projects.

Mr. Merkle said if bid results for the Plant Expansion and Office Improvements projects come in as expected, staff will recommend moving forward with construction at the January meeting. Mr. Merkle said the mandatory pre-bid meeting for both projects is happening tomorrow. Staff will know at that time how many contractors are interested in bidding on the projects.

Mr. Hand noted the table presented represents TriCo's current service area and asked if staff has considered areas outside the current territory the Utility might be asked to serve. Mr. Merkle said if the Utility is asked to service a larger territory there is the availability to add more tankage at the plant. Mr. Hand asked if there is a short-term contingency plan if the Utility is asked to service an outside area. Mr. Merkle said in the near future the need for capacity will not change substantially. Approximately 700 additional acres could be served through the existing Austin Oaks Lift Station to the plant.

### **BYRUM PROPERTY SERVICE**

Mr. Merkle provided the Committee with a memorandum regarding the anticipated request from Mr. Byrum and Citizens for a wholesale sewer agreement. Mr. Williams said in September Mr. Byrum's attorney, Mr. Keith Beall, informed TriCo of a purchase agreement with a private school contingent on water and sewer service. Abundant staff and committee time have been spent discussing this property. Mr. Merkle drafted a list of conditions under which TriCo would consider providing sewer service to the property. Mr. Williams asked if the memo could be presented to Citizens for consideration. The Committee agreed Mr. Williams could present the proposed stipulations to Citizens with the understanding that even if the terms are agreeable, a formal request would still need to go before TriCo's full Board of Trustees for approval.

### **CAPITAL PROJECT UPDATES**

Mr. Merkle said staff is working on acquiring easements for the Haver Way Lift Station at 96<sup>th</sup> Street and Keystone Boulevard. The Austin Oaks Lift Station 14 Parallel Force Main project should begin construction early next year and run through fall of 2020. An appraisal has been ordered for easements needed to begin the Eagle Creek Outfall Sewer project. Bidding will proceed when easements are secured.

Neighborhood sewer projects are wrapping up. Mains have been tested and are available for connection. Restoration work is wrapping up in the neighborhoods.

Staff met with the developer in relation to the Little Eagle Interceptor project to discuss timing. The developer has approximately 100 acres zoned and ready for construction to begin next year. Additional property will be rezoned and developed in the future. Staff will issue an RFP for engineering design services once they are confident the developer is moving forward.

### **OTHER BUSINESS**

Mr. Mills said the Budget and Finance Committee has a meeting scheduled for January 3, 2020. Mr. Mills suggested pushing that meeting to January 6, 2020 at 4:30 p.m. to meet jointly with Capital and Construction so the two committees could review the bids and bond structure proposal. Committee members agreed a joint meeting is a good idea. Mr. Williams will ask the other members of the Budget and Finance Committee if they can attend a joint meeting on January 6, 2020 and update the schedule if it works for everyone.

The meeting adjourned at 5:22 p.m.

Respectfully Submitted,

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

Wes Merkle  
Engineering Manager