



TriCo Regional Sewer Utility

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

Board of Trustees Meeting Agenda

Monday, January 13, 2020 @n 6:30 p.m.

Clay Township Government Center

10701 N. College Avenue, Indianapolis, IN 46280

1. Roll Call
2. Public Comment
3. Election of Officers
4. Approval of Meeting Memorandum
 - a. Board Meeting December 9, 2019
 - b. Executive Session December 9, 2019
 - c. Executive Session December 20, 2019
 - d. Executive Committee Meeting December 20, 2019
5. Approval of Claims Docket
6. Attorney's Report
7. Utility Director's Report
8. Committee Reports
 - a. Personnel & Benefits Committee
 - b. Executive Committee
 - i. Utility Director Raise
 - c. Budget & Finance Committee
 - i. 2020 Operating Budget
 - ii. Bond Ordinance
 - iii. IT Agreement and Updates
 - d. Capital & Construction Committee
 - i. Dedication
 - ii. 2020 Capital Budget
 - iii. #1902 WRRF Expansion Construction Contract Award
 - iv. #1902 WRRF Expansion GRW Contract Modification
 - v. #1910 Office Unification Construction Contract Award
 - vi. Government Center Office Purchase Agreement
9. Old Business
 - a. 2020 Goals
10. New Business
11. Adjourn



BOARD OF TRUSTEE MEETING

Monday, December 9, 2019 6:30 p.m.

Memorandum

ROLL CALL

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

Steve Pittman 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 November 11, 2019 Board Meeting Memorandum. Mr. Kimbell 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 it was unanimously approved.

ATTORNEY'S REPORT

Mrs. Poindexter had no report.

UTILITY DIRECTOR'S REPORT

Mr. Williams introduced HR Consultant Ms. Cici Conover to the Board and informed them she would be at the Executive Session following the meeting to answer questions they have regarding his 360 review.

Ms. Merrill stated FOG violations at Jackie's Café have been an ongoing issue. She asked if there is anything in the area other than the restaurant that could be contributing to the continued FOG violations. Mr. Williams said the violations are caused by lack of grease trap maintenance at Jackie's Café. Staff is working with the business to resolve the issues.

Ms. Merrill asked about the number of rags removed from Lift Station 22. She asked if the car wash in that area is contributing to the large number of rags found in the system. Mr.

Williams said he will have Mr. Odom follow up to see if the Utility can pinpoint where the rags are coming from.

Mr. Kimbell said he was impressed with the story in the newsletter about the student working on her science fair project. He asked if the picture was of the student working in TriCo's lab at the plant. Mr. Watkins said her father reached out to the plant to see if TriCo would be willing to assist, and Mr. Roudebush invited her to do her testing in the lab. Mr. Kimbell was pleased with the community outreach.

COMMITTEE REPORTS

Budget & Finance Committee

Ms. Merrill explained the Committee discussed an illegal sump pump connection on Airhart Drive. After many violation letters, staff contacted the homeowners in July 2019 giving them 30-days to resolve the issue. The letter stated if the issue was not resolved within the 30-day time frame the property would receive a \$20 per month surcharge for 90 days, after which the violation would be brought to the Board. The homeowners have not resolved the illegal connection. They have not returned follow-up phone calls or retrieved certified mailings sent by the Utility. Ms. Merrill made a motion asking the Board to direct staff to send a new letter to the homeowner via regular and certified mail as well as calling them to explain the property is in violation of State law and TriCo's requirements. Impose a \$100 per day fee starting January 1, 2020 until repairs are made and staff visually confirms the sump pump has been disconnected. Mr. Kimbell seconded the motion and it was unanimously approved.

Personnel & Benefits Committee

COLA and Market Adjustment

Ms. Lamb explained how the committee reached the recommendation for the proposed 2020 3% Cost of Living and Market Adjustment increases. The 1.5% COLA is based on the current Midwest CPI and the 1.5% Market Adjustment is based on the Utility's 2019 performance. With the proposed 3% adjustment, employees' overall pay increases including their step increase will range from 3% to 6.09% depending on where they fall in their range. The overall increase in wages for 2020 will be \$39,000. Ms. Lamb made a motion to approve the 3% COLA and Market Adjustment for 2020. Ms. Merrill seconded the motion and it was unanimously approved.

Salary Ordinance

Ms. Lamb made a motion to approve TriCo's proposed 2020 Salary Ordinance which includes employee step increases and a 3% COLA and Market Adjustment. Mr. Mills seconded the motion and it was unanimously approved.

2020 Holiday Schedule

Ms. Lamb made a motion to approve TriCo's proposed 2020 Holiday Schedule. Mr. Mills seconded the motion and it was unanimously approved.

Dental, Life and LT/ST Insurance

Ms. Lamb made a motion for TriCo to switch to Mutual of Omaha for Dental, Life and

LT/ST Insurance. Mr. Mills seconded the motion and it was unanimously approved.

Capital & Construction Committee

Dedications

Mr. Hand made a motion to accept the dedication of Nottingham sanitary sewers. Mr. Kimbell seconded the motion and it was unanimously approved.

OFFICE IMPROVEMENTS COMMITTEE

Mr. Williams said bids for the office project will be opened December 17, 2019 and bids for the plant project will be opened December 20, 2019.


New Business

Ms. Anderson announced that she will not be reappointed to the Board. She expressed how much she has enjoyed working with this Board. Ms. Merrill thanked her for her service on the Board and as Board president and said she has been a wonderful leader. Mr. Williams said there will be a presentation for Ms. Anderson at the January meeting.

Adjournment

The next Board of Trustees Meeting is scheduled for Monday, January 13, 2020 at 6:30 p.m.

Respectfully submitted,



Andrew Williams
Utility Director

Approved:

_____ as Presented
_____ as Amended

Secretary

President

The TriCo Connection

Volume 13 Issue 1 January 2020

MONTHLY NEWSLETTER

Indiana Rural Water Association's Operator of the Year



Loren Prange, a 13 year veteran of TriCo, was awarded the Indiana Rural Water Association's Operator of the Year Award at their Annual Conference in December.

Congratulations Loren for being recognized as a leader in the Indiana Water Industry.

Marilyn Anderson, Board President, ends 15 years of service to the Utility

Marilyn Anderson was appointed in 2005 and has been instrumental in the growth and development of the Utility over the past 15 years. Ms. Anderson served as Vice President for one year and as President for a total of 8 years. She also served on the C&C Committee her entire tenure. The Utility has grown from 10,500 customer accounts to 15,750. The District has seen revenues increase from \$4.5 million to \$7.9 million during her time on the Board.

There would not be enough room in this newsletter to cover all the capital projects that have been completed under her tenure, but they include the combination of capacity improvements and I&I elimination efforts that have taken TriCo from routine wet weather overflows during heavy rains to our current condition of no wet weather overflows in five years.

Marilyn was also instrumental in changing the utility's name from Clay Township Regional Waste to Trico Regional Sewer Utility to reflect the regional demographics of the utility.

**THANK YOU MARILYN FOR
YOUR SERVICE!**

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Calendar of Events

January 13	Board Meeting	6:30 p.m.
January 15	Company Meeting	10:00 a.m.
January 22	P&B Meeting	7:30 a.m.
January 24	B&F Meeting	7:30 a.m.
February 3	C&C Meeting	4:30 p.m.

CONSTRUCTION & ENGINEERING - WES MERKLE

Engineering staff completed 351 locates, 43 I&I inspections and 34 lateral inspections in December. 1,340 locate requests were received and reviewed. Construction activity in our service area finally slowed down this month.

Kermin's last day was January 2. He and his wife moved to Las Vegas. He will certainly be missed around the office and he was a terrific inspector. Two I&I inspections failed this month. Nate continued monitoring work near TriCo's infrastructure, including multiple projects on 96th and 106th Streets. Eric observed remaining construction of this year's neighborhood sewer project as well as an estate lot main extension near Main Street and Six Points Road. He monitored punch list work and warranty repairs at several developments. Jeff completed flow meter maintenance with assistance from Eric. Flow meters remain in parts of Basin 1 (Home Place) and Basin 8 (Crooked Stick and north of 116th Street) as we continue to monitor progress on I&I removal. Jeff completed utility locates and inspections over the past two weeks while coworkers were off on vacation.

In the coming weeks sewer extension work is expected to begin for a new phase of Jackson's Grant, the Rehabilitation Hospital of Indiana, and the new elementary school on Clay Center Road. Ryan and Wes are working with Carmel-Clay Schools to determine oversizing reimbursement for extension of deep sewer across the new elementary school site. The deep sewer will eventually connect the largely undeveloped area west of Clay Center Road and north of 116th Street. Ryan is working on plans to relocate the Lift Station 3 force main ahead of a roundabout project at 116th Street and College Avenue. Construction is anticipated this spring. Ryan continued working on easement acquisition for the Haver Way Sewer and Lift Station Improvements project. Wes coordinated plant expansion and office project bidding efforts, as well as financing and proposed bonds.

The Haver Way project will proceed once permits are received and easements acquired. This is anticipated in the coming months. The Lift Station 14 (Austin Oaks) Parallel Force Main project construction is expected to start in late February. The plant outfall sewer will proceed with bidding and construction once the remaining easements are acquired from DOW. If awarded, construction for the plant expansion and office projects will begin in February.

COLLECTIONS REPORT - AARON STRONG

Collections closed out the year with 10,000 feet of CCTV footage in the month of December, pushing our yearly total over 240,000 feet. Collections Staff is looking forward to next year's cleaning and inspection cycle. Staff is in the process of evaluating past successes and focusing on opportunities to streamline the 2020 cleaning and inspection program.

Staff completed inventory of stocked pump repair kits, volutes and a variety of control panel components. In preparation for cold winter operations the Utility's emergency response trailer was restocked and reorganized. Snow plows and salting equipment have been mounted on trucks. All gas driven tools and equipment have been winterized. Generators and stand-by pumping operations at lift stations have been double checked for proper block heater operation and coolant mixtures.

Engineering personnel notified Collections Staff of a force main failure at Lift Station #8. Collection Staff responded to find that the 8" ductile force main was compromised 2 feet east of the valve vault. TPI Utility Construction was contracted to perform the excavation and repair. A dime size hole was found in the ductile main and was repaired with a compression type repair sleeve. TriCo Staff performed site cleanup and treated the affected area with lime. It is believed that tainted backfill during original construction combined with vibration was the root cause of this incident.

TREATMENT REPORT – SCOT WATKINS

Last month, staff calibrated the Lower Explosive Level sensors in the Pretreatment building and assisted BL Anderson on a Vertical Loop Reactor blower noise issue; the cause of the noise could not be determined but will continue to be monitored. The safety/security lighting on the Pretreatment Building, Return Structure and Barn were all repaired and/or replaced. After the well repair, a section of fence had to be re-installed; this is now complete, and the site is secure. One of the old return pumps was pulled by the Collection staff and taken to be inspected and repaired due to a motor fault.

All fourth quarter Fats, Oils and Grease (FOG) inspections were completed, and quarterly reports have started to come in. A new FOG software, SwiftComply, has been selected to aid in the information requests, current contact information and quarterly reporting for all FOG facilities. This software should be completely rolled out by the end of the second quarter.

The laboratory performed 469 CBOD5 tests, 242 Total Suspended Solids tests and 152 Phosphorus & Ammonia tests. I'd like to thank Bob, Loren and Joe for spending a part of their Holidays working in the lab!

FINANCIAL UPDATE -CINDY SHEEKS

November 2019 Total Revenues was \$672,651 which is \$31,821 above the projected revenue. Residential sales were \$412,487 and 2.24% higher than expected. Commercial sales totaled \$231,453 which is 8.82% higher than expected. Total operating expenses were \$416,903 in November which is 0.08% over the monthly budget. Wages and benefits spending were under budget by \$5,248 for a total of \$170,796 during the month. Administration spending was \$67,155 in November and over budget by \$10,696. Treatment costs totaled \$136,525 which was under budget by \$8,891. Collection costs totaled \$42,426 in November which was \$3,759 under budget. Net income in November was \$245,797 after depreciation and amortization of CIAC and was above projections by \$46,653 for the month.

Spending Breakdown in November:

Wages – 40.97%
Administration – 16.11%
Treatment Costs – 32.75%
Collection Costs – 10.18%

Spending Breakdown YTD:

Wages - 40.68%
Administration – 13.85%
Treatment Costs - 35.81%
Collection Costs – 9.66%

Cash generated for November shows a net increase in all funds by \$136,414. Capital spending was \$52,604 which included spending for office consolidation, plant expansion, outfall and digester modifications. Cash on hand at 11/30/19 was \$11,860,805. The balances in the funds are listed below:

Operating	\$4,222,403
Interceptor	\$ 455,589
Plant Expansion	\$4,635,321
Operating Reserve	\$2,192,400
Reserve for Replacement	\$ 355,092

SAFETY UPDATE - LOREN PRANGE

TriCo had no reportable injuries and has gone 3613 days without a lost time accident.

The following safety tailgate sessions were held:

12/03/19 Night Work Safety

12/10/19 Ladder Safety

12/17/19 Cutting pipe safely

Confined space audit was completed with 58 entries added to the 2019 folder.

Completed IWEA safety audit request for 2020.

The annual fire extinguisher inspection was completed for 2019.



CUSTOMER SERVICE UPDATE- SHELLY KEEFE

The Utility received the Hamilton County payment for \$27,224.47 and the Boone County payment for \$2,248.17 resulting from fall property tax payments. The current lien balance is now \$10,920.04.

In December, 18 permits were issued, and 29 new locations were added to billing.

The annual Christmas Luncheon was December 21 with a pitch-in meal and gift exchange.

January 8, 2020 will mark the end of the Maintain No Gain program. In addition to the weigh in, Community Health will be performing employee health assessments.

Anniversary

Wes Merkle Years of Service 7

Birthdays

Rick Hoole January 10

Ryan Hartman January 14

Wes Merkle January 31

Selected Statistics 2019	January	February	March	April	May	June	July	August	September	October	November	December	2019 Monthly Average	2019 YTD	2018 Total Through December
Maintenance Information															
Lateral Inspections	17	23	43	40	37	43	53	44	44	51	41	30	39	466	491
Certified I&I Inspections	26	21	54	53	52	72	95	59	55	73	37	36	53	633	694
Failed I&I Inspections	0	0	2	0	0	7	8	5	4	3	0	2	3	31	5
Sewer Locates	284	363	498	538	647	450	508	519	546	542	584	386	489	5,865	6,508
Manholes Added	1	3	0	0	6	0	4	3	5	2	14	0	3	38	76
Total # of Manholes	5,849	5,852	5,852	5,852	5,858	5,858	5,862	5,865	5,870	5,872	5,886	5,886	NA	5,886	5,848
Manholes Inspected	66	704	700	368	46	34	13	21	0	4	8	14	165	1,978	1,919
Feet of Sewer Added	21,687	497	0	2,196	1,277	0	1,077	837	1,009	584	6,307	8,464	3,661	43,935	22,352
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	1,660,311	1,666,618	1,675,082	NA	1,675,082	1,652,778
Feet of Sewer Televised	4,862	13,441	30,592	25,559	20,123	12,760	28,116	12,331	8,650	55,217	18,334	10,026	20,001	240,011	218,140
Feet of Sewer Cleaned	440	0	0	0	0	0	2,349	2,227	3,490	2,141	1,255	0	992	11,902	15,749
Overflows	0	0	0	0	1	0	2	0	0	0	0	1	0	4	3
Station 1 to Carmel Utilities															
Rainfall/Precipitation (inches)	2.4	3.84	4.00	4.96	5.53	7.01	2.35	3.48	2.01	4.5	2.26	2.35	3.7	44.7	37.85
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	41,099,377	49,737,049	61,447,393	58,774,059	705,288,706	712,036,765
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	1,746,281	2,614,117	3,453,907	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	1,325,786	1,657,901	1,925,526	1,904,473	NA	23,434,526
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	1,131,771	1,290,988	1,592,802	NA	1,131,771	1,066,780
Michigan Road WWTP															
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	77,340,000	70,286,000	72,237,000	80,592,667	967,112,000	916,878,000
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	3,397,000	2,925,000	2,991,000	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	2,494,839	2,342,867	2,330,226	2,652,702	NA	30,163,521
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	2,215,000	2,044,000	2,023,000	NA	1,751,000	199,800
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	118,439,377	120,023,049	133,684,393	139,366,726	1,672,400,706	1,628,914,765
Biosolids Handling (gallons)															
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	2,783,900	2,042,700	2,653,000	2,090,517	25,086,200	16,735,280
Dewatered	735,000	480,000	460,000	832,000	769,000	783,000	810,000	822,000	562,000	904,000	358,000	298,000	651,083	7,813,000	5,783,000
Digested Sludge Withdrawn	787,000	715,400	853,800	83,170	811,600	780,800	879,000	752,000	724,000	1,020,000	686,000	686,000	731,564	8,778,770	10,415,000
Customer Information													Billed Accts	15,743	
New Sewer Service Accounts	24	26	18	36	39	33	33	32	29	19	19	29	28	337	369
Permits Issued	24	31	31	40	35	36	27	23	51	20	34	18	31	370	449



Executive Session of the Executive Committee

Monday, December 9, 2017 @ 7:00 P.M.
Memorandum

Present: President Marilyn Anderson, Vice President Steve Pittman, Secretary Michael McDonald, Treasurer Jane Merrill, and At-Large Member Carl Mills, P&B Chairperson Barb Lamb, Eric Hand, Legal Counsel Anne Poindexter and HR Consultant Cici Conover.

Ms. Anderson opened the executive session at 7:00 P.M. The Committee discussed the job performance evaluation of the Utility Director in compliance with (IC5-14-1.5-6.1(b)(9)). Ms. Anderson closed the executive session. It is certified that no matters other than the above job performance evaluation were discussed in the Executive Session.

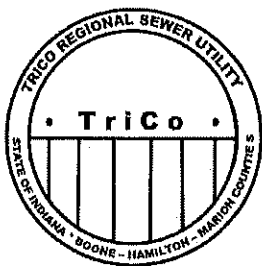


Executive Session of the Executive Committee

Friday, December 20, 2019 @ 8:30 A.M.
Memorandum

Present: President Marilyn Anderson, Vice President Steve Pittman, Treasurer Jane Merrill, and At-Large Member Carl Mills, P&B Chairperson Barb Lamb, and Eric Hand.

Ms. Anderson opened the executive session at 8:30 A.M. The Committee discussed the job performance evaluation of the Utility Director in compliance with (IC5-14-1.5-6.1(b)(9)). Ms. Anderson closed the executive session. It is certified that no matters other than the above job performance evaluation were discussed in the Executive Session.



Executive Committee

Friday, December 20, 2019 @ 9:00 A.M.
Memorandum

Present: President Marilyn Anderson, Vice President Steve Pittman, Treasurer Jane Merrill, and At-Large Member Carl Mills, P&B Chairperson Barb Lamb, Eric Hand and Andrew Williams.

Ms. Anderson opened the public meeting at 9 a.m. There was no one from the public to comment. Ms. Anderson asked if there was a motion regarding the Utility Director's raise. Ms. Lamb made a motion that the Director be given a 4.5% increase, resulting in an annual salary of \$122,245. The Committee agreed to recommend this increase to the Board of Trustees. Ms. Anderson adjourned the meeting.

Respectfully Submitted:

Andrew Williams
Utility Director

TriCo Regional Sewer Utility
Register of Claims
For the period 12/3/2019-01/08/2020

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
12/6/19	13960	Operating	Ryan Hartman	\$1,988.56	\$1,988.56	Child care reimbursement
12/9/19	13961	Operating	Black Tie Courier	\$260.00	\$260.00	Courier Service-November
12/9/19	13962	Operating	Joe Hood	\$58.00	\$58.00	Travel/Mileage-On Call
12/9/19	13963	Operating	Maggie Crediford	\$13.98	\$13.98	Travel/Mileage-Board Packets
12/10/19	13964	Operating	Nathan Crowder	\$300.00	\$300.00	Clothing allowance
12/10/19	13965	Operating	Schneider	\$175.00	\$175.00	CLD driving test-Cody Cain
12/10/19	13966	Operating	Carmel Utilities	\$1,521.11	\$1,521.11	Hydrant Usage
12/10/19	13967	Operating	Express Services, Inc.	\$704.48	\$704.48	Temp Staff w/e 12/01/19
12/11/19	13968	Operating	Scot Watkins	\$166.99	\$166.99	Gas card/mileage
12/12/19	13969	Operating	Fastenal Company	\$603.12	\$603.12	Plant R&M
12/12/19	13969	Operating	Fastenal Company	\$64.51	\$64.51	Plant R&M
12/12/19	13969	Operating	Fastenal Company	\$217.18	\$217.18	Safety
12/16/19	13970	Operating	Kaiming Chou	\$10.08	\$10.08	Refund-12670 Tram :ame
12/17/19	13971	Operating	AFLAC	\$504.04	\$504.04	Deferred Liability
12/17/19	13972	Operating	AT&T Mobility	\$1,302.05	\$1,302.05	Lift Station Phone Service
12/17/19	13973	Operating	Best Drive Indianapolis	\$40.00	\$40.00	Vehicle R&M
12/17/19	13973	Operating	Best Drive Indianapolis	\$1,350.28	\$1,350.28	Vehicle R&M
12/17/19	13973	Operating	Best Drive Indianapolis	\$75.00	\$75.00	Equipment Repair
12/17/19	13974	Operating	Carmel Utilities	\$13.45	\$13.45	LS 1 Water
12/17/19	13974	Operating	Carmel Utilities	\$13.45	\$13.45	LS 2 Water
12/17/19	13974	Operating	Carmel Utilities	\$27.35	\$27.35	LS 26 Water
12/17/19	13975	Operating	Cindy Sheeks	\$25.00	\$25.00	Gift Card
12/17/19	13976	Operating	Express Services, Inc.	\$1,001.92	\$1,001.92	Temp Staff w/e 12/08/19
12/17/19	13977	Operating	Nature Turf Services	\$50.00	\$50.00	Plant Mowing-11/05/19
12/19/19	13978	Operating	Emmanuel Sanchez	\$10.44	\$10.44	Mileage
12/19/19	13979	Operating	Jerry or Monique Krider	\$2,747.25	\$2,747.25	Refund-Overpayment on 10093 Cedar Poir
12/20/19	13980	Operating	Nathan Crowder	\$3,000.00	\$3,000.00	Professional Education
12/27/19	13981	Operating	Emmanuel Sanchez	\$10.44	\$10.44	Mileage 12/8-12/12
12/27/19	13982	Operating	Rick Hoole	\$116.00	\$116.00	Mileage 12/14-12/16
12/30/19	13983	Operating	Cody Cain	\$1,205.48	\$1,205.48	Payroll PPE 12/27/2019
12/30/19	13984	Operating	Cody Cain	\$80.00	\$80.00	HSA Contribution
1/6/20	13986	Operating	Cindy Sheeks	\$25.83	\$25.83	Ham for luncheon
1/6/20	13987	Operating	AT & T	\$698.93	\$698.93	Plant Internet
1/6/20	13987	Operating	AT & T	\$698.93	\$698.93	Office Internet
1/6/20	13987	Operating	AT & T	\$93.64	\$93.64	Plant Phone Service
1/6/20	13988	Operating	Aaron Strong	\$30.00	\$30.00	Monthly cell phone
1/6/20	13989	Operating	Eric Luis Delacruz	\$30.00	\$30.00	Monthly cell phone reimbursement
1/6/20	13990	Operating	Jeffrey Martin	\$30.00	\$30.00	Monthly cell phone bill
1/6/20	13991	Operating	Kermin Huntley	\$30.00	\$30.00	Monthly cell phone
1/6/20	13992	Operating	Nathan Crowder	\$30.00	\$30.00	Monthly cell phone
1/6/20	13993	Operating	David Kruger	\$6.61	\$6.61	Overpayment-11740 Glenbrook Ct #205
1/6/20	13994	Operating	Josh Williams	\$231.80	\$231.80	Payment Error-2519 Heathermoor Park Dr
1/6/20	13995	Operating	Cody Cain	\$35.00	\$35.00	CDL License
1/6/20	13996	Operating	Express Services, Inc.	\$1,604.68	\$1,604.68	Temp Staff w/e 12/15/19
1/6/20	13996	Operating	Express Services, Inc.	\$1,252.40	\$1,252.40	Temp Staff w/e 12/22/19
1/6/20	13996	Operating	Express Services, Inc.	\$500.96	\$500.96	Temp Staff w/e 12/29/19
1/6/20	13997	Operating	Maggie Crediford	\$13.23	\$13.23	Travel/Mileage
1/6/20	13998	Operating	Shaun Odom	\$300.00	\$300.00	2019 Clothing allowance
1/7/20	13999	Operating	Citizens Energy Group	\$166.80	\$166.80	Commercial Reads
1/8/20	14000	Operating	Kristin OKeley	\$620.69	\$620.69	Refund-2110 Pebble Beach Dr
1/8/20	14001	Operating	William E Daniels	\$5.43	\$5.43	Refund-10565 Hyde Park
1/8/20	14002	Operating	Amber Chesterfield	\$19.24	\$19.24	Refund-10204 Broadway
1/8/20	14003	Operating	James H Schrerer	\$9.31	\$9.31	Refund-10704 Pimlico Circle
1/8/20	14004	Operating	Pauline Wiggins	\$92.43	\$92.43	Refund-11408 Central Dr E
1/8/20	14005	Operating	Christopher C Eades	\$17.25	\$17.25	Refund-14217 Autumn Woods Dr
1/8/20	14006	Operating	Debbie Stickley	\$23.74	\$23.74	Refund-13548 Abercorn
1/8/20	14007	Operating	Suk Fai Lau	\$16.31	\$16.31	Refund-11530 Monon Farms
1/8/20	14008	Operating	Jason Stickney	\$21.66	\$21.66	Refund-13228 Mink Lane
1/8/20	14009	Operating	Red Door Property Management	\$30.53	\$30.53	Refund-12420 Brookline St
1/8/20	14010	Operating	Daniel or Darlene McCann	\$14.13	\$14.13	Refund-2976 Kings Court
1/8/20	14011	Operating	Jennifer Romaniuk	\$5.72	\$5.72	Refund-12897 Queens Troop
1/8/20	14012	Operating	Mayukh or Dimple Das	\$12.50	\$12.50	Refund-1810 Braeburn Dr
1/8/20	14013	Operating	Saib Othman	\$34.61	\$34.61	Refund-1587 Altair Dr
1/8/20	14014	Operating	Thomas or Jennie Franklin	\$18.88	\$18.88	Refund-2076 Broughton St
1/8/20	14015	Operating	Adam Scherpenberg	\$26.32	\$26.32	Refund-10313 Solace Lane
1/8/20	14016	Operating	Radhamma Giriappa	\$17.58	\$17.58	Refund-12758 Tuscany Blvd
1/8/20	14017	Operating	Boone County Recorder	\$150.00	\$150.00	6 liens
1/8/20	14018	Operating	Barbara Lamb	\$200.00	\$200.00	Board meeting fees
1/8/20	14019	Operating	Carl S. Mills	\$300.00	\$300.00	Board member fees
1/8/20	14020	Operating	Charles Ryerson	\$50.00	\$50.00	Board meeing fee
1/8/20	14021	Operating	Eric Hand	\$200.00	\$200.00	Board meeting fees
1/8/20	14022	Operating	Jane B. Merrill	\$200.00	\$200.00	Board member fees
1/8/20	14023	Operating	Jeffrey Kimbell	\$100.00	\$100.00	Board meeting fees
1/8/20	14024	Operating	Marilyn Anderson	\$300.00	\$300.00	Board meeting fees
1/8/20	14025	Operating	Michael A. McDonald	\$100.00	\$100.00	Board member fees

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
1/8/20	14026	Operating	Steve Pittman	\$200.00	\$200.00	Board Member Fees
1/8/20	14027	Interceptor	GRW	\$1,938.10	\$1,938.10	CIP-Proj 1901 LS 14 Forcemain-Interceptor
1/8/20	14028	Interceptor	MS Consultants, Inc	\$1,700.00	\$1,700.00	CIP-Proj 1802 Haver Way Interceptor
1/8/20	14029	Plant Expansion	GRW	\$8,500.00	\$8,500.00	CIP-Proj 1902-Plant Expansion
1/8/20	14029	Plant Expansion	GRW	\$1,800.00	\$1,800.00	CIP-Proj 1902 Plant Exp permitting
1/8/20	14029	Plant Expansion	GRW	\$9,725.00	\$9,725.00	CIP-Proj 1902 Plant Exp
1/8/20	14029	Plant Expansion	GRW	\$5,300.00	\$5,300.00	CIP-Proj 1902 Plant Exp
1/8/20	14030	Plant Expansion	Indianapolis Star	\$299.86	\$299.86	CIP-Proj 1902 Plant Exp Bids
1/8/20	14031	Plant Expansion	Krohn & Associates, LLP	\$2,437.50	\$2,437.50	CIP-Proj 1902 Plant Exp
1/8/20	14032	Operating	ACE Technologies, LLC	\$1,706.25	\$1,706.25	Plant Support
1/8/20	14033	Operating	Altman, Poindexter & Wyatt, LLC	\$357.50	\$357.50	Legal fees-Huntington Chase
1/8/20	14033	Operating	Altman, Poindexter & Wyatt, LLC	\$330.00	\$330.00	Duke Energy
1/8/20	14033	Operating	Altman, Poindexter & Wyatt, LLC	\$1,457.50	\$1,457.50	Legal fees
1/8/20	14034	Operating	Bio Chem, Inc.	\$4,046.43	\$4,046.43	Biosolids
1/8/20	14034	Operating	Bio Chem, Inc.	\$3,799.48	\$3,799.48	Operating Supplies Plant
1/8/20	14035	Operating	BL Anderson Company, Inc.	\$505.00	\$505.00	Plant R & M
1/8/20	14036	Operating	Black Tie Courier	\$273.00	\$273.00	Courier fees
1/8/20	14037	Operating	Brehob Corporation	\$405.00	\$405.00	Plant R & M
1/8/20	14037	Operating	Brehob Corporation	\$735.29	\$735.29	Vehicle R & M
1/8/20	14038	Operating	Carmel Utilities	\$1,049.70	\$1,049.70	December reads
1/8/20	14038	Operating	Carmel Utilities	\$93,364.29	\$93,364.29	Flow to Carmel
1/8/20	14039	Operating	Carmel Utilities	\$41.50	\$41.50	Stormwater fees
1/8/20	14040	Operating	Cecilie A Conover	\$1,500.00	\$1,500.00	Nov - Dec Consulting fees
1/8/20	14041	Operating	Clay Township Trustee	\$2,184.53	\$2,184.53	Township Expenses
1/8/20	14042	Operating	Coleman Auto Repair Service, LL	\$76.75	\$76.75	Vehicle R&M
1/8/20	14043	Operating	Connect Electric Inc	\$275.00	\$275.00	Lift Station R&M
1/8/20	14043	Operating	Connect Electric Inc	\$2,305.00	\$2,305.00	Plant R & M
1/8/20	14044	Operating	Culy Contracting, LLC	\$17,990.00	\$17,990.00	Manhole repairs
1/8/20	14044	Operating	Culy Contracting, LLC	\$31,492.50	\$31,492.50	Manhole rehab
1/8/20	14044	Operating	Culy Contracting, LLC	\$2,535.00	\$2,535.00	Illinois St parking lot manhole
1/8/20	14045	Operating	CuraLinc, LLC	\$295.00	\$295.00	EAP-Jan, Feb, Mar 2020
1/8/20	14046	Operating	Davis Wholesale Supply	\$665.42	\$665.42	Operating supplies
1/8/20	14047	Operating	Doxim	\$3,730.44	\$3,730.44	Billing
1/8/20	14047	Operating	Doxim	\$5,103.34	\$5,103.34	Postage
1/8/20	14048	Operating	Eco Infrastructure Solutions, Inc.	\$2,838.48	\$2,838.48	Televising
1/8/20	14048	Operating	Eco Infrastructure Solutions, Inc.	\$3,866.80	\$3,866.80	Televising
1/8/20	14048	Operating	Eco Infrastructure Solutions, Inc.	\$1,427.36	\$1,427.36	Televising
1/8/20	14049	Operating	Element Materials Technology D.	\$190.00	\$190.00	Sewer sampling
1/8/20	14050	Operating	Environmental Resource Associa	\$601.81	\$601.81	Sewer sampling
1/8/20	14051	Operating	Express Services, Inc.	\$1,252.40	\$1,252.40	Temp Staff w/e 10/23/19
1/8/20	14052	Operating	Fastenal Company	\$265.48	\$265.48	Plant R & M
1/8/20	14052	Operating	Fastenal Company	\$16.78	\$16.78	Plant R&M
1/8/20	14053	Operating	FerrellGas	\$12.01	\$12.01	Plant R & M
1/8/20	14053	Operating	FerrellGas	\$12.00	\$12.00	Plant R & M
1/8/20	14054	Operating	Fisher Scientific	\$657.58	\$657.58	Sewer sampling
1/8/20	14055	Operating	Glidden Fence Co., Inc.	\$1,350.00	\$1,350.00	Plant R & M
1/8/20	14056	Operating	Grainger	\$355.72	\$355.72	Lift Station R&M
1/8/20	14056	Operating	Grainger	\$117.99	\$117.99	Plant R&M
1/8/20	14057	Operating	IT Indianapolis	\$2,500.00	\$2,500.00	Security Upgrades
1/8/20	14057	Operating	IT Indianapolis	\$1,500.00	\$1,500.00	Security Upgrades
1/8/20	14057	Operating	IT Indianapolis	\$462.50	\$462.50	Computer Expense
1/8/20	14057	Operating	IT Indianapolis	\$4,824.10	\$4,824.10	Computer Expense
1/8/20	14057	Operating	IT Indianapolis	\$738.00	\$738.00	Mirco Office 365
1/8/20	14057	Operating	IT Indianapolis	\$1,666.20	\$1,666.20	Computer Expense
1/8/20	14057	Operating	IT Indianapolis	\$3,897.96	\$3,897.96	Jive installation
1/8/20	14058	Operating	IUPPS	\$1,961.75	\$1,961.75	Monthly tickets
1/8/20	14059	Operating	Jacob-Dietz Inc	\$136.35	\$136.35	Fire Extinguisher Inspections
1/8/20	14060	Operating	Jive Communications, Inc	\$719.44	\$719.44	Monthly phone bill
1/8/20	14061	Operating	Kinetrex Energy	\$827.76	\$827.76	Natural Gas-Plant
1/8/20	14062	Operating	Maddox Industrial Group, Inc.	\$19,500.00	\$19,500.00	CIP-Digester modifications
1/8/20	14063	Operating	Merrell Brothers, Inc.	\$10,191.03	\$10,191.03	Biosold disposal
1/8/20	14064	Operating	NCL of Wisconsin, Inc.	\$1,229.27	\$1,229.27	Sewer Sampling
1/8/20	14065	Operating	Office Depot	\$5.29	\$5.29	Misc supplies
1/8/20	14065	Operating	Office Depot	\$18.56	\$18.56	Office supplies
1/8/20	14065	Operating	Office Depot	\$9.58	\$9.58	Deskpad
1/8/20	14065	Operating	Office Depot	\$282.18	\$282.18	Office supplies
1/8/20	14065	Operating	Office Depot	\$278.97	\$278.97	Office supplies
1/8/20	14065	Operating	Office Depot	\$89.99	\$89.99	Xerox drum
1/8/20	14066	Operating	Office Keepers	\$375.00	\$375.00	Plant office cleaning Dec 2019
1/8/20	14066	Operating	Office Keepers	\$375.00	\$375.00	Office Cleaning
1/8/20	14067	Operating	OmniSite	\$1,932.00	\$1,932.00	Lift station utilities
1/8/20	14068	Operating	Praxair Distribution, Inc.	\$30.75	\$30.75	Operating supplies
1/8/20	14069	Operating	Quench USA, Inc.	\$101.97	\$101.97	Water cooler
1/8/20	14070	Operating	Republic Services #761	\$479.66	\$479.66	Trash service
1/8/20	14071	Operating	Rook Security LLC	\$2,503.00	\$2,503.00	IT Services
1/8/20	14072	Operating	Shrewsberry & Associates, LLC	\$937.50	\$937.50	Const Insp-Estates at Towne Meadow
1/8/20	14073	Operating	Signius Communications	\$85.13	\$85.13	Answering service
1/8/20	14074	Operating	Simplifile	\$30.00	\$30.00	Lien filings
1/8/20	14075	Operating	Taylor Oil Company, Inc.	\$3,169.02	\$3,169.02	Fuel
1/8/20	14075	Operating	Taylor Oil Company, Inc.	\$1,108.34	\$1,108.34	Fuel

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
1/8/20	14076	Operating	Utility Supply Company	\$62.31	\$62.31	Lift station R & M
1/8/20	14076	Operating	Utility Supply Company	\$522.05	\$522.05	Line repairs
1/8/20	14076	Operating	Utility Supply Company	\$136.36	\$136.36	Line maintenance
1/8/20	14076	Operating	Utility Supply Company	\$106.17	\$106.17	Operating Supplies Collections
1/8/20	14077	Operating	Vasey Commercial Heating & AC	\$1,135.00	\$1,135.00	Plant R&M
1/8/20	14077	Operating	Vasey Commercial Heating & AC	\$921.00	\$921.00	Plant R&M
1/8/20	14077	Operating	Vasey Commercial Heating & AC	\$421.00	\$421.00	Plant R & M
1/8/20	14077	Operating	Vasey Commercial Heating & AC	\$980.53	\$980.53	Plant R & M
1/8/20	14078	Operating	Zionsville Chamber of Commerce	\$275.00	\$275.00	2020 Dues
12/3/19	20190479	Operating	Vectren	\$46.00	\$46.00	LS 2
12/3/19	20190480	Operating	Vectren	\$17.70	\$17.70	LS 10
12/13/19	20190481	Operating	ADP	\$133.80	\$133.80	Workforce Now Payroll 11/29/19
12/9/19	20190482	Operating	Wex Bank	\$130.65	\$130.65	Fuel purchases
12/30/19	20190483	Operating	IT Indianapolis	\$4,597.10	\$4,597.10	Computer Expense
12/30/19	20190483	Operating	IT Indianapolis	\$1,586.86	\$1,586.86	Computer Expense
12/30/19	20190483	Operating	IT Indianapolis	\$738.00	\$738.00	Computer Expense
12/16/19	20190484	Operating	Napa Auto Parts	\$25.46	\$25.46	Auto repairs
12/16/19	20190484	Operating	Napa Auto Parts	\$35.22	\$35.22	Auto repairs
12/19/19	20190485	Operating	AT&T Mobility	\$671.20	\$671.20	Employee Mobile
12/16/19	20190486	Operating	ADP	\$54,588.27	\$54,588.27	PPE 12/13/19
12/16/19	20190487	Operating	Empower Retirement (Hoosier S	\$8,529.60	\$8,529.60	401a, 457b, Roth
12/23/19	20190488	Operating	Vectren Energy Delivery	\$374.53	\$374.53	Plant
12/30/19	20190489	Operating	ADP	\$55,319.60	\$55,319.60	PPE 12/27/19
1/4/20	20190490	Operating	AT&T Mobility	\$1,035.32	\$1,035.32	Employee Tablets
12/28/19	20190492	Operating	Duke Energy	\$16,991.13	\$16,991.13	Plant
12/28/19	20190493	Operating	Duke Energy	\$259.15	\$259.15	LS 21
12/28/19	20190494	Operating	Duke Energy	\$1,876.14	\$1,876.14	LS 1
12/28/19	20190495	Operating	Duke Energy	\$54.65	\$54.65	LS 6
12/28/19	20190496	Operating	Duke Energy	\$680.70	\$680.70	LS 26
12/28/19	20190497	Operating	Duke Energy	\$362.38	\$362.38	LS 19
12/28/19	20190498	Operating	Duke Energy	\$147.92	\$147.92	LS 5
12/28/19	20190499	Operating	Duke Energy	\$840.97	\$840.97	LS 17
12/28/19	20190500	Operating	Duke Energy	\$273.17	\$273.17	LS 16
12/28/19	20190501	Operating	Duke Energy	\$443.55	\$443.55	LS 23
12/28/19	20190502	Operating	Duke Energy	\$284.49	\$284.49	LS 11
12/28/19	20190503	Operating	Duke Energy	\$951.52	\$951.52	LS 14
12/31/19	20190504	Operating	IPL	\$51.02	\$51.02	LS 18
12/31/19	20190505	Operating	IPL	\$112.34	\$112.34	LS 3
12/31/19	20190506	Operating	IPL	\$500.01	\$500.01	LS 8
12/31/19	20190507	Operating	IPL	\$338.66	\$338.66	LS 9
12/31/19	20190508	Operating	IPL	\$885.96	\$885.96	LS 10
12/31/19	20190509	Operating	IPL	\$88.86	\$88.86	LS 12
12/31/19	20190510	Operating	IPL	\$70.36	\$70.36	LS 20
12/31/19	20190511	Operating	IPL	\$49.00	\$49.00	LS 22
12/31/19	20190512	Operating	IPL	\$92.49	\$92.49	LS 24
12/31/19	20190513	Operating	IPL	\$50.11	\$50.11	LS 25
12/31/19	20190514	Operating	IPL	\$85.52	\$85.52	LS VV
12/27/19	20190515	Operating	Anthem Blue Cross Blue Shield	\$33,590.43	\$33,590.43	Employee Insurance
12/27/19	20190516	Operating	ADP	\$252.05	\$252.05	Time & Attendance, Payroll Services
12/30/19	20190517	Operating	Citizens Energy Group	\$67.40	\$67.40	Plant
12/30/19	20190517	Operating	Citizens Energy Group	\$44.42	\$44.42	LS 17
12/31/19	20190518	Operating	Citizens State Bank	\$20.00	\$20.00	Monthly service fee
12/31/19	20190519	Operating	Empower Retirement (Hoosier S	\$7,637.02	\$7,637.02	401a, 457b, Roth
12/31/19	20190520	Operating	Napa Auto Parts	\$11.17	\$11.17	Vehicle R & M
12/31/19	20190520	Operating	Napa Auto Parts	\$10.76	\$10.76	Vehicle repairs
12/31/19	20190520	Operating	Napa Auto Parts	\$45.07	\$45.07	Vehicle R & M
12/31/19	20190520	Operating	Napa Auto Parts	\$5.23	\$5.23	Vehicle repairs
1/7/20	20190521	Operating	IPL	\$5,164.95	\$5,164.95	LS 2
12/31/19	20190522	Operating	ADP	\$53,029.79	\$53,029.79	PPE 12/27/19

\$566,832.51 \$566,832.51

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

\$566,832.51

Docket Report Information

CIP-Proj 1802 Haver Way	\$1,700.00
CIP-1901 Austin Oaks FM Parallel Extension	\$1,938.10
CIP-1902 Plant Expansion	\$28,062.36
CIP- Digester Modifications	\$19,500.00
	\$ 51,200.46

District Insurance	\$33,590.43
Carmel December Flow	\$93,364.29

Other Expenses	\$388,677.33
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MEMORANDUM

To: Board of Trustees

From: Maggie Crediford, Administrative Assistant

Date: January 8, 2020

Subject: Utility Director Raise

The Executive Committee and P&B Committee Chair Ms. Lamb conducted the Performance Evaluation for the Utility Director. The Committee is recommending the Director be given a 4.5% increase, resulting in an annual salary of \$122,245.

Recommended Action: Approve a 4.5% increase for Utility Director Andrew Williams.



MEMORANDUM

To: Board of Trustees
From: Andrew Williams
Date: January 8, 2020
Subject: 2020 Proposed Operating Budget

The 2020 Preliminary Operating Budget is attached for your approval. A rate increase was not included in the revenue projections for 2020. Residential sales are projected to be 1.5% over the 2019 projected total and Commercial sales are projected to be 0.5% over. We are budgeting a modest 0.2% increase in total revenue vs. projected 2019 revenues. And a 4.4% increase in Operating Expenses vs. projected 2019 expenses.

For the first time in over 15 years a line item for Debt Service Payment is included in our budget. The proposed schedule shows a payment of \$665,500, lowering our projected net surplus to \$1,610,502 for 2020.

Recommended Action: Approve the 2020 Operating Budget

TriCo 2020 Preliminary Budget		Approved 2018 Budget	2018 Actuals	Approved 2019 Budget	2019 YTD- 10/31/19	2019 Projected	Proposed 2020 Budget	% Change Budget 2019 - 2020	% Change 2019 Est. to 2020 Budget
REVENUES									
4001-1	Sales - Residential	4,707,671	4,730,116	4,841,423	4,106,417	4,900,000	4,975,000	2.8%	1.5%
4003-1	Sales - Commercial	2,710,662	2,537,037	2,622,541	2,201,407	2,600,000	2,613,000	-0.4%	0.5%
4005-1	Late Charges	84,000	92,426	80,000	82,481	97,000	97,000	21.3%	0.0%
4007-1	Applications Fees	67,500	72,818	65,000	60,760	70,000	65,000	0.0%	-7.1%
4009-1	Plan Reviews, Inspections, Misc. Revenue	17,000	14,169	15,000	64,713	63,000	25,000	66.7%	-60.3%
4501-1	Interest - Investments	55,000	41,000	34,000	34,148	41,000	40,000	17.6%	-2.4%
4503-1	Interest - Banking		88,799	100,000	129,003	145,000	125,000	25.0%	-13.8%
4507-1	Bank Fees	(500)	(279)	(100)	(200)	(240)	(240)	140.0%	0.0%
4601-1	Interest - by project	4,334	2,923	1,000	1,897	2,100	1,500	50.0%	-28.6%
4701-1	Customer Fees & Reimbursements	200	-	200	-	-		-100.0%	
4801-1	Gain/Loss on Asset Disposal		0	0	9,451	9,451			-100.0%
4901-1	Misc Income/Expense	5,000	1,189	0	61	61	100	100.00%	63.93%
TOTAL REVENUES		7,650,867	7,580,197	7,759,064	6,690,138	7,927,372	7,941,360	2.35%	0.2%
EXPENSES									
5001-1	Gross Wages	1,450,000	1,456,171	1,495,000	1,216,423	1,468,000	1,563,767	4.6%	6.5%
5003-1	Other Employee Exp	10,000	9,068	12,000	27,542	30,000	12,000	0.0%	-60.0%
5005-1	Retirement Plan - Hoosier START	143,500	143,095	147,400	119,873	142,381	154,277	4.7%	8.4%
5007-1	Employee Insurance	365,643	341,981	351,030	301,260	360,000	370,855	5.6%	3.0%
5009-1	Taxes (Employer FICA)	104,423	102,703	107,100	87,250	112,234	119,628	11.7%	6.6%

5101-1	Govt Center Operations	52,000	51,470	52,000	40,673	48,500	48,500	-6.7%	0.0%
5103-1	Professional Education	16,000	21,028	20,000	5,904	15,000	20,000	0.0%	33.3%
5105-1	Board member Fees	18,000	20,200	19,000	14,680	17,200	19,000	0.0%	10.5%
5107-1	Board Expense	1,500	1,545	1,500	1,194	1,300	1,500	0.0%	15.4%
5109-1	Consulting	50,000	6,169	50,000	37,487	43,000	50,000	0.0%	16.3%
5111-1	Computer Expenses/Consultants	150,000	180,895	150,000	156,334	188,000	190,000	26.7%	1.1%
5113-1	Insurance	100,000	105,972	110,000	92,042	110,000	110,000	0.0%	0.0%
5115-1	Accounting Fees	15,000	-	5,000	18,766	19,000	5,000	0.0%	-73.7%
5117-1	Legal Fees	40,000	27,509	35,000	25,422	30,500	35,000	0.0%	14.8%
5119-1	Engineering Fees	40,000	10,706	40,000	4,392	6,000	30,000	-25.0%	400.0%
5121-1	Special Engineering (I & I)		105			-			
5125-1	Professional Affiliations	4,500	5,531	4,700	6,854	6,854	7,000	48.9%	2.1%
5127-1	Travel & Mileage	8,000	6,539	8,000	6,002	6,800	7,000	-12.5%	2.9%
5129-1	Collection	800	7,394	4,000	8,973	11,600	9,000	125.0%	-22.4%
5131-1	Billing Service Contracts	88,000	83,006	54,000	90,633	96,000	92,000	70.4%	-4.2%
5133-1	Bad Debt Expense	5,000	4,738	300	1,149	1,500	1,500	400.0%	0.0%
5135-1	Office Expense	6,000	11,778	10,000	9,780	11,000	10,000	0.0%	-9.1%
5137-1	Postage Expense	40,000	52,134	54,000	47,616	56,000	60,150	11.4%	7.4%

TriCo 2020 Preliminary Budget		Approved 2018 Budget	2018 Actuals	Approved 2019 Budget	2019 YTD- 10/31/19	2019 Projected	Proposed 2020 Budget	% Change Budget 2019 - 2020	% Change 2019 Est. to 2020 Budget
5139-1	Office Services	35,000	44,071	35,000	40,315	48,000	60,000	71.4%	25.0%
5141-1	Customer Outreach & Education	25,000	10,389	25,000	12,122	24,000	25,000	0.0%	4.2%

5201-1	Treatment - Carmel WWTP	1,100,000	1,072,114	1,100,000	950,390	1,140,000	1,200,000	9.1%	5.3%
5203-1	Sewer Sampling & Lab	40,000	56,594	50,000	44,188	50,000	50,000	0.0%	0.0%
5205-1	Biosolids Disposal	150,000	181,064	150,000	130,412	154,000	165,000	10.0%	7.1%
5207-1	Plant R & M	150,000	271,779	150,000	169,545	175,000	170,000	13.3%	-2.9%
5209-1	Utilities - Plant	240,000	276,841	260,000	260,366	297,000	295,000	13.5%	-0.7%
5211-1	Operating Supplies - Plant	15,000	28,236	20,000	31,826	33,000	29,000	45.0%	-12.1%
5213-1	Safety Materials & Training	15,000	11,110	15,000	12,995	14,500	15,000	0.0%	3.4%
5215-1	IDEM Permits	12,000	10,270	12,000	10,180	10,180	10,500	-12.5%	3.1%

5301-1	Lift Station R & M	95,000	149,381	125,000	116,979	125,000	125,000	0.0%	0.0%
5303-1	Line Maintenance	65,000	49,535	65,000	32,401	45,000	55,000	-15.4%	22.2%
5305-1	Line Repair	50,000	29,113	50,000	25,015	33,000	50,000	0.0%	51.5%
5307-1	Equipment Repair	20,000	22,000	20,000	27,128	28,000	20,000	0.0%	-28.6%
5309-1	Special R & M (I&I)		360			-			
5313-1	Vehicle R & M	10,000	4,316	7,000	7,432	9,800	8,000	14.3%	-18.4%
5315-1	Fuel	19,000	20,328	19,000	17,103	20,000	20,000	5.3%	0.0%
5317-1	Utilities - Lift Stations	200,000	178,974	185,000	160,327	192,000	195,000	5.4%	1.6%
5319-1	Operating Supplies - Sewer System	60,000	9,100	15,000	11,030	14,500	15,000	0.0%	3.4%
5321-1	Manhole R&M	66,000	125,312	66,000	13,305	60,000	66,000	0.0%	10.0%
5322-1	Televising	45,000	0	40,000	10,453	37,500	40,000	0.0%	6.7%
5323-1	Uniforms & Shop Towels	8,000	11,535	13,000	5,620	13,000	13,000	0.0%	0.0%

	Total Operating Expenses	5,128,366	5,212,157	5,152,030	4,409,381	5,304,349	5,542,677	7.6%	4.5%
	OPERATING INCOME	2,522,501	2,368,048	2,607,034	2,280,757	2,623,023	2,398,683	-8.0%	-8.6%
5901-1	Depreciation	3,687,769	3,895,260	3,800,000	3,267,311	3,920,773	4,018,793	5.8%	2.5%
5911-1	Amortization of CIAC	(3,372,264)	(3,294,816)	(3,500,000)	(3,167,570)	(3,801,084)	(3,896,111)	11.3%	2.5%
	TOTAL EXPENSES	5,443,871	5,812,601	5,452,030	4,509,122	5,424,038	5,665,358	3.9%	4.4%
*****	DEBT SERVICE PAYMENT						665,500		
	Net Surplus (Deficit)	2,206,996	1,767,596	2,307,034	2,181,016	2,503,334	1,610,502	-30.2%	-35.7%



MEMORANDUM

To: Board of Trustees
From: Andrew Williams
Date: January 8, 2020
Subject: Bond Ordinance

OW Krohn and Associates (OWK) recommends a \$22 million revenue bond to finance the proposed capital projects, mainly the large plant expansion project. OWK believes that TriCo has ample bond coverage if treatment rates remain the same. However, OWK's projections include three annual 4% rate increases starting mid-2020 as previously discussed. After these increases TriCo would still have the lowest rates in the area. TriCo would offer call protection on the bonds for 5 years, after which TriCo could start to pay down principal early and be debt free again in 10 to 12 years.

Bose, McKinney and Evans (BME) prepared the attached bond ordinance. Once the ordinance is adopted by the Board, OWK will solicit proposals and recommend a bond purchaser. BME would prepare the purchase agreement and related documents. Bonds are expected to close mid- to late- February.

The bids received for the plant expansion project are subject to the Board's determination to construct the Project and obtaining funds to pay for the Project. The adoption of this Bond Ordinance allows OWK to solicit proposals from lenders but does not commit the Board to the issuance of bonds.

Recommended Action: Adopt the Bond Ordinance.

ORDINANCE NO. _____

An Ordinance concerning the construction of additions and improvements to the sewage works of the TriCo Regional Sewer Utility, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said sewage works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith

WHEREAS, the TriCo Regional Sewer Utility (the “District”) has heretofore established, constructed and financed its sewage works and now owns and operates said sewage works pursuant to Indiana Code 13-26, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the “Act”) (all references hereinafter to the Indiana Code are designated as “IC” followed by the applicable code section or sections); and

WHEREAS, the Board of Trustees of the District (the “Board”) finds that certain sewage works improvements and extensions to said works are necessary; that plans, specifications and estimates have been prepared and filed by GRW, the engineers employed by the District for the construction of said improvements and extensions (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (the “Project”), which plans and specifications have been submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Secretary of the District (the “Secretary”) as required by law; and

WHEREAS, the District has advertised and received bids for the Project, which bids are subject to the District’s determination to construct the Project and obtaining funds to pay for the Project; and

WHEREAS, based upon the bids and information provided to the District by the engineers for the Project, the estimated costs of the Project, including engineering, financial advisory and legal fees, is in the estimated amount not to exceed Twenty-Five Million Dollars (\$25,000,000); and

WHEREAS, the Board finds that the District has limited funds on hand available to apply on the costs of the Project and that it is necessary to finance the entire costs thereof by the issuance of sewage works revenue bonds, in one or more series, in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) and, if necessary, bond anticipation notes (the “BANs”); and

WHEREAS, the Board finds that there are currently no outstanding bonds of the sewage works payable out of the Net Revenues (as hereinafter defined) thereof; and

WHEREAS, the bonds to be issued pursuant to this ordinance will constitute a first charge against the Net Revenues of the sewage works and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this ordinance; and

WHEREAS, the District desires to authorize the issuance of BANs hereunder, if necessary, payable from the proceeds of sewage works revenue bonds issued hereunder and, with respect to interest only, proceeds of the BANs allocable to capitalized interest and/or Net Revenues of the sewage works, junior and subordinate to the bonds herein authorized and any additional bonds issued pursuant to Section 21 hereof, and to authorize the refunding of said BANs, if issued; and

WHEREAS, the Board has been advised by the District's municipal advisor that it may be economically efficient to acquire a municipal bond insurance policy for the bonds hereby authorized; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the District intends by this ordinance to qualify amounts advanced by the District to the Project for reimbursement from proceeds of the BANs or the bonds in accordance with the requirements of the Reimbursement Regulations; and

WHEREAS, the Board now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue bonds and BANs have been complied with in accordance with the provisions of the Act; now, therefore,

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TRICO REGIONAL SEWER UTILITY, THAT:

Section 1. Authorization of Project. The District proceed with the construction of the Project pursuant to the plans and specifications therefore as prepared and filed by GRW, the consulting engineers employed by the District, two copies of which plans and specifications are on file in the office of the Secretary and open for public inspection. The estimated cost for the construction of said Project, based upon construction bids and information provided to the District by its engineers for the Project, will not exceed Twenty-Five Million Dollars (\$25,000,000), plus investment earnings on the BAN and bond proceeds, without further authorization of the Board. The terms "sewage works," "sewage works system," "works," "system," and words of like import where used in this ordinance shall be construed to mean and include the existing sewage works system of the District and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project and plans and specifications are hereby approved. The Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Issuance of BANs. The District shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply on the costs of the Project and to pay cost of issuance. The District may issue its BANs in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) to be designated "Sewage Works Bond Anticipation

Notes, Series 20__” to be completed with the year in which issued. The BANs shall be sold at not less than 98.5% of their par value, numbered consecutively from 1 upward and shall be in denominations of Five Thousand Dollars (\$5,000) and integral multiples thereof. The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed 5.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon maturity or redemption. Interest on the BANs may, as determined by the Treasurer of the District (the “Treasurer”), with the advice of the District’s financial advisor, also be payable semiannually on January 1 and July 1 of each year, commencing on the first January 1 or the first July 1 following delivery of the BANs.

The BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 5.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The BANs shall be issued pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The District shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act.

Interest on the BANs may, as determined by the Treasurer with the advice of the District’s financial advisor, also be payable from capitalized interest and/or Net Revenues of the sewage works. Any pledge of Net Revenues of the sewage works to the payment of interest on the BANs shall be junior and subordinate to the payment of any bonds issued pursuant to this ordinance and any additional parity bonds issued in the future pursuant to Section 21 of this ordinance (the “Parity Bonds”). The BANs shall rank on a parity with respect to the pledge of Net Revenues of the sewage works in the event more than one (1) series of BANs is outstanding and secured, with respect to the payment of interest thereon, by the Net Revenues of the sewage works.

Section 3. Issuance of Bonds. The District shall issue its sewage works revenue bonds, in one or more series, in the aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) to be designated “Sewage Works Revenue Bonds, Series 202__” to be completed with the year in which issued and appropriate series designation if issued in more than one series (collectively, the “Bonds”), for the purpose of procuring funds to apply on the costs of the Project, refunding the BANs, if issued, and costs of issuance of the Bonds, including, if necessary, insurance for the Bonds. If the Bonds are sold in more than one series, any sale and issuance of Bonds which follows the issuance of the first series of Bonds hereunder shall be subject to the requirements established by Section 21 of this ordinance.

The Bonds shall be issued and sold at a price not less than 98.5% of the par value thereof. The Bonds shall be issued in fully registered form in denominations of (i) One Hundred Thousand Dollars and any Five Thousand Dollar integral multiple in excess thereof or (ii) Five

Thousand Dollars (\$5,000) or integral multiples thereof, as determined by the Treasurer, with the advice of the District's municipal advisor prior to the sale of the Bonds. The Bonds shall be numbered consecutively from 1 up and shall be originally dated as of their date of delivery. The Bonds shall bear interest at a rate or rates not exceeding 5.0% per annum (the exact rate or rates to be determined by bidding or through negotiation). The interest on the Bonds shall be payable semiannually on January 1 and July 1 in each year, commencing on either the first January 1 or the first July 1 following the date of delivery of the Bonds as determined by the Treasurer, with the advice of the District's municipal advisor. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent (as hereinafter defined). The Bonds shall mature semiannually on January 1 and July 1 of each year, or be subject to mandatory sinking fund redemption on January 1 and July 1, over a period ending no later than twenty-one (21) years after substantial completion of the Project. The Bonds shall mature in such amounts that will either (i) produce as level annual debt service as practicable taking into account the denominations of the Bonds or, (ii) if the Bonds will be sold to the Indiana Bond Bank, enable the District to meet the requirements of the Indiana Bond Bank (in such case, the debt service schedule shall be finalized and set forth in the Qualified Entity Purchase Agreement with the Indiana Bond Bank).

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser. Such term bonds shall have a stated maturity or maturities consistent with the maturity schedule determined in accordance with the preceding paragraph, on the dates as determined by the purchaser, but in no event later than the last serial maturity date of the Bonds as determined in the preceding paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereafter determined in accordance with the preceding paragraph.

The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the sewage works remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the District, including the works authorized herein and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

Section 4. Registrar and Paying Agent. The Treasurer is hereby authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds and the BANs, which Registrar is hereby charged with the responsibility of authenticating the Bonds (the "Registrar" or "Paying Agent"). The Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Treasurer is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sewage Works Sinking Fund established to pay the principal of and interest on the Bonds as fiscal agency charges. As to the BANs and as to the Bonds, if sold to a purchaser that does not object to such designation, the Treasurer may serve as Registrar

and Paying Agent and is, in such case, hereby charged with the duties of a Registrar and Paying Agent.

The principal of the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each payment (the "Record Date"), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

All payments on the BANs and Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the District kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the District. The District and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Interest on Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date.

Section 5. Redemption of BANs. The BANs are prepayable by the District, in whole or in part, on any date, upon twenty (20) days' notice to the owner of the BANs, without any premium.

Section 6. Redemption of Bonds. The Bonds may be redeemable at the option of the District, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the District, and by lot within a maturity, at face value together with a premium no greater than 2%, plus accrued interest to the date fixed for redemption. The redemption dates, if any, and premiums, if any, shall be established by the Treasurer, with the advice of the District's municipal advisor, prior to the sale of the Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the District, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each five thousand dollars principal amount shall be considered a separate Bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of redemption shall be given not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the District as of the date which is forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the District. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

Section 7. Book-Entry Provisions. The District may, upon the advice of its financial advisor, have the Bonds held by a central depository system pursuant to an agreement between the District and The Depository Trust Company, New York, New York (the "DTC") and have transfers of the Bonds effected by book-entry on the books of the central depository system. In such case, the Bonds shall be issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC and the terms and conditions of this Section 7 shall apply.

If the Bonds are held by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The actual purchasers of the Bonds (“Beneficial Owners”) will not receive physical delivery of the Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of the Bonds is to receive, hold, or deliver any Bond certificate.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto. Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

(i) DTC determines to discontinue providing its service with respect to the Bonds (such a determination may be made at any time by giving thirty (30) days’ notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law), or

(ii) the District determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

The District and the Registrar will recognize DTC or its nominee as the holder of the Bonds for all purposes, including notices and voting. The District and the Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of a Letter of Representations between the District and DTC. If necessary to comply with the terms and provisions of the Letter of Representations, a supplemental ordinance shall be adopted to amend this ordinance as necessary.

The Registrar is authorized to rely conclusively upon a certificate furnished by DTC and corresponding certificates from DTC participants and indirect participants as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

The District may, upon the advice of its municipal advisor, have the BANs held in the custody of DTC. In such case, the aforementioned terms and conditions of this Section 7 shall apply to the BANs.

Section 8. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. The BANs and Bonds shall be signed in the name of the District by the manual or facsimile signature of the President of the Board (the “President”) and attested by the manual or facsimile signature of the Secretary, who shall affix the seal of said District, if any, to each of said Bonds and BANs

manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on said Bonds and BANs. In case any officer whose signature or facsimile signature appears on the Bonds or BANs shall cease to be such officer before the delivery of the Bonds or BANs, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Bonds shall also be authenticated by the manual signature of an authorized representative of the Registrar and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

The Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the sewage works of the District. The District shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, and said Bonds shall not constitute an indebtedness of the District within the meaning of the provisions and limitations of the constitution of the State of Indiana. Said Bonds and BANs shall have all of the qualities of negotiable instruments under the laws of the State of Indiana subject to the provisions for registration herein.

Section 9. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

Form of Bond

[Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Registrar or its agent for registration or transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

No. _____

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF HAMILTON

TRICO REGIONAL SEWER UTILITY
SEWAGE WORKS REVENUE BOND, SERIES 202_ __

[Maturity Date] [Interest Rate] [Original Date] [Authentication Date] [CUSIP]

Registered Owner:

Principal Sum:

The TriCo Regional Sewer Utility (the “District”), in Hamilton County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Bond unless this Bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before _____ 15, _____, in which case it shall bear interest from the Original Date, which interest is payable semiannually on the first days of January and July of each year, beginning on _____ 1, _____. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal of this Bond is payable at the principal office of _____ (the “Registrar” or “Paying Agent”), in the _____ of _____, Indiana. All payments of interest on this Bond shall be paid by check mailed one business day prior to the interest payment date to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the Bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond shall not constitute an indebtedness of the TriCo Regional Sewer Utility, within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the District shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Net Revenues.

This Bond is one of an authorized issue of Bonds of the TriCo Regional Sewer Utility, of like tenor and effect, except as to numbering, interest rate, and dates of maturity, in the total amount of _____ Dollars (\$_____) for this series (the “Bonds”), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of the construction of additions and improvements to the District’s sewage works, [to refund interim notes issued in anticipation of the Bonds] and to pay costs of issuance of the Bonds, [including municipal bond

insurance] as authorized by an Ordinance adopted by the Board of Trustees of the TriCo Regional Sewer Utility, on the ____ day of _____, 2020, entitled “An Ordinance concerning the construction of additions and improvements to the sewage works of the TriCo Regional Sewer Utility, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said sewage works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith” (the “Ordinance”), and in strict compliance with the provisions of Indiana Code 13-26, as in effect on the issue date of the Bonds (the “Act”).

[The Bonds shall be initially issued in a book entry system by The Depository Trust Company (“DTC”). The provisions of this Bond and of the Ordinance are subject in all respect to the provisions of the Letter of Representations between the District and DTC, or any substitute agreement affecting such book entry system under DTC.]

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, are payable solely from the Sewage Works Sinking Fund (created by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the District, including the works authorized under the Ordinance to be acquired and constructed and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. The District reserves the right to issue additional bonds on a parity with this Bond and the issue of which it is a part, as provided in the Ordinance.

The TriCo Regional Sewer Utility irrevocably pledges the entire Net Revenues of said sewage works to the prompt payment of the principal of and interest on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works and for the payment of the sums required to be paid into said Sinking Fund under the provisions of the Act and the Ordinance. If the District or the proper officers of the District shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

[The TriCo Regional Sewer Utility has designated the Bonds as qualified tax-exempt obligations to qualify for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.]

The TriCo Regional Sewer Utility further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount to create and maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works.

[The Bonds of this issue maturing on _____ 1, 20__, and thereafter, are redeemable at the option of the District on _____ 1, 20__, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the District and by lot within a maturity, at face value [together with the following premiums:

_____% if redeemed on _____ 1, 20__ or thereafter
on or before _____, 20__;
_____% if redeemed on _____ 1, 20__ or thereafter
on or before _____, 20__;
0% if redeemed on _____ 1, 20__, or thereafter
prior to maturity;]

plus in each case accrued interest to the date fixed for redemption.]

[The Bonds maturing on _____ 1, ____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

<u>Date</u>	<u>Amount</u>
-------------	---------------

*Final Maturity]

[Each Five Thousand Dollar (\$5,000) principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption. If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar.] [If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

[Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the District, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the District. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if

sufficient funds are available at the place of redemption to pay the redemption price on the date so named.]

If this Bond shall not be presented for payment [or redemption] on the date fixed therefor, the District may deposit in trust with its depository bank, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the District shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the District kept for that purpose at the office of the Registrar, by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The District, the Registrar and any paying agent for this Bond may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

This Bond is subject to defeasance prior to [redemption or] payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of _____ Dollars (\$_____) or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this Bond have been done and performed in regular and due form as provided by law.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the TriCo Regional Sewer Utility, in Hamilton County, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of the President of its Board of Trustees, [its corporate seal to be hereunto affixed, imprinted or impressed by any means] and attested manually or by facsimile by the Secretary of its Board of Trustees.

TRICO REGIONAL SEWER UTILITY

By: _____
President, Board of Trustees

[SEAL]

Attest:

Secretary, Board of Trustees

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Ordinance.

_____,
as Registrar

By: _____
Authorized Representative

[MUNICIPAL BOND INSURANCE LEGEND]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____, the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within Bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

End of Bond Form

Section 10. Preparation and Sale of BANs and Bonds; Official Statement; and Investment Letter; Rating; Municipal Bond Insurance. The Treasurer is hereby authorized and directed to have said BANs and Bonds prepared, and the President and Secretary are hereby authorized and directed to execute said BANs and Bonds in the form and manner herein provided. The Treasurer is hereby authorized and directed to deliver said BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the Treasurer shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 98.5% of the par value of said BANs and not less than 98.5% of the par value of said Bonds, as the case may be. The District may receive payment for the Bonds and BANs in installments. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the District, payable out of the Net Revenues of the District's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, the refunding of the BANs, if issued, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper officers of the District are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

The preparation and distribution of an official statement (preliminary and final) on behalf of the District for the Bonds and BANs sold to a purchaser other than the Indiana Bond Bank is hereby authorized. The President and Secretary are hereby authorized and directed to execute any such preliminary official statement on behalf of the District in a form consistent with this ordinance and are further authorized to designate any such preliminary official statement as "nearly final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). If the Bonds or BANs will be sold to the Indiana Bond Bank, the President and Secretary are hereby authorized to provide information and materials to the Indiana Bond Bank relating to the District, its sewage works and the Bonds or BANs, as the case may be (the "District Material"), for inclusion in any official statement relating to any financing of the Indiana Bond Bank the proceeds of which will be used to acquire the Bonds or BANs. The President and Secretary are further authorized to deem any such District Material as "nearly final" for purposes of the Rule.

Alternatively, in lieu of preparing and distributing an official statement, the District may obtain a sophisticated investment letter from the purchaser of the Bonds or BANs at the time of delivery of the Bonds or BANs which satisfies applicable state and federal securities laws.

The Treasurer, with the advice of the District's municipal advisor, is hereby authorized to obtain one or more ratings for the Bonds if such rating or ratings will facilitate the sale of the Bonds.

In the event the municipal advisor to the District certifies to the District that it would be economically advantageous for the District to obtain bond insurance for the Bonds, the District hereby authorizes the purchase of such bond insurance. In such case, the President, Secretary and the Treasurer are hereby authorized to execute and deliver all agreements with the provider of the bond insurance to the extent necessary to comply with the terms of such bond insurance and the commitment to issue such bond insurance. The acquisition of bond insurance is hereby deemed economically advantageous if the difference between the present value of (i) the total debt service on the Bonds if issued without the bond insurance and (ii) the total debt service on the Bonds if issued with the bond insurance, is greater than the cost of the premium for the bond insurance. The cost of obtaining bond insurance shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the sewage works.

Section 11. Bond Sale Notice. Unless sold by negotiated sale, the Bonds will be sold at a competitive sale and, in such case, the Treasurer shall cause to be published either (i) a notice of such sale in *The Times*, the only newspaper published in Hamilton County, Indiana with general circulation in the District, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in the newspaper described in (i) above and the *Court & Commercial Record*, all in accordance with IC 5-1-11 and IC 5-3-1. A notice of sale may also be published one time in the *Court & Commercial Record*, and a notice or summary notice may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Treasurer and the attorneys employed by the District shall deem advisable and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check in an amount equal to one percent (1%) of the principal amount of the Bonds described in the notice and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the District and shall be considered as its liquidated damages on account of such default; that bidders for said Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20) or one-hundredth (1/100) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than ninety-eight percent (98.5%) of the par value of the Bonds will be considered. The opinion of Bose McKinney & Evans LLP, nationally recognized bond counsel of Indianapolis, Indiana, approving the legality of said Bonds, will be furnished to the purchaser at the expense of the District.

The Bonds shall be awarded by the Treasurer to the best bidder who has submitted its bid in accordance with the terms of this ordinance, IC 5-1-11 and the notice of sale. The best bidder will be the one who offers the lowest net interest cost to the District, to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount

bid, if any, and deducting the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the District than the best bid received at the time of the advertised sale will be considered.

As an alternative to public sale, the Treasurer may negotiate the sale of said Bonds to the Indiana Bond Bank or any other purchaser. In such case, the President and the Treasurer are hereby authorized to execute a Purchase Agreement with the purchaser of the Bonds and sell the Bonds to such purchaser upon such terms as are acceptable to the Board President and the Treasurer consistent with the terms of this ordinance.

Section 12. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Sewage Works Sinking Fund. The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the District, in a special account or accounts to be designated as the "TriCo Regional Sewer Utility, Sewage Works Construction Account" (the "Construction Account"). All funds deposited to the credit of said Sewage Works Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, IC 5-1.2-1 through 5-1.2-4 and IC 5-1.2-10, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, funding capitalized interest on the BANs, if necessary, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Bose McKinney & Evans LLP shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sewage Works Sinking Fund and used solely for the purposes thereof or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

The District hereby declares its "official intent", as such term is used in the Reimbursement Regulations, to reimburse the District's advances to the Project, such advances from the District's General Fund or Improvement Fund (as hereinafter defined), from proceeds of the BANs or the Bonds herein authorized by this ordinance. The District reasonably expects to make such advances for the costs of the Project.

Section 13. Revenue Fund. There is hereby created the “Revenue Fund” (the “Revenue Fund”). All income and revenues derived from the operation of the sewage works and from the collection of sewer rates and charges shall be deposited in the Revenue Fund. The Revenue Fund shall be maintained separate and apart from all other funds and accounts of the District. Out of these revenues, the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the principal and interest of all bonds and fiscal agency charges of registrars and paying agents shall be paid, the hereinafter described Reserve Account shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid.

Section 14. Operation and Maintenance Account. The “Operation and Maintenance Account” (the “Operation and Maintenance Account”) is hereby created. On the last day of each calendar month, revenues of the sewage works shall be transferred from the Revenue Fund to the Operation and Maintenance Account so that the balance maintained in this account shall be sufficient to pay the expenses of operation, repair and maintenance of the sewage works for the then next succeeding two (2) calendar months. The moneys credited to this account shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, but none of the moneys in the Operation and Maintenance Account shall be used for depreciation, replacements, improvements, extensions or additions. Any moneys in said account may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the sewage works.

Section 15. Sewage Works Sinking Fund. There is hereby created a sinking fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the sewage works, and the payment of any fiscal agency charges in connection with the payment of bonds, which fund is designated the “Sewage Works Sinking Fund” (the “Sinking Fund”). There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the sewage works to meet the requirements of the Bond and Interest Account and the Reserve Account hereby created in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds of the sewage works to their final maturity.

(a) Bond and Interest Account. There is hereby created, within said Sinking Fund, the “Bond and Interest Account”. After making the credit to the Operation and Maintenance Account, there shall be credited on the last day of each calendar month from the Revenue Fund to the Bond and Interest Account an amount of the Net Revenues equal to (i) at least one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date and (ii) at least one-sixth (1/6) of the principal of all then outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying interest on outstanding bonds as the same become payable. The District shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency

sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Reserve Account. There is hereby created, within the Sinking Fund, the Reserve Account (the "Reserve Account"). On the date of delivery of the Bonds, the District may deposit funds on hand, Bond proceeds, or a combination thereof into the Reserve Account. The balance to be maintained in the Reserve Account shall equal but not exceed the least of (i) the maximum annual debt service on the Bonds and any Parity Bonds, (ii) 125% of average annual debt service on the Bonds and any Parity Bonds or (iii) 10% of the proceeds of the Bonds and any Parity Bonds (the "Reserve Requirement"). If the initial deposit into the Reserve Account does not cause the balance therein to equal the Reserve Requirement or if no deposit is made, an amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

Any portion of the Reserve Requirement shall be deemed to be satisfied if there is on deposit in the Reserve Account any surety bond, insurance policy, guaranty, letter of credit or other credit enhancement in an amount equal to such portion, the issuer of which credit enhancement is rated in one of the three highest rating categories by Standard & Poor's Ratings Group or Moody's Investors Service on the date the credit enhancement is being acquired. The President, Secretary and Treasurer are hereby authorized to execute and deliver an agreement for the provider of a surety bond, insurance policy, guaranty, letter of credit or other credit enhancement for the Bonds in order to comply with the terms of said surety or policy and the commitment issued therefore. Such agreement shall be deemed a part of this ordinance for all purposes and is hereby incorporated herein by reference.

The Reserve Account shall constitute the margin for safety and a protection against default in the payment of principal of and interest on the Bonds and any Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Bonds and any Parity Bonds, to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall either be transferred to the Sewage Works Improvement Fund or be used for the purchase of outstanding bonds or installments of principal of fully registered bonds at a price not exceeding par and accrued interest.

Section 16. Sewage Works Improvement Fund. After meeting the requirements of the Operation and Maintenance Account and the Sinking Fund, any excess revenues may be transferred or credited to the Sewage Works Improvement Fund (the "Improvement Fund"), hereby created, and said fund shall be used for improvements, extensions, replacement, betterments and additions of the sewage works. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal or interest on any outstanding bonds payable from the Sinking Fund or, if necessary, to eliminate

any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund. Moneys in the Improvement Fund may also be transferred to the Operation and Maintenance Account to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

Section 17. Maintenance of Accounts; Investments. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the District. The Operation and Maintenance Account and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the District and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly IC 5-13, IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 (as applicable), and the acts amendatory thereof and supplemental thereto, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance. Nothing in this Section or elsewhere in this ordinance shall be construed to require that separate bank accounts be established and maintained for the Funds and Accounts created by this ordinance except that (a) the Sinking Fund and Construction Account shall be maintained as a separate bank account from the other Funds and Accounts of the sewage works and (b) the other Funds and Accounts of the sewage works shall be maintained as a separate bank account from the other funds and accounts of the District.

Section 18. Maintenance of Books and Records. The District shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the sewage works prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Treasurer. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports and data of the District relating to the sewage works. Such inspections may be made by representatives duly authorized by written instrument.

Section 19. Rate Covenant. The District covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the sewage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the sewage works by or through any part of the sewage system of the District, or that in any way uses or is served by the sewage works, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the District), to provide for the proper operation, repair and maintenance of the sewage works, to comply with and satisfy all covenants contained in this ordinance and to pay all obligations of the sewage works and of the District with respect to the sewage works. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of

the sewage works, and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of such works by and service rendered to the District, and all departments thereof, and shall be paid by the District, or the various departments thereof, as the charges accrue.

Section 20. Defeasance of Bonds. If, when any of the Bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the District's sewage works.

Section 21. Additional Bond Provisions. The District reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The District reserves the right to authorize and issue additional Parity Bonds, payable out of the Net Revenues of its sewage works, ranking on a parity with the Bonds, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the sewage works shall have been paid to date in accordance with their terms. The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five (5) year or shorter period, in a manner which is commensurate with the requirements established in Section 15(b) of this ordinance.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such Parity Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued; or, prior to the issuance of said Parity Bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous year's operations would have produced Net Revenues for said period equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional Parity Bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings prepared by a certified public accountant employed by the District for that purpose.

(c) The interest on the additional Parity Bonds shall be payable semiannually on the first days of January and July and the principal on, or mandatory sinking fund redemption dates for, the additional Parity Bonds shall be payable semiannually on January 1 and July 1.

Section 22. Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the District in connection with the construction of said Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the District. All estimates for work done or material furnished shall first be checked by the engineers and approved by the District.

(c) The District shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the BANs or Bonds herein authorized are outstanding, the District shall acquire and maintain insurance coverage, including fidelity bonds, to protect the sewage works and its operations. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used to replace or repair the sewage works.

(e) So long as any of the BANs or Bonds are outstanding, the District shall not mortgage, pledge or otherwise encumber such works or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except machinery, equipment or property which may become worn out, obsolete or no longer suitable for use in the sewage works.

(f) Except as hereinbefore provided in Section 21 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the District except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 20 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The District shall take all actions or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The District shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this ordinance shall constitute a contract by and between the District and the owners of the Bonds and BANs herein authorized, and after the issuance of said Bonds or BANs, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds or BANs nor shall the Board adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds, BANs or the interest thereon remain unpaid. Except for the changes set forth in Section 25(a)-(g), this ordinance may be amended, however, without the consent of BAN or Bond owners, if the Board determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds.

(i) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Act hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event the District shall fail or refuse to fix and collect sufficient rates and charges, or shall fail or refuse to operate and maintain said system and to apply the revenues derived from the operation thereof, or if there be a default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Act.

Section 23. Investment of Funds. The Treasurer is hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this ordinance (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law. The Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein. In order to comply with the provisions of the ordinance, the Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the District as to requirements of federal law to preserve the tax exclusion. The Treasurer may pay any such fees as operating expenses of the sewage works.

Section 24. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds or BANs, as the case may be (the “Code”) and as an inducement to purchasers of the Bonds and BANs, the District represents, covenants and agrees that:

(a) The sewage works will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the District or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the District or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person’s or entity’s use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds or BANs, as the case may be. If the District enters into a management contract for the sewage works, the terms of the contract will comply with Internal Revenue Service Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the District) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(d) The District reasonably expects, as of the date hereof, that the Bonds and BANs will not meet either the private business use test described in paragraphs (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds or BANs, as the case may be.

(e) No more than 5% of the proceeds of the Bonds or BANs will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government

use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The District will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the District act in any other manner which would adversely affect such exclusion. The District covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this ordinance if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds or BANs, as the case may be.

(h) The District represents that represents that, if necessary, it will rebate any arbitrage profits to the United States of America in accordance with the Code.

(i) The President of the District is hereby authorized to designate the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Code, with the advice of the District’s bond counsel, if it is determined prior to the issuance of the Bonds that the District can satisfy the conditions for such designation in the year in which the Bonds are issued.

(j) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

Section 25. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 22(h), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the District of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this ordinance; or
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this ordinance; or

- (d) A preference or priority of any Bond or Bonds issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement; or
- (g) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Secretary, no owner of any Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the District or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the District and all owners of Bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the District and of the owners of the Bonds authorized by this ordinance, and the terms and provisions of the Bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the District and the consent of the owners of all the Bonds issued pursuant to this ordinance then outstanding.

Section 26. Issuance of BANs. The District, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs to a financial institution, the Indiana Bond Bank or to any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement (the "Bond Anticipation Note Agreement") to be entered into between the District and the purchaser of the BAN or BANs. The Board hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the District to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The President and the Treasurer are hereby authorized and directed to execute a Bond Anticipation Note Agreement (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The President, Secretary and the Treasurer may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the

issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 27. Continuing Disclosure. If necessary in order for the purchaser of the Bonds or BANs to comply with the Rule, the President and Secretary are hereby authorized to execute and deliver, in the name and on behalf of the District, an agreement by the District to comply with the requirements of a continuing disclosure undertaking by the District pursuant to subsection (b)(5) of the Rule, and any amendments thereto from time to time (the “Continuing Disclosure Agreement”). The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement.

Section 28. Tax Exemption. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the “Tax Sections”) which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (the “Tax Exemption”) need not be complied with if the District receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. At the time of delivery of the BANs and Bonds, the President and Treasurer will execute post-issuance compliance procedures with respect to the BANs and Bonds relating to continued compliance of the District with respect to the Tax Sections to preserve the Tax Exemption.

Section 29. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 30. Effective Date. This ordinance shall be in full force and effect from and after its adoption.

Adopted this _____ day of _____, 2020, by a vote of _____ ayes and _____ nays.

TRICO REGIONAL SEWER UTILITY
BOARD OF TRUSTEES

President

Member

Vice President

Member

Secretary

Member

Treasurer

Member

Member

EXHIBIT A

Description of Project

The purpose of the proposed project is to increase the design capacity of the TriCo Water Resource Recovery Facility (WRRF) from average design flow capacity of 3.05 MGD to 5.72 MGD, and peak design flow capacity of 15.3 MGD to 19.2 MGD (Base Bid Project) or 23.0 MGD (Base Bid + Additive Alternate No.1 Project). Additional information concerning the Project can be found in the plans and specifications prepared by GRW and on file with the District.

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MEMORANDUM

To: Board of Trustees
From: Andrew Williams
Date: January 8, 2020
Subject: IT Agreement

Since February 1, 2019, Rook Security has provided SIEM (Security Information and Event Management) and EDR (Endpoint Detection and Response). ITI worked with Rook to implement these services on all networks at TriCo, including those supporting SCADA systems. Rook has been purchased and they cannot sell direct to clients. An IT vendor would need to serve as the middleman. ITI was asked for a quote to provide the same services. ITI is recommending using Perch Security for the SIEM, Log Collection and SOC Services. They are recommending replacing Endgame with CylanceProtect and CylanceOptics offered by Blackberry/Cylance. More information on of these products is attached.

The annual cost using Rook Security was \$36,536. The quote from ITI to provide the same services is \$31,280 and includes the Log Collection. The B&F Committee is recommending the award of the contract to ITIndianapolis.

Recommended Action: Award the contract to ITIndianapolis to provide the above described services.



Joint Capital and Construction and Budget and Finance Meeting Memorandum

Monday, January 6, 2020 at 4:30 p.m.
Memorandum

Members Present: C&C Committee Chair Steve Pittman, B&F Committee Chair Jane Merrill, B&F Committee Members Michael McDonald and Carl Mills, and C&C Committee Member Eric Hand, Board Member Chuck Ryerson, Others in attendance were Legal Counsel Anne Poindexter, Bond Counsel Dennis Otten, Consultants Buzz Krohn and Corby Thompson, Utility Director Andrew Williams, Engineering Manager Wes Merkle, Controller Cindy Sheeks, Collections Superintendent Aaron Strong, Utility Engineer Ryan Hartman and Administrative Assistant Maggie Crediford.

Ms. Merrill called the meeting to order at 4:45 p.m.

Public Comment

There was no one present from the public.

2020 Operating Budget

Mr. Williams said approval of the WRRF Expansion and Office Unification projects will have a big impact on the budget. 2019 had unexpected growth. 2020 residential sales are projected to be 1.5 percent over 2019 and Commercial sales are projected to be 0.5 percent over 2019. The budget shows a 4.4 percent increase in Operating Expenses versus projected 2019 expenses.

Ms. Merrill asked if the proposed budget includes a rate increase in 2020. Mr. Williams said to present a conservative budget to the Board a rate increase in 2020 was not factored into the proposed budget.

Mr. McDonald asked about the line item for Debt Service Payment. Mr. Williams said if the projects are approved and bonds are issued the first interest payment would be due in July of 2020. That payment is estimated to be \$665,500.

Mr. Mills asked if there will be a sinking fund where money is set aside for bond payments. Ms. Sheeks confirmed a sinking fund will be created. Mr. Krohn said having a prefunded debt service reserve will be a credit enhancement. The sinking fund would accumulate money monthly.

Mr. Pittman noted the second page of the proposed budget has "Revenues" listed in the first column, it should say "Expenses". Ms. Sheeks said she would correct the header.

Mr. Hand asked when TriCo last raised user rates. Mr. Williams said it was in July of 2018 and it was a 5% increase.

The Committee decided they would defer on making a recommendation to approve the proposed budget until they complete the discussion about the two proposed improvement projects.

2020 Capital Budget

Mr. Williams said the Capital Budget is contingent upon how the Board votes on the WRRF Expansion and Office Unification projects. Staff is trying to keep other spending light. The future projects that Mr. Merkle and Mr. Hartman have evaluated are included in the proposed budget. Mr. Merkle said the only changes to the proposed 2020 Capital Budget, from what the committees reviewed last month, are the bids received for the two projects.

Mr. Hand asked how the committees should proceed with considering the proposed 2020 Capital Budget. Mrs. Poindexter said traditionally the budget gets approved first, which takes into consideration bids that may or may not get accepted by the Board. Approving the budget will not dictate how the Board moves forward with the proposed projects. The Board will want to be comfortable with the bonding before the bids are awarded. If the Board awards the bids, then TriCo would need to come up with the money to pay for the bonding. If the Board is not comfortable with the bonding, then it would not award the contracts. TriCo must have a plan for paying before the contracts are awarded.

Bond Ordinance

Dennis Otten, attorney at Bose McKinney & Evans LLP and TriCo's Bond Counsel, reviewed highlights from the Bond Ordinance. Mr. Otten said the proposed ordinance is written as a standard bond ordinance for regional sewer districts and government agencies. The finance industry likes consistency in bond documents. Mr. Otten worked with Mr. Merkle and Mr. Krohn to draft the specifics of the ordinance. Adopting the bond ordinance would not obligate TriCo to close on any bonds.

The bond ordinance is for a maximum of \$25 million payable by the net revenue of TriCo. The bond ordinance establishes a sinking fund. Monthly, TriCo will set aside 1/6 of the principal and interest that will be due biannually. A one-year debt services reserve account will be established per the ordinance. After the reserve account is funded extra money will go into the Improvement Fund for other needed project expenses.

The ordinance includes an authorization for temporary financing. It probably will not be needed by TriCo but is included in case it is needed later. Mr. Otten said items are included in the ordinance that TriCo may not use. It is easier to not use an item in the ordinance than it is to add an item needed later.

Per Section 3. "Issuance of Bonds", Mr. Otten said the bonds will be up to \$25 million with a maximum discount of 1.5%. The payment dates will be January 1 and July 1 of each year after the bonds are issued. This is standard for regional sewer districts. Mr. Krohn said the structure lowers the total interest costs and if revenue is level it makes sense to have two payments. The maximum interest rate allowed per the ordinance is 5%, but it should be around 2%.

Section 4. "Registrar and Paying Agent" authorizes the Treasurer to select and appoint a qualified financial institution to serve as Registrar and paying Agent for the bonds and the BANs. The Registrar is charged with the responsibility of authenticating the bonds.

Mr. Otten stated that Sections 5 and 6 "Redemption Notes" allow for whatever makes the most sense with the bank TriCo is working with.

Mr. Krohn said his company will solicit proposals from qualified investors. He will be asking for a five to six-year call option on the bonds. After six years TriCo can accelerate payments. TriCo would be the only party that could call the bonds early.

Mr. Otten stated that Section 9 provides the bond form (pages 8-13 of the Ordinance) that will be used, and numbers will be entered when the bond is purchased.

Mr. Hand questioned the next to last paragraph on page nine of the ordinance. Mr. Otten explained a debt according to the Indiana Constitution is a debt that must be paid no matter what and by any means including with assets of the company or levying taxes. This bond will only be payable by the net revenue of TriCo. Bondholders can not look to the assets of the Utility for repayment of the bond. The paragraph clarifies that this Bond will not be a debt in the constitutional sense according to case law.

Mr. Ryerson asked if the bond is repaid by net revenue, and TriCo's net operating revenue is over two million dollars, does that mean that the entire net revenue will be paid to the bond. Mr. Krohn said the budget breaks out the bond payments and operating expenses separately. Mr. Ryerson said for years the Utility has had the luxury of having cash on hand to pay for capital projects. He is concerned about not having cash on hand during the bonding period. Mr. Krohn said bond payments will not consume all of the net revenue. Cash balances will get down to \$3 to \$4 million in five to six years. Capital outlays for the Utility are discretionary. Mr. Krohn said the offering document shows the debt coverage with current revenue and the maximum debt service requirement. TriCo will still have the lowest rates in the area and could raise rates if needed.

Mrs. Poindexter explained net revenue goes to the sinking fund first, reserve fund next and if there is extra revenue after those are funded, it goes into a third fund for other projects. There will be extra money to fund projects. Mr. Otten said if a Utility is left with no money after funding the debt payment no one would buy the bonds. The standard coverage is 125% for a bond to be purchased. Mr. Krohn concurred, 125% is the minimum coverage ratio that would be acceptable without including system development charges. TriCo will be at 150% coverage with current user rates.

Mr. McDonald asked if the bond would trigger the need for TriCo to raise development fees. He would rather increase development fees than raise user rates. Mr. Krohn said the projected 500 EDUs a year in growth would generate \$1.6 million in impact fees. Mr. Williams said development fees collected are not included when a bank is considering a bond. Development may slow down. A bank is only interested in the income the Utility is guaranteed to bring in when issuing a bond, that is why user rates are used in the calculation.

Mr. Hand asked if the ordinance precludes TriCo from future bonding. Mr. Otten said Section 21 Additional Bond Provisions, on page 20, states that in order to issue additional bonds and be on parity there is a 125% coverage requirement, meaning net revenues can cover payments on the first bond as well as the second bond with at least a 125% coverage. Mr. Krohn said TriCo could increase user rates to cover that if a second bond is needed.

Mr. Otten said Section 19 Rate Covenant just states that TriCo must maintain rates to cover expenses and cover debt payments. Mr. Otten said Section 24 Tax Covenants delivers to investors an opinion that income is excludable from federal income tax. The rule for tax exempt bonds is that proceeds cannot benefit a non-tax-exempt entity. A tax form must be filed to do a tax-exempt bond.

Mr. Otten said the ordinance can be adopted at one meeting and there are no publication requirements. Once adopted, offering sheets can be drafted and a purchaser found. A purchase agreement would be drafted in a couple of weeks and there would be a firm closing date.

Mr. McDonald asked if there is a provision for cost overrun. Mr. Krohn said the bids are in hand and there is a 5% contingency allowance built into the bids which is sufficient.

Mr. Krohn said the language in the ordinance provides for all options in the bond. It is easier to not use something included in the ordinance than it would be to add a provision if it would be needed later.

Mr. Mills asked if the Utility needs a rating or if the bonds can be issued without one. Mr. Krohn said TriCo does not have to do a rating. There are additional costs and time associated with obtaining a rating. It would add about six weeks and \$50,000 to the project and unlikely add any value to the Utility. Mr. Krohn said the bond offering documents will be drafted and presented to five or six banks. The banks will send proposals which will be evaluated. TriCo would like the ability to pay off the bond early. Most likely there will be a five- or six-year call feature in the bond which will get TriCo through the big projects. Once those projects are complete the Utility will know if the bonds can be paid off early. Potentially the bonds could be paid off in 2032 even if there is another recession.

Mr. Hand questioned Section 29 Conflicting Ordinances on page 26 which repeals all ordinances and parts of ordinances in conflict with the bond ordinance. Mr. Otten explained this would relate to previously adopted financing ordinances and is preferred by potential bond holders. This should not be an issue with TriCo.

Mr. Krohn said on page 7 of the Special Purpose Report there is a list of project costs and funding for the projects, including bond funded expenses and bids for the project. Most of the design work has already been paid. It includes a construction contingency and allowance for an underwriter discount. Mr. Krohn said he will bring a bid form to the Board meeting so the Board members can review it. The total project cost will be \$24 million including the 5% contingency.

Mr. Krohn said page 8 shows the bond payment schedule. Committing to max payment of \$1.9 million over eighteen years. Page 6 highlights the maximum annual debt service projected coverage in 2020. After paying cash operating expenses the Utility would be at 151% coverage. With projected system development fees collected would be at 230% coverage. The likelihood of attaining 230% coverage is strong. Mr. Williams said expansion related costs will ultimately be paid by system development fees. The project needs financing upfront to cover costs until the development fees come in.

Mr. Ryerson asked how many years, at 500 EDUs per year, are the numbers based off. Mr. Krohn said until buildout in 2037. Mr. Merkle said in the previous twelve months through November the Utility added 740 EDU's and referred Mr. Ryerson to the system development update information presented to the C&C Committee last month.

Mr. Krohn passed out a rate comparison chart for utilities in the area, and highlighted TriCo's competitive user rates. Mr. Williams said if the Utility continues at the current rate of growth, we will run out of capacity to allocate to new development in 2.5 years without the proposed expansion. If growth does not happen at the rate expected other capital projects can be pushed off until funds are available to cover them.

Ms. Merrill said she couldn't see any reason not to move forward with the project.

Mr. Williams said if the project is approved at the January Board meeting, the bonds would come back in February, the President and Treasurer can execute the bond agreement. Award of the construction contract would be contingent upon bond closing. Mr. Otten said closing would be within two weeks from when the bond purchaser is selected. Mr. Mills said if the timing is off a couple of weeks the Utility has the cash on hand to cover any costs.

Mr. Krohn said the Board passing the bond ordinance is the key to the project moving forward. If the ordinance is passed at the Board meeting on January 13, 2020, proposals would be solicited immediately. Mrs. Poindexter pointed out there is a 90-day bid hold on the construction contract bids so the Board can accept a bid contingent upon the closing of the bond.

Mr. Pittman asked if the 3.3% projected interest rate is where Mr. Krohn expects it to be. Mr. Krohn said he expects the rate in the high 2's.

The Committee adjourned for a break at 6:25 p.m. The Committee came back on the record at 6:35 p.m.

#1902 WRRF Expansion Construction Contract Award

Mr. Merkle said bids for the project were opened on December 20, 2019. Thieneman Construction was the lowest responsible bidder. Their bid for the project was \$21,937,000. The base bid was \$17,399,000, \$3,976,000 for Alternate 1, and \$562,000 for Alternate 2. The bid amount is five million dollars over what had been estimated during the design process and up to a week before bid opening. Mr. Merkle said several issues were since discovered with Thieneman's design estimate, including substantially higher material and subcontractor costs, missed plan changes, and quantity calculation errors.

The relatively narrow spread between reputable and well qualified contractors shows the plans were well done and the scope of the work was well understood by the bidders.

Mr. Pittman said while the miss on the budget is alarming, Carmel Clay Schools had something very similar happen with their recently bid projects. The construction market is very busy right now.

Mr. Williams said during planning this project staff had thought that TriCo could reduce its EDU fees. These numbers indicate that the Utility's current fees are on track based on the cost of this project.

Mr. Ryerson expressed his concern with the estimate being so far off from the actual bid. Thirty percent off is a staggering number and he questioned how the design engineer and contractor were so far off. Mr. Ryerson asked if the project had to be awarded to Thieneman even though they were the lowest bidder or if the Board had the flexibility to award the bid to the next lowest bidder.

Mrs. Poindexter said she could not support the Board awarding the project to the next lowest bidder if Thieneman is the lowest responsive and responsible bidder. She said she has reached out to other attorneys that represent regional sewer districts. Other utilities are also receiving high bids for projects at twenty to twenty-five percent higher than estimates.

Mr. Pittman verified with Mr. Merkle that the Utility has worked with Thieneman on past construction projects and that staff had been pleased overall with their performance. He asked Mr. Merkle if Thieneman just messed up their estimating during design. Mr. Merkle agreed and said he was very disappointed to see where bids came in. He is working with Thieneman to find savings opportunities on the project.

Mr. Ryerson asked if all or part of the project could be postponed until the construction market cooled off. Mr. Merkle said the addition of the two clarifiers could be pushed to a later date, however those are the only component of the bid that came in below the design estimate. The Utility would run the risk of prices increasing if the clarifiers are built later.

Mr. Williams said the utility needs to add more capacity when the market is growing. So, we are competing for the same contractors and resources as the private sector growth that is creating the demand for capacity.

Mr. Hand stated that in the past the Utility was able to add capacity when the market was down and was able to save costs. In this case the Utility is having to add capacity in an up market at a higher cost. He said that you win some and lose some.

Mr. Pittman asked if current revenue will cover project costs given the bids received. Mr. Krohn said the Utility can cover the cost of the proposed project.

The C&C Committee and the B&F Committee will recommend the Board move forward with the WRRF Expansion Project and award the contract to Thieneman Construction in the amount of \$21,937,000.

#1902 WRRF Expansion GRW Contract Modification

Mr. Merkle explained the contract awarded to GRW for the WRRF Expansion project covered design, permitting and bidding. The contract did not include construction phase services. Mr. Merkle asked the committees to recommend the Board approve modifications to the contract with GRW in an amount not to exceed \$321,000.

The Committees will recommend the Board approve the proposed contract modification with GRW in an amount not to exceed \$321,000, contingent on the Boards approval of the project moving forward.

#1910 Office Unification Construction Contract Award

Mr. Merkle said bids were opened for the project on December 17. Alderson Commercial Group, Inc. was the lowest responsive and responsible bidder at \$1,781,940, which includes Alternate 5. While Alderson is not a contractor the Utility has worked with before, Blackline informed staff that Alderson has a good reputation and a strong commercial building construction resume. Bid amounts were relatively close.

Mr. Ryerson asked what was included in the \$2.3 million budget. Mr. Merkle explained the budget includes building construction, site work, furnishings, design, moving costs, IT equipment and services, and other expenses related to the project.

Mr. McDonald asked if the building will have a secure room for IT equipment. Mr. Williams said yes.

The C&C Committee will recommend the Board award the construction contract to Alderson.

Government Center Office Purchase Agreement

Mrs. Poindexter said the Clay Township Trustees' attorney sent a revised purchase agreement document to her earlier in the day. She has not had the opportunity to review it and decipher if it will be agreeable and, in the Utility's, best interest. She will have an update on the sales agreement at the January 13 Board meeting.

Dedications

The C&C Committee agreed to recommend the Board accept the dedication of Hyatt Place and Waterfront of West Clay Section 5A sanitary sewers.

IT Agreement and Updates

Mr. Williams said the Utility's contract with Rook Securities will be up in January 2020. During 2019 Rook was purchased by a national company and the Utility didn't feel the new company delivered the same service promised by Rook. Mr. Williams recommended awarding the IT contract to IT Indianapolis in the amount of \$31,280 which includes Log Collection.

Mr. McDonald said he would like to make sure Staff is following up on the promises made in the contract as well as monitoring and assessing IT Indianapolis' job performance.

The B&F Committee will recommend the Board approve the agreement with IT Indianapolis in the amount of \$31,280.

Financials

Ms. Sheeks said the Utility had exceeded projected annual net income by \$83,000 at the end of November. She expects that number to rise when the books are closed for December 2019. TriCo has over \$11 million in the bank. Capital spending has been light. The account at Lake City Bank was closed and the money was moved to a Merchants Money Market account that is paying 2.05% interest.

Mr. Mills asked if the money market account at Citizens should be moved to Merchants. Ms. Sheeks said she is waiting to hear if Merchants is willing to take any more of TriCo's money. But she is hesitant to have all the Utility's money at one bank.

Capital Project Updates

Mr. Merkle said there were no additional Capital Project updates other than what was included in the memo.

Other Business

Mr. Merkle said the customer on Airhart Drive who was assessed a \$100/day fee beginning January 1 asked for leniency and to be given more time to find a contractor during the holiday season. Staff encouraged the customer to expedite the work and come before the Board to request the fee be waived. The B&F Committee agreed when the work is complete, the homeowner can ask the Board to waive the fee.

Mr. Merkle said Carmel Clay Schools is extending deep sewers that will serve a large area west of Clay Center Road. Next month staff anticipates presenting to the Board an agreement and interceptor fee credit for CCS.

Mr. Williams said Mr. Byrum may attend the January 13 Board meeting to discuss the status of proposed development on his property and TriCo's counteroffer for service.

The meeting adjourned at 7:40 p.m.

Respectfully Submitted,



Wes Merkle
Engineering Manager



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: January 9, 2020

Subject: Dedications

Hyatt Place and Waterfront of West Clay Section 5A sanitary sewers are complete and ready for dedication. The C&C Committee recommended acceptance of these sewers.

Recommended Action: Accept the dedication of Hyatt Place and Waterfront of West Clay Section 5A sanitary sewers.



MEMORANDUM

To: Board of Trustees
From: Wes Merkle
Date: January 9, 2020
Subject: 2020 Capital Budget

At the previous C&C and B&F Committee meetings we reviewed and discussed upcoming major projects which are summarized below. Project costs for #1902 and #1910 were adjusted to reflect bids received in December.

Projects listed in the capital budget are grouped by location within our service area. Project numbers on the left side of the pages correspond with project numbers on the capital project fact sheets. See the project fact sheets for more information including a location map, project need, and current status.

The C&C Committee recommended approving the 2020 Capital Budget.

Recommended Action: Approve the 2020 Capital Budget.

2020 Capital Budget

CAPITAL BUDGET LAST UPDATED 01/02/20

See project fact sheets for more information on individual projects

8.d.ii.

										Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10				
Project			Near-term	Year			Staff	2019 Approved			2019 YTD	Projected											
Location	No.	Project	Priority	Earliest	Latest	Budgeted	Driver	Funding Source	Budget	Spending thru November	Spending Dec 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Note/Justification	
WRRF	Michigan Road Water Resource Recovery Facility																						
	1902	WRRF Expansion	High	2020	2021	2019-21	WM	Plant Expansion	\$ 460,000	\$ 499,930	\$ 15,000	\$ 8,850,000	\$ 8,850,000									Includes capacity-related work (3rd screen, 2 clarifiers, 4 VLRs, genset, UV)	
	1902	WRRF Expansion (grit)	High	2020	2021	2019-21	WM	Operating	\$ 100,000	\$ 76,750	\$ -	\$ 1,400,000	\$ 1,400,000									New grit removal equipment	
	1902	WRRF Expansion Alt 1 (clarifiers 1-3 repl)	High	2020	2021	2019-21	WM	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000									Replaces 3 small aging clarifiers	
	1902	WRRF Expansion Alt 2 (office site work)	High	2020	2021	2019-21	WM	Operating	\$ -	\$ -	\$ -	\$ 590,000										Site work required for office project	
	1906	WRRF Outfall Sewer Expansion	High	2018	2019	2018-19	WM	Plant Expansion	\$ 2,300,000	\$ 59,165	\$ -	\$ 2,300,000										'19 budget reduced due to late start	
	1910	WRRF Office Unification	High	2019	2020	2019-20	WM	Operating	\$ 200,000	\$ 17,916	\$ 5,000	\$ 2,300,000										Includes building, site, FFE, repl of aging bldg systems. Sale of admin office not included.	
	2502	WRRF Belt filter press replacement	Low	2025	2027	2025-27	WM	Reserve for Replacement	\$ -	\$ -	\$ -						\$ 150,000	\$ 2,100,000					
		Annual Plant Improvement & Repair Projects				annual	SW	Operating	\$ 150,000	\$ 16,251	\$ 10,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	Typical annual expenditures	
LS 1	Carmel Creek																						
	1802	Haver Way/Whitley Drive Lift Station & Sewer Reconstruction	High	2018	2020	2019-20	WM	Interceptor	\$ 200,000	\$ 33,000	\$ 5,000	\$ 650,000										Amounts budgeted do not include contribution or future reimbursement from property owners	
	2201	LS 1 Replace wet weather pumps, generator, wet well piping	Medium	2020	2022	2022	WM	Reserve for Replacement	\$ -	\$ -	\$ -			\$ 500,000								Replace equipment at the end of its service life.	
LS 2	Meridian Corridor																						
	2002	LS 2 Odor Control System Replacement	High	2019	2020	2020	WM	Reserve for Replacement	\$ 200,000	\$ -	\$ -	\$ 200,000										Moved project to 2020. May be cancelled.	
	2401	106th Street Parallel Force main (LS 2 to Ditch Road)	Low	2020	2025	2024	WM	Interceptor	\$ -	\$ -	\$ -					\$ 1,700,000						Timing is based on when capacity is needed.	
LS 3	Northern Heights																						
		(no projects)																					
LS 5	Spring Mill Streams																						
	2601	Interceptor extension & lift station elimination	Low	2020	2026	2026	WM	Interceptor										\$ 500,000				Combine this project with the LS19 elimination project.	
LS 6	Waldon Pond																						
	2104	Interceptor extension & lift station elimination	Medium	2020	2028	2022-23	WM	Interceptor	\$ 400,000	\$ -	\$ -			\$ 50,000	\$ 900,000							Timing is development driven.	
LS 7	Laurelwood Sub																						
		Pump replacements	Low	2025	2028	2028	AS	Reserve for Replacement												\$ 30,000			
LS 8	Laurelwood																						
	2101	LS 8 Reconstruction + new force main to 106th St	High	2020	2022	2021-22	WM	Operating	\$ -	\$ -	\$ -		\$ 50,000	\$ 1,550,000								Wet weather capacity needed. Scope is pending force main troubleshooting and I&I removal	
LS 9	Towne Road																						
		Pump & control panel replacement	Low	2029	2032	2029	AS	Reserve for Replacement													\$ 110,000		
LS 10	Michigan Road																						
	2102	LS 10 Replace pumps, wet well piping, controls, backup generator	High	2020	2022	2021-22	WM	Reserve for Replacement	\$ -	\$ -	\$ -		\$ 50,000	\$ 850,000								Wet weather capacity needed. Scope is pending force main troubleshooting	
LS 11	Boone County																						
	1911	Pump and control panel replacement	High	2019	2019	2019	WM	Reserve for Replacement	\$ 100,000	\$ -	\$ -	\$ 100,000										Added to 2019 budget due to pump failure, age	
LS 12	Kingsmill																						
		(no projects)																					
LS 14	Austin Oaks																						
	1901	Parallel force main extension	High	2018	2020	2018-20	WM	Interceptor	\$ 1,425,000	\$ 24,770	\$ -	\$ 925,000										'19 budget reduced due to late start	
	2202	LS 14 Generator replacement & control upgrades	Medium	2019	2022	2022	WM	Reserve for Replacement						\$ 225,000								Replace equipment at the end of its service life.	
	2001	LEC Interceptor extension	Medium	2019	2028	2020	WM	Interceptor	\$ 100,000	\$ -	\$ -	\$ 500,000	\$ 1,000,000									Timing is development driven.	
LS 16	Zionsville Presbyterian																						
	1905	LS 16 Replacement/relocation	Medium	2019	2028	2019-20	WM	Interceptor	\$ 50,000	\$ -	\$ -	\$ 400,000	\$ 400,000									Timing is development driven.	
LS 17	Zion Hills																						
	2501	LS 17 Pump & electrical upgrades	Low	2022	2025	2025	WM	Reserve for Replacement	\$ -	\$ -	\$ -						\$ 1,500,000					Timing is based on when capacity is needed.	
LS 18	Train Express																						
		Pump replacements	Low	2019	2022	2022	AS	Reserve for Replacement	\$ -	\$ -	\$ -			\$ 30,000								Replace pumps at the end of their service life.	
LS 19	Village of West Clay																						
	2601	Interceptor extension & lift station elimination	Low	2019	2028	2026	WM	Interceptor	\$ -	\$ -	\$ -							\$ 1,500,000				Combine this project with the LS5 elimination project.	
LS 20	Mayflower Park																						
		Pump replacement	Low	2019	2022	2022	AS	Reserve for Replacement	\$ -	\$ -	\$ -			\$ 30,000								Replace pumps at the end of their service life.	
LS 21	High Grove																						
	2301	Interceptor extension & lift station elimination	Low	2019	2028	2023	WM	Interceptor	\$ -	\$ -	\$ -				\$ 900,000							Timing is development driven.	
LS 22	North Augusta																						
		Pump replacement	Low	2020	2023	2022	AS	Reserve for Replacement						\$ 30,000									
LS 23	126th Street																						
	2203	LS 23 Pump & electrical upgrades	Low	2021	2023	2022	WM	Reserve for Replacement	\$ -	\$ -	\$ -			\$ 400,000								Timing is based on when capacity is needed.	
LS 24	Parkwood West																						
		Pump & control panel replacement	Low	2025	2028	2025	AS	Reserve for Replacement	\$ -	\$ -	\$ -						\$ 100,000						
LS 25	Towne Oak Estates																						
		Pump replacement	Low	2029	2032	2029	AS	Reserve for Replacement	\$ -	\$ -	\$ -										\$ 40,000		
LS 26	Jacksons Grant																						
	2103	LS 26 additional pumps, backup generator & parallel force main extension	Medium	2020	2022	2022	WM	Interceptor	\$ -	\$ -	\$ -		\$ 100,000	\$ 1,900,000								Timing is based on when capacity is needed in the Spring Mill Interceptor and at LS 26.	
General collection system projects																							
		Annual Misc. Repairs, Replacements & Line Relocations	Medium			annual	AS	Reserve for Replacement	\$ 150,000	\$ 9,700	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	Repairs are made as problems are found during televising.	

2020 Capital Budget

CAPITAL BUDGET LAST UPDATED 01/02/20

See project fact sheets for more information on individual projects

8.d.ii.

								Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10	
Project		Near-term				Year		Staff		2019 YTD		Projected															
Location	No.	Project	Priority	Earliest	Latest	Budgeted	Driver	Funding Source	2019 Approved Budget	2019 Spending thru November	Projected Spending Dec 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Note/Justification					
	1908	Brandywine, Crossfields, Larkspur, Oak Tree, North Augusta and Lakewood Gardens Sewer Extension	High	2019	2019	2019	WM	Interceptor	\$ 400,000	\$ 55,788	\$ 100,000												'19 neighborhood sewer project				
		Future Sewer Extension Projects	Medium			annual	WM	Interceptor	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 200,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	Extend service into unsewered neighborhoods					
Equipment																											
		Vehicles	Medium			varies	DW	Operating	\$ -	\$ -	\$ -			\$ 30,000		\$ 30,000		\$ 30,000		\$ 30,000			Scheduled Replacement of Vehicles				
		Laboratory Equipment	Medium			varies	SW	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000		\$ 5,000		\$ 5,000		\$ 5,000		\$ 5,000		Replacement and Upgrades to Lab equipment				
		240, 480 Selectable portable Genset	Low	2019	2023	2021	AS	Reserve for Replacement	\$ -	\$ -	\$ -			\$ 50,000									Existing Generators are from 1985 & 1992				
		FirstNET Lift Station Radios	High	2020	2020	2020	AS	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 19,000											Replace existing radios with FirstNET radios.				
		UV Module	Medium	2020	2020	2020	SW	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 15,000											A spare UV Module for stock.				
		Plant Radar Level Sensors	Medium	2019	2021	2020	SW	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 12,000											Units will replace the existing pressure transducers.				
		Hand Held Sludge Blanket Sensor	Medium	2019	2020	2020	SW	Operating	\$ -	\$ -	\$ -	\$ 8,000											Two hand held sludge blanket sensors.				
		Plant Fiber Optic Cable Mapping	Medium	2020	2020	2020	SW	Operating	\$ -	\$ -	\$ -	\$ 25,000											Map and correctly terminate the plant Fiber.				
		Office HV01 Replacement	High	2020	2020	2020	SW	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 35,000											Replacement for the DC01, FS01, HiperWeb, UMS servers and the SAN. All are reaching end of life.				
		Plant HV Replacement	High	2020	2020	2020	SW	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 20,000											Replacement for the SCADA, POSM & DC03 servers. All are reaching end of life.				
		UTV/Skid Steer Combo	Medium	2019	2003	2020	SW	Reserve for Replacement	\$ -	\$ -	\$ -	\$ 60,000											This unit will replace both the Skid Steer and UTV; existing skid steer is a 1995 model and the UTV is a 2008. Repair frequency has been increasing on both.				
		Future annual equipment purchases	Medium				DW	Reserve for Replacement	\$ -	\$ -	\$ -		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	Annual capital purchases needed to maintain operations.					
								Totals	\$ 6,235,000	\$ 793,270	\$ 135,000	\$ 20,114,000	\$ 13,605,000	\$ 6,195,000	\$ 2,235,000	\$ 2,160,000	\$ 2,185,000	\$ 4,560,000	\$ 435,000	\$ 490,000	\$ 585,000						
								Operating	\$ 450,000	\$ 110,917	\$ 15,000	\$ 4,473,000	\$ 1,600,000	\$ 1,730,000	\$ 150,000	\$ 180,000	\$ 150,000	\$ 180,000	\$ 150,000	\$ 180,000	\$ 150,000						
								Reserve for Replacement	\$ 450,000	\$ 9,700	\$ -	\$ 1,716,000	\$ 1,355,000	\$ 2,315,000	\$ 205,000	\$ 200,000	\$ 1,955,000	\$ 2,300,000	\$ 205,000	\$ 230,000	\$ 355,000						
								Plant Expansion	\$ 2,760,000	\$ 559,095	\$ 15,000	\$ 11,150,000	\$ 8,850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
								Interceptor	\$ 2,575,000	\$ 113,558	\$ 105,000	\$ 2,775,000	\$ 1,800,000	\$ 2,150,000	\$ 1,880,000	\$ 1,780,000	\$ 80,000	\$ 2,080,000	\$ 80,000	\$ 80,000	\$ 80,000						
								Total	\$ 6,235,000	\$ 793,270	\$ 135,000	\$ 20,114,000	\$ 13,605,000	\$ 6,195,000	\$ 2,235,000	\$ 2,160,000	\$ 2,185,000	\$ 4,560,000	\$ 435,000	\$ 490,000	\$ 585,000						



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: January 9, 2020

Subject: #1902 WRRF Expansion Construction Contract Award

The following bids were received on December 20 for the subject project. Amounts below include both alternates:

FA Wilhelm Construction Co.	\$22,754,000
Reynolds Construction, LLC	\$23,218,000
Shook Construction Co.	\$22,302,000
Thieneman Construction, Inc.	\$21,937,000

Thieneman Construction, Inc. was the lowest responsive and responsible bidder. Thieneman's base bid was \$17,399,000, \$3,976,000 for Alternate 1, and \$562,000 for Alternate 2.

Base bid amounts for Wilhelm, Reynolds, and Shook were within one percent of each other, with Thieneman offering a \$638,000 discount over the second low bidder. Base bid amounts were nearly \$5 million over recently prepared estimates. Staff continues to work with design engineer GRW and low bidder Thieneman to identify what led to increased costs as well as savings and value engineering opportunities. Four close bids from reputable contractors indicate a relatively competitive market while detailed, high-quality bid plans reduce uncertainty and corresponding price adjustments. As presented in last month's system development update, if the current growth rate continues, TriCo has 2.5 years to complete a 2-year plant expansion project.

Alternate 1 construction cost came in below the engineer's estimate. This alternate includes construction of the last clarifiers and related infrastructure needed for buildout. As growth continues this project would have to go forward in 5-6 years. Building now gives plant operators much more flexibility, especially given one of the clarifiers replaces the existing original clarifiers which have comparatively poor performance in wet weather, in addition to upcoming maintenance and overhaul costs due to age. Alternate 2 includes site improvements related to the office unification project.

After extensive discussion during the joint committee meeting on January 6, the C&C Committee recommended moving forward with this project.

Recommended Action: Award the #1902 WRRF Expansion construction contract, including alternates, to Thieneman Construction, Inc. in the amount of \$21,937,000, contingent upon closing of the bonds.



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: January 9, 2020

Subject: #1902 WRRF Expansion GRW Contract Modifications

In December 2018 the Board approved a professional services agreement with GRW to provide design, permitting and bidding phase services for the subject project. Construction phase services were to be approved if and when the Board decided to proceed with construction of the project. Construction phase services include shop drawing review and approval, product submittal review and approval, attendance at contractor progress meetings, responding to contractor requests for information, limited site inspection and assisting staff as requested. GRW proposed a not to exceed fee of \$275,000 for construction phase services. Services are as-needed and billed on an hourly basis.

Note that GRW's scope of work does not include daily construction inspection services. Once the construction contractor provides a detailed schedule for completing the work, staff will evaluate inspection needs, determine how much outside help is needed, solicit proposals from local firms, and provide a recommendation to the Board. Staff anticipates outside inspection help will be needed on this project.

GRW also submitted a contract modification covering additional effort during the design and permitting phases totaling \$46,000. The additional work included justification for re-rating the plant by IDEM, chemical pump and piping replacement design, splitter structure repairs and modifications, site redesign due to stormwater permitting challenges with Zionsville, and many other items critical to the project and unforeseen by GRW and staff when design began last year.

If approved, GRW's total contract amount on this project will be \$1,024,000, or 4.7 percent of construction cost. Industry standard is 8 to 10 percent.

The C&C Committee recommended approving the contract modification.

Recommended Action: Approve the GRW contract modifications in an amount not to exceed \$321,000.



MEMORANDUM

To: Board of Trustees

From: Wes Merkle

Date: January 9, 2020

Subject: #1910 Office Unification Construction Contract Award

The following bids were received on December 17 for the subject project:

Alderson Commercial Group, Inc.	\$1,756,000
Gilliatte General Contractors	\$1,807,000
FH Paschen Construction	\$2,070,000

Alderson Commercial Group was the lowest responsive and responsible bidder. Bids came in well above the architect's \$1.3 million estimate for building construction. The total budget for this project was \$2.3 million including building construction and various other costs as presented at the last Office Improvements Committee meeting. This project had strong interest from reputable local contractors – ten attended the pre-bid meeting – despite the strong commercial construction market in our area. The two low bids were within 3 percent. FH Paschen's bid was not considered because they submitted incorrect paperwork.

Alderson offered a \$27,500 deduct to exclude temporary office trailers for TriCo staff during construction (Alternate 1), a \$2,500 deduct to exclude relocation of the steel frame mezzanine in the shop (Alternate 2), a \$35,900 deduct to exclude skylights for the central office area (Alternate 3), a \$3,000 deduct to exclude intelligent lighting controls (Alternate 4) and \$25,940 adder to provide fire and security alarm components (Alternate 5).

Staff is working to confirm Alderson is offering the most advantageous cost for fire and security alarm systems. At this time staff recommends including all aforementioned work in Alderson's contract.

The C&C Committee recommended moving forward with this project.

Recommended Action: Award the #1910 Office Unification construction contract, including Alternate 5, to Alderson Commercial Group, Inc. in an amount not to exceed \$1,781,940.



MEMORANDUM

To: Board of Trustees

From: Andrew Williams

Date: January 8, 2020

Subject: Government Center Purchase Agreement

Purchase Agreement between TriCo and the Clay Township Trustee. The existing interlocal agreement for the operation of the building states in Section 7.10 that either party can acquire the other party's interest in the building. Copies of the Purchase Agreement will be provided at the Board meeting.

The average of two independent appraisals for TriCo's share of the building is being used as the purchase price. The Trustee's appraisal was performed by Mark Rattermann with Resource, LLC and his appraisal is \$989,000. TriCo's appraisal was performed by Benjamin Cottingham with McClain Cottingham & Gilligan, LLC and is \$903,000. The average is \$946,000.

Requested Action: Approve the purchase agreement between TriCo and the Clay



MEMORANDUM

To: Board of Trustees
From: Andrew Williams
Date: January 9, 2020
Subject: 2020 Goals and Objectives

Standardized terminology is needed so that everyone is clear when goals, objectives and tasks are discussed. TriCo uses the following definitions:

Goals are broad, brief statements of intent that provide focus or vision for planning. They are non-measurable and non-specific.

Objectives are meant to be realistic targets for the operation and development of the utility. Objectives will be written in an active tense and use strong verbs like clean, treat, construct and implement. Objectives will help us focus our efforts on tasks that matter. We are also using the acronym "SMART" to describe our objectives. Objectives need to be Specific, Measurable, Achievable, Realistic and Time Bound. Cleaning a third of the sewers in a year or relocating the Admin staff to the plant in 2020 would be considered objectives.

Tasks are short duration activities that are to be finished within a certain time. Processing the monthly payments, testing lab samples or repairing a pump are examples of tasks.

Using our Purpose, Vision and Mission as the basis, Utility goals are listed on the following page with some objectives. Each department will define additional objectives and tasks that will enable the Utility to fulfill our Purpose, Vision and Mission and the stated goals for 2020 and beyond.

In past years, the Board has identified the following Goals to be priorities.

Goal Operate in an environmentally sensitive manner

Goal Maintain a professional staff and work environment

Goal Control Operating Costs

Goal Effective Long-Term Planning Implementation

Objectives have been added to each of these for 2020.



TriCo Regional Sewer Utility

2020 Goals & Objectives

- Goal** Maintain a professional staff and work environment
- Objective** Continue training focused on communications and team building.
 - Objective** Ensure all employees schedule and participate in training programs & opportunities.
- Goal** Maintain Overall Integrity of the Budget
- Objective** Closely watch plant expansion and office projects to remain on budget and schedule.
 - Objective** Keep the Budget & Finance Committee informed in a timely manner and gain Board approval of significant changes.
 - Objective** Identify and communicate cost reduction strategies to the Board and employees.
- Goal** Conduct Effective Long-Term Planning & Implementation
- Objective** Develop a constructive working relationship with the new Zionsville administration.
 - Objective** Increase communication with appointing authorities focusing on increasing their awareness of TriCo's service-oriented & fiscally responsible operations.
- Goal** Provide a Balance of Service & Accountability to All Stakeholders
- Objective** Continue implementing new methods of customer and stakeholder outreach & education regarding the services provided by TriCo.
 - Objective** Celebrate the Utility's 45th Anniversary with an Open House at the new office.
 - Objective** Continuous IT Security Improvements to enhance the security posture for TriCo.