



TriCo Regional Sewer Utility

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

Board of Trustees Meeting Agenda

Monday, February 10, 2020 @ 6:30 p.m.

Clay Township Government Center

10701 N. College Avenue, Indianapolis, IN 46280

- 1. Roll Call**
- 2. Public Comment**
- 3. Approval of Meeting Memorandum**
 - a. Board Meeting January 13, 2020
- 4. Approval of Claims Docket**
- 5. Attorney's Report**
- 6. Utility Director's Report**
- 7. Committee Reports**
 - a. Personnel & Benefits Committee
 - b. Budget & Finance Committee
 - c. Capital & Construction Committee
 - i. Dedication
 - d. Office Construction Committee
- 8. Old Business**
 - a. Citizens / Byrum Proposal
 - b. Government Center Office Purchase Agreement
- 9. New Business**
- 10. Adjourn**



BOARD OF TRUSTEE MEETING

Monday, January 13, 2020 at 6:30 p.m.

Memorandum

Mr. Pittman called the meeting to order at 6:32 p.m.

ROLL CALL

Mr. Pittman conducted the roll call. Present: Vice President Steve Pitman, Treasurer Jane Merrill, Secretary Michael McDonald, members, Barb Lamb, Jeff Kimbell, Eric Hand, Carl Mills, and Jeff Hill. Absent: Chuck Ryerson.

Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Engineering Manager Wes Merkle, Controller Cindy Sheeks, Plant Superintendent Scot Watkins, Consultant Buzz Krohn, Bond Counsel Dennis Otten and Administrative Assistant Maggie Crediford

Member Chuck Ryerson arrived at 6:33 p.m.

PUBLIC COMMENT

There was no one present from the public.

Presentations were made to Marilyn Anderson recognizing her years of service on the Board of Trustees. Mr. Williams said Ms. Anderson was appointed to the Board in 2005. She served as the Board President for a total of eight years and was a member of the C&C Committee her entire tenure. During Ms. Andersons service the Utility grew from 10,500 customer accounts to 15,750. Revenues increased from \$4.5 million to \$7.9 million.

As President Ms. Anderson reduced the length of Board meetings by having Committees conduct background research and make recommendations for Board approval. During her years of service, the Sewer Extension Policy was updated from mandatory payment and connection within 90 days, to the Utility extending sewer service to unsewered areas and customers being able to connect when they want or need to.

Ms. Anderson was instrumental in the implementation of the use of Low-Pressure Sewers in the District. Numerous capacity improvements and I&I elimination efforts over the past 15 years have taken TriCo from routine wet weather overflows during heavy rain events, to no wet weather overflows in five years.

The Utility changed its name from Clay Township Regional Waste District to TriCo Regional Sewer Utility to better reflect the regional demographics of the utility. Ms. Anderson was instrumental in the current efforts to increase capacity at the plant and consolidate the administrative office and plant staffs to one location. Mr. Williams presented Ms. Anderson with a watch and a Years of Service Award.

Doug Callahan, Clay Township Trustee presented Ms. Anderson with an engraved crystal plaque and thanked her for her service and dedication to the Township and the Utility during her years of appointment.

Ms. Anderson thanked Mr. Williams and Mr. Callahan. She said she enjoyed her years on the Board and feels the Utility is incredibly well run. She told the Board she enjoyed working with them and it had been a privilege for her to serve for so many years.

ELECTION OF OFFICERS

Ms. Merrill made a motion for the officers of the Board to be; Carl Mills President, Steve Pittman Vice President, Jane Merrill Treasurer, Michael McDonald Secretary. The motion was seconded by Mr. Kimbell and unanimously approved.

Ms. Merrill made a motion to elect Mr. Hand as the member at large. The motion was seconded by Mr. Pittman and unanimously approved.

COMMITTEE ASSIGNMENTS

Mr. Mills made a motion to keep the Committee assignments the same as they were in 2019, with new member Mr. Hill serving on the C&C Committee, replacing Ms. Anderson. The motion was seconded by Mr. Pittman and unanimously approved.

APPROVAL OF MEETING MEMORANDUM

Board Meeting December 9, 2019

Mr. Kimbell made a motion to approve the December 9, 2019 Board Meeting Memorandum. Ms. Merrill seconded the motion and it was unanimously approved.

Executive Session December 9, 2019

Ms. Merrill made a motion to approve the December 9, 2019 Executive Session Memorandum. Mr. Pittman seconded the motion and it was unanimously approved.

Executive Session December 20, 2019

Ms. Merrill made a motion to approve the December 20, 2019 Executive Session Memorandum. Mr. Pittman seconded the motion and it was unanimously approved.

Executive Committee Meeting December 20, 2019

Ms. Merrill made a motion to approve the December 20, 2019 Executive Committee Meeting Memorandum. Mr. Pittman seconded the motion and it was unanimously approved.

APPROVAL OF CLAIMS DOCKET

Mr. Pittman made a motion to approve the Claims Docket. Mr. Kimbell seconded the motion and it was unanimously approved.

ATTORNEY'S REPORT

Mrs. Poindexter had nothing to report.

UTILITY DIRECTOR'S REPORT

Mr. Williams presented a handout showing data from the January 9-13, 2020 rainfall event. The maximum 3-hour average flow to Carmel hit 80% of the contract maximum. Lift Station 2 maximum flow to the plant hit 85% of pumping capacity. The plant experienced record maximums for peak hour flow and instantaneous flow. Lift Stations 8 & 10 hit the high-level settings and the standby pumps were engaged, but neither station exceeded capacity nor overflowed. Lift Station 14 pumps were maxed out for several hours on January 11, 2020. Construction on Project #1901 begins next month and will nearly double the capacity of this station. The Utility had no discharge limit violations or overflows during this significant rain event.

COMMITTEE REPORTS

Personnel & Benefits Committee

The Personnel & Benefits Committee had no report.

Executive Committee

Ms. Lamb made a motion to approve a raise for the Utility Director of 4.5% resulting in an annual salary of \$122,245. Mr. Hand seconded the motion and it was unanimously approved.

Budget & Finance Committee

2020 Operating Budget

Ms. Merrill made a motion to approve the 2020 Operating Budget. Mr. McDonald seconded the motion and it was unanimously approved.

Bond Ordinance

Ms. Merrill made a motion to approve the Bond Ordinance. Mr. McDonald seconded the motion.

Mr. Mills asked for an explanation between the \$22 million bond being requested and the \$25 million bond discussed at the joint meeting. Mr. Otten explained the proposed Bond Ordinance proposes not to exceed \$25 million. It is contemplated that the bond issue will be \$22 million. The rest is a buffer in the event there are unexpected overages.

Mr. Hill asked if the bond proceeds can be used on other projects, or is the Bond written so that funds can only be used for the specified project. Mr. Otten said funds cannot be used outside the pages of the ordinance. Another ordinance would need to be approved to spend excess funds on other projects.

Mr. Krohn said the design work was funded up front. Money could be refunded to the Utility to cover those prepaid costs with the contingency fund if needed.

Mr. Hill asked if it will be one bond issue or will the money be distributed over time. Mr. Krohn said it will be one payment and TriCo will need to invest the distribution they are not using in funds to help defray the interest costs, while the money is not being used.

Mr. Mills called for a vote on the motion and it was unanimously approved.

IT Agreement and Updates

Ms. Merrill made a motion to award the Utilities IT services contract to ITIndianapolis in the amount of \$31,280. Mr. McDonald seconded the motion and it was unanimously approved.

Capital & Construction Committee

Dedications

Mr. Pittman made a motion to accept the dedication of Hyatt Place and Waterfront of West Clay Section 5A sanitary sewers. Ms. Merrill seconded the motion and it was unanimously approved.

2020 Capital Budget

Mr. Pittman made a motion to approve the 2020 Capital Budget. Mr. Kimbell seconded the motion and it was unanimously approved.

#1902 WRRF Expansion Construction Contract Award

Mr. Pittman made a motion to award the #1902 WRRF Expansion construction contract including alternates to Thieneman Construction, Inc in the amount of \$21,973,000, contingent upon closing the bonds. Ms. Merrill seconded the motion.

Ms. Lamb asked Mr. Merkle to explain the discrepancy between the estimates and the bid amounts. Mr. Merkle explained one reason was changes made during the design process. Changes generally included replacement of aging or failing equipment where similar equipment was already being installed, or changes were needed to make existing and new processes run more efficiently and reliably. Since the design engineer and estimator indicated along the way that the project would still come in at or below budget, additional improvements like these were included. These changes were discussed along the way with the C&C Committee. Due to low interest rates, the Board requested that the two final clarifiers be constructed now. Material and labor price increases were a substantial component to the high bid amounts. Also, the estimator admitted they erred on several quantity calculations during design. Mr. Williams said that although the cost is much higher than the engineer's estimate, he believes it reflects the actual market cost for this project since the other three bids were very close, around 1%.

Mr. Pittman expressed the Utility is fortunate it can afford the project even with the overage from the cost estimates.

Mr. Hill said prices are going up and contractors are busy in this market. He asked Mr. Merkle if he has a high level of confidence in Thieneman as a contractor. Mr. Merkle said Thieneman has done other projects for the Utility and he believes they will do competent work even though their cost estimation was so far off.

Mr. Ryerson questioned the need to approve the project at this meeting. Mrs. Poindexter explained negotiations with the contractor on costs cannot take place until the bid is awarded. Mr. Krohn explained the contract award will be contingent on the Utility selling the bonds. If a bond sale offer is not accepted than the project will not move forward. Mr. Ryerson asked

again why there is a need to approve the project before funding is in place.

Mr. Hill said there is a set number of days the bid is valid. Mr. Merkle said the bid was opened on December 20, 2019 and has a 90-day bid hold. Ms. Merrill asked what the disadvantage of approving the contract contingent on financing would be. Mr. Kimbell asked Mr. Ryerson for clarification on what information he needs to approve the project. Mr. Ryerson said it is backwards to him to approve a project without having the money to pay for it.

Mr. Otten said awarding the project allows other contractors who placed bids on the project to turn their focus to other projects. It gives the lowest bidder confidence that when money is secured the project will move forward. There is no risk to the Utility in awarding the bid subject to the financing, because the award is not locked in until the bond sale is closed.

The vote was called for on Mr. Pittman's motion to award #1902 WRRF Expansion construction contract, including alternates to Thieneman Construction, Inc. in the amount of \$21,937,000 contingent upon closing of the bonds. The motion and it was unanimously approved.

#1902 WRRF Expansion GRW Contract Modification

Mr. Pittman made a motion to approve the GRW contract modification in an amount not to exceed \$321,000. Mr. Kimbell seconded the motion and it was unanimously approved.

#1910 Office Unification Construction Contract Award

Mr. Pittman made a motion to award the #1910 Office Unification Construction Contract, including Alternate 5, to Alderson Commercial Group, Inc. in an amount not to exceed \$1,781,940. Mr. McDonald seconded the motion and it was unanimously approved.

Government Center Office Purchase Agreement

Mr. Pittman made a motion to approve the Purchase Agreement. Ms. Merrill seconded the motion.

Mrs. Poindexter pointed out items changed in the purchase agreement she drafted. The changes were made by Clay Township's Legal Counsel. The Board discussed the proposed changes.

Mr. Pittman withdrew his motion to approve the purchase agreement.

Mr. Pittman made a motion allowing Mrs. Poindexter to negotiate the contract for the sale of TriCo's ownership in the Clay Township Government Center with the Township's Legal Counsel. Ms. Merrill seconded the motion and it was unanimously approved.

Old Business

2020 Goals

Mr. Williams presented his 2020 Goals and Objectives for the Utility to the Board. Mr. Mills asked that any suggestions or changes Board members have be emailed to Mr. Williams and to please copy Mr. Mills as well.

New Business

Board members introduced themselves for the benefit of new Board member Jeff Hill. Mr. Hill in turn introduced himself to the Board.

Mr. Mills said he would like to keep the Office Improvements Committee intact. He said he would like to add one staff member from both the plant and the office to the committee so employees will have input on the Office Relocation Project.

Adjournment

Mr. Pittman made a motion to adjourn the meeting. Mr. Kimbell seconded the motion and it was unanimously approved.

The meeting adjourned at 7:43 p.m.

The next Board of Trustees Meeting is scheduled for Monday, February 10, 2020 at 6:30 p.m.

Respectfully submitted,



Andrew Williams
Utility Director

Approved:

_____ as Presented
_____ as Amended

Michael McDonald, Secretary

Carl Mills, President

The TriCo Connection

Volume 13 Issue 2 February 2020

MONTHLY NEWSLETTER

FINANCIAL UPDATE- CINDY SHEEKS

December 2019 Total Revenues was \$685,677 which is \$61,993 above the projected revenue. Residential sales were \$415,777 and 3.05% higher than expected. YTD Residential revenues exceeded projections by \$93,705. Commercial sales totaled \$180,168 which is 7.91% lower than expected. YTD Commercial revenues were \$9,512 below projections. YTD Total Revenue was \$8,047,116 and \$288,052 over projections.

Total operating expenses were \$519,429 in December which is 24.99% over the monthly budget. YTD Operating Expenses were \$5,357,875 and over budget by \$205,845. Wages and benefits spending were over budget by \$13,115 for a total of \$189,159 during the month and over budget YTD by \$51,603. YTD Wages & Benefits spending was \$2,164,133 and exceeded the budget by \$51,603. Administration spending was \$74,795 in December and over budget by \$18,337. YTD Admin spending was \$735,240 and over budget by \$57,740. Treatment costs totaled \$146,925 in December which was over budget by \$1,508 and over budget YTD by \$124,782. Collection costs totaled \$108,550 in December which was \$70,883 over budget. YTD Collections spending was \$576,720 and under budget by \$28,279.

Net income in December was \$156,270 after depreciation and amortization of CIAC and was below projections by \$26,828 for the month. YTD Net income after depreciation and amortization was \$2,569,569 and exceeded projections of \$2,307,034 by 11.38%.

Spending Breakdown in December:

Wages – 36.40%
Administration – 14.39%
Treatment Costs – 28.27%
Collection Costs – 20.94%

Spending Breakdown YTD:

Wages - 40.39%
Administration – 13.72%
Treatment Costs - 35.12%
Collection Costs – 10.76%

Cash generated for December shows a net increase in all funds by \$281,793. Capital spending was \$249,055 which included spending for office consolidation and neighborhood sewers. YTD capital spending was \$1,615,953. Cash on hand at 12/31/19 was \$12,142,598. Cash balances increased by \$3,180,358 during 2019. The ending cash balances in the funds are listed below:

Operating \$4,312,294
Interceptor \$258,992
Plant Expansion \$4,699,335
Operating Reserve \$2,192,400
Reserve for Replacement \$379,577

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Calendar of Events

February 10	Board Meeting	6:30 p.m.
February 17	Safety Lunch	11:30 a.m.
February 26	P&B Meeting	7:30 a.m.
February 28	B&F Meeting	7:30 a.m.
March 2	C&C Meeting	4:30 p.m.

CONSTRUCTION & ENGINEERING - WES MERKLE

Engineering staff completed 561 locates, 31 I&I inspections and 25 lateral inspections in January. There was one failed I&I inspection due to a broken cleanout cap. 1,530 locate requests were received and reviewed. Brandon Woolf joined the Engineering Department on January 27, taking Kermin's position. He will be training on lateral inspections, I&I inspections, and utility locates in the coming weeks. Nate continued monitoring several projects with multiple crews, including telecommunications companies installing fiber optic lines and small cellular towers. In one instance he stopped a crew from installing an 8' deep concrete foundation over a force main on 106th Street. Eric observed sewer construction for the Rehab Hospital development. He monitored punch list work and warranty repairs for several projects. Jeff completed additional flow meter maintenance and troubleshooting and helped analyze I&I performance following heavy rain in early January. Jeff has completed most lateral and I&I inspections after Kermin left. Jeff and Ryan have been busy coordinating with crews working on the large Carmel Utilities water main installation project, including sewer lateral and main repairs. That project is expected to last 2 years.

In the coming weeks sewer main installation is expected to begin for a new phase of Jackson's Grant, the new elementary school on Clay Center Road, and the Lift Station 14 (Austin Oaks) Parallel Force Main project. Ryan and Wes completed survey work to lay out the Lift Station 3 force main relocation after Collections potholed the existing force main. Relocation is needed for the upcoming roundabout project at 116th Street and College Avenue. Wes coordinated the plant expansion and office projects, as well as related financing efforts. Work on site for the plant expansion and office projects will begin the first week of March. The Haver Way Sewer and lift station improvements project will proceed once permits are received and easements acquired – anticipated in the coming months. The plant outfall sewer will proceed with bidding and construction once remaining easements are acquired from DOW.

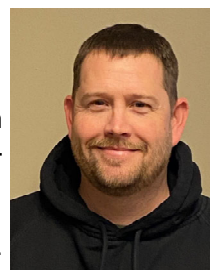
EMPLOYEE SPOTLIGHT

January 27, 2020 the Utility welcomed Brandon Woolf to the Engineering Department. Brandon was a temporary employee at the WRRF from July 2019 to December 2019 helping with pre-treatment responsibilities.

Brandon previously worked at Polaris Laboratories as a Quality Systems Manager and Trane Inc. as a production supervisor.

Brandon received his Bachelor's Degree in Business Management from Ball State University

Brandon is very family oriented and keeps busy when not at work by attending travel baseball, basketball, football games and dance recitals with his four kids Chase, Carter, Jackson and Brooklyn.



TREATMENT REPORT – SCOT WATKINS

Last month we reported over five inches of rain and had zero violations; staff did a fantastic job managing flows at the plant. The digester modification project wrapped up; this gave staff more options with the Biosolids and added some redundancy. This also allowed staff to clean the three tanks and inspect all the aeration equipment. The Collections staff pulled a failed RAS pump; it was determined the pump needed replaced due to the cost of repair. During a routine inspection, an Alum leak was discovered on the VLR; the line has been repaired.

All fourth quarter FOG reports have been entered and the new SwiftComply software has been set up. 33 facilities and 19 haulers have already registered and have started using the system. 19 pump outs have been reported removing 3,429 gallons of FOG from the system.

The laboratory performed 485 CBOD5 tests, 255 Total Suspended Solids tests and 157 Phosphorus & Ammonia tests. Bob is on the IWEA Wastewater Challenge Committee and has made several visits to this year site (Fishers) and has also been working on abstract submittals. All lab SOP's have been updated for 2020 in preparation of the laboratory inspection.

COLLECTIONS REPORT – AARON STRONG

Collections Staff televised 24,000 feet of sanitary main and cleaned an additional 3,000 feet in the month of January. Favorable temperatures allowed staff to get a jump on yearly manhole inspections, evaluating 269 of the 2,000 manholes in the 2020 inspection cycle. Corrective action work orders are created based on user responses to customized manhole specific criteria. Work orders will then be dispatched to field crews or contractors depending on work type.

Staff tested a low-pressure force main cleaning apparatus designed and developed in-house. The device was created to prevent TriCo's sewer cleaning truck from over pressurizing the Utility's low-pressure force mains located throughout the service area. The unit utilizes multiple fail safes to protect both Utility and customer owned equipment. The unit was first bench tested against all known check valves currently deployed in the field. Collections Staff cleaned/flushed over 6,000 feet of low-pressure sewer in Cedar Point subdivision located near Ditch Road and 96th Street with no issues. Staff plans to clean/flush all low-pressure mains within our service area in the coming year.

Central Industrial Contractors completed punch list items in the north valve vault at Lift Station #2. Pump 1 at Lift Station #14 has been removed from service with what is believed to be a bad stator, the pump has been taken to Quality Pump Repair for further testing. A portable 6" Godwin pump has been deployed and will remain at the lift station until the pump is repaired and returned to service.

Staff responded to a report of a damaged gravity main near the intersection of Westfield Blvd. and Norriston Drive. Daystar, a contractor installing water main, drilled through TriCo's 8" gravity main, filling it full of "boring mud", a bentonite clay mixture. TriCo crews quickly assessed the situation and jetted the line open from the downstream manhole, restoring service and preventing an overflow. The contractor repaired the main under the guidance of Engineering Staff. The affected mains were cleaned after the repair was completed.

SAFETY UPDATE - LOREN PRANGE

TriCo had no reportable injuries and has gone 3641 days without a lost time accident.

The following safety tailgate sessions were held:

01/14/20 Vehicle Safety: Check Inspect Drive!
01/21/20 Holding on to hand safety
01/28/20 Eyes on safety



Belt press safety stops and pull cables were inspected for corrosion and function.

Safety plus web training has been rescheduled for 2020.

Completed monthly inspection on fire extinguishers and emergency light

Please join us Monday, February 17, 2020, 11:30 a.m. at the Olive Garden on Michigan Road to celebrate 10 years with no lost time accidents!

CUSTOMER SERVICE UPDATE- SHELLY KEEFE

In January, 88 liens were filed for a total of \$12,586.75. The total lien balance is now \$23,506.80.

In January, 32 new locations were added to billing and 39 permits were issued. The total number of customers receiving their statement by email is now 3,078, which is an increase of 51 from last month.

Community Health performed the annual health screenings and weigh in for the Maintain No Gain challenge. All employees met the challenge and received a \$25 gift card.

Birthdays

Cody Cain February 5
Bob Roudebush February 16
Cindy Sheeks February 29

			TriCo Regional Sewer Utility			
			Register of Claims			
			For the period 1/8/2020-02/5/2020			
Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
1/10/2020	14079	Plant Expansion	Jones Building Group	\$1,818.00	\$1,818.00	Bridlebourne Lot 5
1/10/2020	14081	Operating	Boone County Recorder	\$425.00	\$425.00	Lien releases
1/13/2020	14083	Operating	Joe Hood	\$86.25	\$86.25	Mileage 1/5, 1/7
1/14/2020	14084	Reserve for Repla	Graybar Electric Company	\$15,195.09	\$15,195.09	LS R&M
1/14/2020	14085	Operating	Express Services, Inc.	\$250.48	\$250.48	Temp Staff w/e 1/05/2020
1/14/2020	14086	Operating	Kinetrex Energy	\$1,182.21	\$1,182.21	Natural Gas-Plant
1/15/2020	14087	Operating	Kari Schoonover	\$3,059.10	\$3,059.10	Refund-2199 Greencroft Overpayment
1/15/2020	14088	Operating	Joe Hood	\$28.75	\$28.75	Mileage 1/11/20
1/16/2020	14089	Operating	Carmel Utilities	\$13.45	\$13.45	LS 1 Water
1/16/2020	14089	Operating	Carmel Utilities	\$27.35	\$27.35	LS 26 Water
1/16/2020	14089	Operating	Carmel Utilities	\$13.45	\$13.45	LS 2 Water
1/17/2020	14090	Operating	Emmanuel Sanchez	\$13.80	\$13.80	Travel/Mileage - On Call
1/22/2020	14091	Operating	AFLAC	\$810.69	\$810.69	Employee Deferred Liability
1/22/2020	14092	Operating	AT&T Mobility	\$1,301.39	\$1,301.39	LS Phone Service
1/27/2020	14093	Operating	Cody Cain	\$48.30	\$48.30	Travel/Mileage
1/27/2020	14093	Operating	Cody Cain	\$87.40	\$87.40	Travel/Mileage
1/27/2020	14094	Operating	Emmanuel Sanchez	\$43.70	\$43.70	Travel/Mileage
1/28/2020	14095	Operating	AT & T	\$698.93	\$698.93	Office Internet Service
1/28/2020	14095	Operating	AT & T	\$698.93	\$698.93	Plant Internet Service
1/28/2020	14095	Operating	AT & T	\$91.64	\$91.64	Plant Phone Service
1/28/2020	14096	Operating	Cheryl Kingsbury	\$2,103.08	\$2,103.08	Refund-2034 Rhettisbury
1/29/2020	14097	Operating	IRSDA	\$50.00	\$50.00	2020 Membership Dues
1/30/2020	14098	Operating	Indiana Water Environment Association	\$65.00	\$65.00	CS-I EXAM
1/30/2020	14099	Operating	Indiana Water Environment Association	\$65.00	\$65.00	CS-II EXAM
1/30/2020	14100	Operating	Indiana Water Environment Association	\$75.00	\$75.00	CS-III EXAM
1/30/2020	14101	Operating	Indiana Water Environment Association	\$65.00	\$65.00	CS-I EXAM
1/30/2020	14102	Operating	Aaron Strong	\$30.00	\$30.00	Monthly cell phone
1/30/2020	14103	Operating	Eric Luis Delacruz	\$30.00	\$30.00	Monthly cell phone reimbursement
1/30/2020	14104	Operating	Jeffrey Martin	\$30.00	\$30.00	Monthly cell phone bill
1/30/2020	14105	Operating	Nathan Crowder	\$30.00	\$30.00	Monthly cell phone
1/31/2020	14106	Operating	Lawrence Prange	\$1,058.62	\$1,058.62	Travel/Mileage-IFAT Munich
1/31/2020	14107	Operating	Lee Monne	\$58.39	\$58.39	Refund-10641, 10643 Broadway
1/31/2020	14108	Operating	Marek Kania	\$16.31	\$16.31	Refund-1899 Horseguard Close
1/31/2020	14109	Operating	Doris E Cavanuagh	\$11.84	\$11.84	Refund -1057 Timber Creek
1/31/2020	14110	Operating	Salvation Army	\$58.73	\$58.73	Refund-12838 Fleetwood
1/31/2020	14111	Operating	Jerry of Kathy Hasten	\$13.34	\$13.34	Refund-10408 McPhearson St
1/31/2020	14112	Operating	James Griffith	\$16.78	\$16.78	Refund-4070 Teague Place
1/31/2020	14113	Operating	Connie Cohrs	\$12.08	\$12.08	Refund-10000 Upton Ct
1/31/2020	14114	Operating	Steven or Michelle Duval	\$22.34	\$22.34	Refund-3871 Pelham
1/31/2020	14115	Operating	Ondre J or Katelyn Kalus	\$146.17	\$146.17	Refund-415 Springwood Dr
1/31/2020	14116	Operating	Matthew Wood	\$14.81	\$14.81	Refund-10548 Cornell
1/31/2020	14117	Operating	Dan Elliott Homes	\$27.75	\$27.75	Refund-1002 Fawn View
1/31/2020	14118	Operating	Centrury 21 Scheetz	\$28.68	\$28.68	Refund-2724 Still Creek
1/31/2020	14119	Operating	Barbara Lamb	\$100.00	\$100.00	Board meeting fees
1/31/2020	14120	Operating	Carl S. Mills	\$300.00	\$300.00	Board member fees
1/31/2020	14121	Operating	Charles Ryerson	\$100.00	\$100.00	Board meeting fee
1/31/2020	14122	Operating	Eric Hand	\$150.00	\$150.00	Board meeting fees
1/31/2020	14123	Operating	Jane B. Merrill	\$300.00	\$300.00	Board member fees
1/31/2020	14124	Operating	Jeff Hill	\$100.00	\$100.00	Board member fees
1/31/2020	14125	Operating	Jeffrey Kimbell	\$100.00	\$100.00	Board meeting fees
1/31/2020	14126	Operating	Michael A. McDonald	\$300.00	\$300.00	Board member fees
1/31/2020	14127	Operating	Steve Pittman	\$200.00	\$200.00	Board Member Fees
1/31/2020	14128	Plant Expansion	GRW	\$42,000.00	\$42,000.00	CIP-Proj 1902 Final Design
1/31/2020	14128	Plant Expansion	GRW	\$8,500.00	\$8,500.00	CIP-Proj 1902 Bidding
1/31/2020	14128	Plant Expansion	GRW	\$3,900.00	\$3,900.00	CIP-Proj 1902 Permitting
1/31/2020	14129	Interceptor	MS Consultants, Inc	\$19,800.00	\$19,800.00	CIP-Proj 1802 Haver Way Interceptor
1/31/2020	14130	Interceptor	TPI Utility Construction	\$50,250.00	\$50,250.00	CIP-Proj 1908 Neighborhood Sewers
1/31/2020	14131	Operating	Alliance of Indiana Rural Water	\$600.00	\$600.00	Annual Membership Dues
1/31/2020	14132	Operating	Altman, Poindexter & Wyatt, LLC	\$2,809.99	\$2,809.99	Political Sub. Legal Fees
1/31/2020	14133	Operating	B&W Plumbing and Heating	\$183.39	\$183.39	Plant R&M
1/31/2020	14134	Operating	Bio Chem, Inc.	\$3,880.32	\$3,880.32	Alum-Operating Supplies Plant
1/31/2020	14134	Operating	Bio Chem, Inc.	\$4,542.50	\$4,542.50	Operating Supplies Plant-Chemicals
1/31/2020	14135	Operating	BL Anderson Company, Inc.	\$2,793.63	\$2,793.63	Plant R&M

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
1/31/2020	14135	Operating	BL Anderson Company, Inc.	\$720.00	\$720.00	Lift Station R&M
1/31/2020	14136	Operating	Carmel Utilities	\$110,122.82	\$110,122.82	Flow to Carmel
1/31/2020	14136	Operating	Carmel Utilities	\$1,056.00	\$1,056.00	January Reads
1/31/2020	14137	Operating	Carmel Utilities	\$41.50	\$41.50	Storm Water Fees
1/31/2020	14138	Operating	Clay Township Trustee	\$6,235.32	\$6,235.32	Gov't Center Expenses-January 2020
1/31/2020	14139	Operating	Commercial Sewer Cleaning Co. Inc.	\$410.00	\$410.00	Plant R&M
1/31/2020	14140	Operating	Community Occupational Health Service	\$99.00	\$99.00	Drug test
1/31/2020	14141	Operating	Culy Contracting, LLC	\$8,250.00	\$8,250.00	Manhole R&M
1/31/2020	14142	Operating	Dixon Phone Place	\$120.00	\$120.00	EHS Cable
1/31/2020	14143	Operating	Doxim	\$3,737.79	\$3,737.79	Billing
1/31/2020	14143	Operating	Doxim	\$5,104.70	\$5,104.70	Postage
1/31/2020	14144	Operating	Eco Infrastructure Solutions, Inc.	\$480.00	\$480.00	Green Paint
1/31/2020	14145	Operating	Fastenal Company	\$190.35	\$190.35	Plant R&M
1/31/2020	14145	Operating	Fastenal Company	\$201.83	\$201.83	Plant R&M
1/31/2020	14146	Operating	Fluid Waste Services, Inc.	\$2,296.25	\$2,296.25	Plant R&M
1/31/2020	14146	Operating	Fluid Waste Services, Inc.	\$3,258.75	\$3,258.75	Plant R&M
1/31/2020	14147	Operating	Grainger	\$210.91	\$210.91	Plant R&M
1/31/2020	14148	Operating	Hach Company	\$311.48	\$311.48	Sewer Sampling
1/31/2020	14149	Operating	IN.GOV	\$95.00	\$95.00	Annual Fee
1/31/2020	14150	Operating	Indiana Department of Environmental Management	\$100.00	\$100.00	Stormwater Permit
1/31/2020	14150	Operating	Indiana Department of Environmental Management	\$9,500.00	\$9,500.00	Base Fee & Flow Fee Permits
1/31/2020	14151	Operating	ISCO Industries, Inc	\$1,167.65	\$1,167.65	Line Maintenance
1/31/2020	14152	Operating	IT Indianapolis	\$16,116.59	\$16,116.59	CIP-Replace Plant HV
1/31/2020	14152	Operating	IT Indianapolis	\$30,883.95	\$30,883.95	CIP-Office HV01/SAN
1/31/2020	14152	Operating	IT Indianapolis	\$2,500.00	\$2,500.00	Computer Expense
1/31/2020	14152	Operating	IT Indianapolis	\$325.00	\$325.00	Computer Expense
1/31/2020	14152	Operating	IT Indianapolis	\$4,824.10	\$4,824.10	Computer Expense
1/31/2020	14152	Operating	IT Indianapolis	\$2,606.66	\$2,606.66	Computer Expense
1/31/2020	14152	Operating	IT Indianapolis	\$1,764.00	\$1,764.00	Computer Expense
1/31/2020	14152	Operating	IT Indianapolis	\$1,666.20	\$1,666.20	Computer Expense
1/31/2020	14152	Operating	IT Indianapolis	\$746.00	\$746.00	Computer Expense
1/31/2020	14153	Operating	Johnson Controls	\$763.92	\$763.92	Plant Security System
1/31/2020	14154	Operating	Keeler-Web Associates	\$350.00	\$350.00	Surveying Services
1/31/2020	14155	Operating	Lowe's Business Account	\$772.35	\$772.35	Operating Supplies Collections
1/31/2020	14156	Operating	Maco Press	\$354.14	\$354.14	Checks
1/31/2020	14157	Operating	Merrell Brothers, Inc.	\$18,481.58	\$18,481.58	Biosolids Disposal
1/31/2020	14158	Operating	Nalco Water Pretreatment Solutions, L	\$156.61	\$156.61	Sewer Sampling
1/31/2020	14159	Operating	NCL of Wisconsin, Inc.	\$1,114.91	\$1,114.91	Sewer Sampling
1/31/2020	14160	Operating	Neenah Foundry Co.	\$174.00	\$174.00	LS R&M
1/31/2020	14160	Operating	Neenah Foundry Co.	\$174.00	\$174.00	LS R&M
1/31/2020	14161	Operating	Office Depot	\$79.99	\$79.99	Office Supplies
1/31/2020	14161	Operating	Office Depot	\$342.38	\$342.38	Office Expense
1/31/2020	14161	Operating	Office Depot	\$195.39	\$195.39	Office Expense
1/31/2020	14161	Operating	Office Depot	\$45.62	\$45.62	Office Expense
1/31/2020	14161	Operating	Office Depot	\$141.39	\$141.39	Office Expense
1/31/2020	14161	Operating	Office Depot	\$66.85	\$66.85	Office Expense
1/31/2020	14161	Operating	Office Depot	\$7.77	\$7.77	Office Expense
1/31/2020	14161	Operating	Office Depot	\$138.47	\$138.47	Office Expense
1/31/2020	14162	Operating	PFM Truck & Car Care Center	\$61.54	\$61.54	Vehicle R&M
1/31/2020	14163	Operating	Praxair Distribution, Inc.	\$31.36	\$31.36	Cylinder rental
1/31/2020	14164	Operating	Red Wing Business Advantage Account	\$272.48	\$272.48	Shoes-Scot
1/31/2020	14164	Operating	Red Wing Business Advantage Account	\$268.48	\$268.48	Shoes-Brandon
1/31/2020	14164	Operating	Red Wing Business Advantage Account	\$222.98	\$222.98	Shoes-Loren
1/31/2020	14164	Operating	Red Wing Business Advantage Account	\$130.49	\$130.49	Shoes-Kermin
1/31/2020	14164	Operating	Red Wing Business Advantage Account	\$197.99	\$197.99	Shoes-Joe
1/31/2020	14165	Operating	Republic Services #761	\$479.66	\$479.66	Plant trash service
1/31/2020	14166	Operating	Safety Resources, Inc.	\$1,171.25	\$1,171.25	Safety-Oct-Dec 2019
1/31/2020	14167	Operating	Shrewsbury & Associates, LLC	\$337.50	\$337.50	Constr. Obsv. Estates @ Town Meadow
1/31/2020	14168	Operating	Signius Communications	\$86.90	\$86.90	Answering Service
1/31/2020	14169	Operating	Simplifile	\$6,750.00	\$6,750.00	Filing Fees
1/31/2020	14170	Operating	Taylor Oil Company, Inc.	\$10.81	\$10.81	Fuel
1/31/2020	14170	Operating	Taylor Oil Company, Inc.	\$1.42	\$1.42	Fuel
1/31/2020	14170	Operating	Taylor Oil Company, Inc.	\$1,250.51	\$1,250.51	Fuel
1/31/2020	14171	Operating	TPI Utility Construction	\$3,595.00	\$3,595.00	Line Repair
1/31/2020	14172	Operating	USA BlueBook	\$1,048.17	\$1,048.17	Operating Supplies-Collections
1/31/2020	14172	Operating	USA BlueBook	\$1,041.30	\$1,041.30	Operating Supplies Collections
1/31/2020	14173	Operating	Utility Supply Company	\$162.04	\$162.04	Operating Supplies-Collections
1/31/2020	14174	Plant Expansion	McClain Cottingham & Gilligan LLC	\$2,400.00	\$2,400.00	CIP-Proj 1906 Appraisal Services

Payment date	Check number	Bank name	Payee name	Amount	Amount Allowed	Description
1/31/2020	14175	Reserve for Repla	Central Industrial Contractors	\$7,500.00	\$7,500.00	CIP-Lift Stations R4R
1/31/2020	14176	Plant Expansion	Krohn & Associates, LLP	\$20,000.00	\$20,000.00	CIP-Proj 1902 Plant Expansion
2/5/2020	14177	Operating	Liberty National	\$191.82	\$191.82	Payroll Deduction- Liberty National
2/5/2020	14178	Operating	Quench USA, Inc.	\$99.00	\$99.00	Plant drinking water
2/5/2020	14179	Operating	Safety Plus, Inc.	\$1,188.00	\$1,188.00	Safety training
1/23/2020	2019600	Operating	Vectren Energy Delivery	\$747.96	\$747.96	Plant gas
1/24/2020	2020001	Operating	ADP	\$302.05	\$302.05	Payrol Services/Time & Attendance
1/24/2020	2020002	Operating	AT&T Mobility	\$1,030.01	\$1,030.01	Employee Mobile Service
1/31/2020	2020003	Operating	Neofunds by Neopost	\$518.33	\$518.33	Postage equipment rental
1/31/2020	2020004	Operating	Wex Bank	\$87.02	\$87.02	Fuel
1/31/2020	2020005	Operating	Progressive Insurance	\$4,142.00	\$4,142.00	Insurance policy - 2016 F150 1/29/20-1/29/20
1/31/2020	2020006	Operating	Citizens State Bank	\$20.00	\$20.00	Bank service fee
1/28/2020	2020007	Operating	Duke Energy	\$15,670.88	\$15,670.88	Plant
1/28/2020	2020008	Operating	Duke Energy	\$296.20	\$296.20	LS 21
1/28/2020	2020009	Operating	Duke Energy	\$2,094.58	\$2,094.58	LS 1
1/28/2020	2020010	Operating	Duke Energy	\$55.99	\$55.99	LS 6
1/28/2020	2020011	Operating	Duke Energy	\$706.95	\$706.95	LS 26
1/28/2020	2020012	Operating	Duke Energy	\$382.66	\$382.66	LS 19
1/28/2020	2020013	Operating	Duke Energy	\$171.14	\$171.14	LS 5
1/28/2020	2020014	Operating	Duke Energy	\$1,007.40	\$1,007.40	LS 17
1/28/2020	2020015	Operating	Duke Energy	\$316.74	\$316.74	LS 16
1/28/2020	2020016	Operating	Duke Energy	\$493.25	\$493.25	LS 23
1/28/2020	2020017	Operating	Duke Energy	\$310.80	\$310.80	LS 11
1/28/2020	2020018	Operating	Duke Energy	\$1,069.35	\$1,069.35	LS 14
1/13/2020	2020019	Operating	Citizens Energy Group	\$64.93	\$64.93	Plant
1/13/2020	2020020	Operating	Citizens Energy Group	\$43.49	\$43.49	LS 17
1/27/2020	2020021	Operating	ADP	\$59,930.03	\$59,930.03	PPE 1/24/20
1/13/2020	2020022	Operating	ADP	\$78,285.84	\$78,285.84	PPE 1/10/20
1/13/2020	2020023	Operating	Empower Retirement (Hoosier START	\$8,160.77	\$8,160.77	401a, 457b, Roth
1/27/2020	2020024	Operating	Empower Retirement (Hoosier START	\$8,299.80	\$8,299.80	401a, 457b, Roth
1/22/2020	2020100	Operating	Anthem Blue Cross Blue Shield	\$33,590.43	\$33,590.43	Employee Insurance
1/22/2020	2020101	Operating	AT&T Mobility	\$671.06	\$671.06	Employee Tablets
1/9/2020	20190523	Operating	Wex Bank	\$123.97	\$123.97	Fuel
1/10/2020	20190524	Operating	ADP	\$213.85	\$213.85	Workforce Now Bundle
1/14/2020	20190525	Operating	Vectren Energy Delivery	\$46.00	\$46.00	LS 2 Gas
1/14/2020	20190526	Operating	Vectren Energy Delivery	\$17.63	\$17.63	LS 10 Gas
1/14/2020	20190527	Operating	Mutual of Omaha	\$3,667.45	\$3,667.45	Ins-January 2020
1/15/2020	20190528	Operating	PNC Bank	\$4,477.13	\$4,477.13	CC Expenses Dec 2019
				\$684,848.27	\$684,848.27	
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						
			\$684,848.27			

Docket Report Information

CIP - 1906 Outfall	\$2,400.00
CIP - 1802 Haver Way	\$19,800.00
CIP - 1908 Neighborhood Sewers	\$50,200.00
CIP - 1902 Plant Expansion	\$74,400.00
CIP - Server replacements	<u>\$47,000.54</u>
	\$ 193,800.54

District Insurance	\$37,257.88
Carmel December Flow	\$110,122.82

Other Expenses	\$343,667.03
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Total Claims	\$684,848.27
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Selected Statistics 2020	January	2020 Monthly Average	2020 YTD	2019 Total Through January
Maintenance Information				
Lateral Inspections	22	22	22	17
Certified I&I Inspections	32	32	32	26
Failed I&I Inspections	1	1	1	0
Sewer Locates	561	561	561	284
Manholes Added	0	0	0	1
Total # of Manholes	5,886	N/A	5,886	5,849
Manholes Inspected	269	269	269	66
Feet of Sewer Added	0	0	0	21,687
Total Footage of Sewers	1,671,814	N/A	1,671,814	1,652,834
Feet of Sewer Televised	23,972	23,972	23,972	4,862
Feet of Sewer Cleaned	2,999	2,999	2,999	440
Overflows	0	0	0	0
Feet of LPFM Cleaned	6,617	6,617	6,617	0
Station 1 to Carmel Utilities				
Rainfall/Precipitation (inches)	5.03	5.0	5.0	2.40
Total Flow (gallons)	72,650,726	72,650,726	72,650,726	61,408,530
Maximum Daily Flow (gallons)	3,594,037	N/A	3,594,037	3,197,275
Average Daily Flow (gallons)	2,343,572	2,343,572	2,343,572	1,980,920
Minimum Daily Flow (gallons)	1,801,105	N/A	1,801,105	1,150,531
Michigan Road WWTP				
Total Flow (gallons)	89,875,000	89,875,000	89,875,000	86,922,000
Maximum Daily Flow (gallons)	7,015,000	N/A	7,015,000	5,134,000
Average Daily Flow (gallons)	2,899,194	2,899,194	2,899,194	2,803,935
Minimum Daily Flow (gallons)	2,192,000	N/A	2,192,000	2,404,000
Total Flow to Both Plants	162,525,726	162,525,726	162,525,726	148,330,530
Biosolids Handling (gallons)				
Wasted (Biosolids)	1,825,900	1,825,900	1,825,900	1,667,480
Dewatered	435,000	435,000	435,000	735,000
Digested Sludge Withdrawn	1,376,000	1,376,000	1,376,000	787,000
Customer Information		Billed Accts	15,775	
New Sewer Service Accounts	32	32	32	24
Permits Issued	39	39	39	24



BUDGET & FINANCE COMMITTEE

Friday, January 31, 2020 at 7:30 a.m.

Memorandum

Ms. Merrill called the meeting to order at 7:31 a.m.

ROLL CALL

Members present: Committee Chair Jane Merrill, Members Michael McDonald and Carl Mills. Others in attendance were: Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Controller Cindy Sheeks, Engineering Manager Wes Merkle, Plant Superintendent Scot Watkins, Administrative Assistant Maggie Crediford and Consultant Jarrod Hall of Krohn & Associates.

PUBLIC COMMENT

There was no one present from the public.

BOND PROPOSALS

Mr. Hall explained that Krohn & Associates solicited 20 banks with the bond term sheet package. Responses were due Tuesday, January 28, 2020. Four banks responded with bond proposals. Mr. Hall provided the committee members with a summary of the four bond proposals (see attached handout). Mr. Hall said Ms. Sheeks would be provided with copies of all four proposals to archive at the Utility, available for the Board Members to review. The proposals were close, which is an indicator the Utility received strong competitive bids.

Mr. Hall received feedback from the banks. The banks were excited about the bond. They liked the numbers and felt the Utility is well run and financially responsible.

Huntington Bank was the low bidder. Ms. Sheeks contacted Huntington to inquire if they would give additional considerations if the Utility would leave the Construction and Debt service reserve funds with Huntington Bank. In addition to offering very favorable rates to hold the funds for the next two years, Huntington also lowered their bid to 2.43% interest rate for 18 years with no fees based on the funding considerations, which will save the Utility around \$220,000 in interest.

Mr. Williams said 15-year bond proposals were also considered. However, a 15-year bond would make cash flow too tight.

Ms. Merrill confirmed with Mr. Hall that there is no prepayment penalty on the 18-year bonds after six years. Mr. Hall verified that after six years the bonds could be paid off.

Mr. Hall pointed out cash at the Utility will be at its low point in 2022 at \$3.1 million; \$1.7 million of that will be restricted and must be held as reserve funds. The Utility will have

\$1.4 million unrestricted to work with in 2022, assuming all proposed Capital Projects move forward.

Mr. McDonald asked if the money could be taken out in draws versus one lump sum to reduce interest costs. Mr. Hall said it cannot. The money must be taken out in one draw, but monies that are not being used right away will be invested in a laddered CD portfolio to offset some of the interest charges.

Mr. Hall presented the committee with an example bond repayment schedule.

Mr. Mills asked Ms. Sheeks how many banks she went back to for final and best offers. Ms. Sheeks said she only contacted Huntington. Mr. Williams explained Huntington was not asked to change their bid. They were asked what could be done on the other side with the money received from the bond, to help make their bid more attractive. It was a surprise that Huntington came back with a lower interest rate for the bond.

Mr. Hall explained before Huntington's final and best offer they had the same interest rate as Sterling National Bank with a \$3,500 fee. Sterling's fee was \$7,500. Ms. Sheeks said that Sterling National Bank is not listed on the State of Indiana's approved depository list. Mr. Mills said Sterling is not on the list because they are an Ohio bank but Fifth Third Bank uses them often and that they are a good bank.

Mr. Williams said Ms. Sheeks or Mr. Hall could reach out to Sterling National Bank for their final and best offer before the proposal is accepted with Huntington.

Mr. Mills said he would be more comfortable if Sterling National Bank was contacted and asked for their best and final offer, since they came in with the same interest rate as Huntington on their original offer. Mr. Hall said he would try to reach Sterling National Bank for their best and final offer before the committee members left the meeting. The committee decided Ms. Merrill and Mr. Mills would wait to sign Huntington's proposal until they heard back from Sterling National Bank with their best and final offer.

Mr. Hall said Mr. Otten, TriCo's bond counsel, said closing on the bond would be around February 19, 2020.

Ms. Merrill reiterated for clarification that the committee agrees that it will accept Huntington's proposal if Sterling National Bank's best and final offer is not better than Huntington's. Mr. Mills and Mr. McDonald agreed.

Mr. Mills asked Mr. Hall to prepare a one-page summary showing the difference in cost between the 3% interest rate the Board considered and the 2.43% interest rate Huntington proposed.

Mr. McDonald asked for clarification on why it would be better for the Utility to do an 18-year bond versus a 15-year bond. Mr. Williams explained that an 18-year bond gives the Utility flexibility. The goal is to pay off the bond before it is due. Cash flow for regular operations and other Capital Projects would dip down to around \$300,000 in unrestricted funds with a 15-year bond. As development fees are collected, they can be applied to the bond after six years to help pay it down. Staff feels more comfortable with an 18-year

bond because there will be more money in the bank for operating expenses and capital projects that cannot be funded with bond proceeds.

Mr. Hall stepped out of the meeting to contact Sterling National Bank for their best and final offer.

FINANCIAL STATEMENTS

Ms. Sheeks said net income ended above 2019 projections with over \$12 million in the bank. Some of that money will need to be placed into the Debt Service Reserve Fund. The \$12 million is liquid and available.

Mr. Mills asked about large variations in some funds at the end of the year. Ms. Sheeks said they were accruals, inventory and other year-end adjustments. Manhole repairs consisted of three repairs that cost \$50,000 in December. Mr. Mills asked about the IT payments. Ms. Sheeks said a new server was added, as well as other upgrades. Consulting payments to CSO for the office remodel was added because the current office space is no longer being remodeled and those expenses needed to be expensed.

Ms. Merrill commented on money spent at the end of the year on professional education. She said she was glad to see the investment and feels it is money well spent.

At 7:57 a.m. Mr. Hall re-entered the meeting and said Sterling National Bank would have their best and final offer before the committee meeting was over.

Mr. McDonald commented that commercial revenue came in close to the 2019 target. Ms. Sheeks said that some of the commercial reads come from Citizens and they are very inconsistent with providing reads to the billing department. Ms. Sheeks noted, in income, customer fees and reimbursements had a deposit of over \$60,000. This was the Duke reimbursed the Utility for the line hit on Spring Mill Road.

Mr. Mills asked how the Debt Service Reserve Fund will be funded. Ms. Sheeks said she will pull money from the money market account at Citizen's when she sees a figure.

Mr. McDonald asked if some of the project will be funded with cash. He asked for clarification on why the cash reserves will drop so low. Ms. Sheeks said the Capital Expenditures spreadsheet needs to be re-evaluated to determine what projects are being paid with cash and what is being paid with bond proceeds. Ms. Sheeks said there are many Capital Projects in the budget in the coming years that are not covered by the bond.

Mr. Mills said construction of the new office building will be just under \$1 million, which will be paid in cash. Mr. Williams said if development slows down and the Utility does not collect the projected development fees, other Capital Projects can be pushed back to conserve money.

FOG FEES

Mr. Williams said Mr. Watkins and Shaun Odom, the Utility's Pretreatment Coordinator, are implementing new software for the FOG program. All submittals will now be electronic. TriCo has not charged a fee to recoup costs associated with the FOG program. Mr. Watkins and Mr. Odom are proposing a \$25 per month charge for all FOG customers, to

recoup costs associated with the program. Other utilities in the area who have FOG programs charge fees like the one proposed, including: Citizens, Hamilton Southeastern and Merrillville. Mr. Williams said the proposed fee would generate around \$50,000 per year.

Mr. McDonald questioned how much of an impact a fee like this would have on a locally owned establishment. He is concerned about the impact of charging businesses who are not causing issues. Mrs. Poindexter pointed out locally owned businesses also violate the FOG Ordinance; it is not only the corporate owned businesses. Mr. McDonald clarified he was hoping there could be a way to impose fees on violators without penalizing businesses who comply with the ordinance.

Mr. Williams explained part of the logic is if everyone follows the FOG Ordinance, the Utility still has the expense of having a Pretreatment Inspector. Ms. Merrill said according to the proposal, the FOG program costs the Utility \$95,000 per year. The proposed fee would offset \$50,000 of this cost, leaving \$45,000 as an expense to the Utility.

Mr. Mills asked if Carmel charges a FOG Fee. He is concerned if there is a restaurant with two locations, one in Carmel's district and one in TriCo's, what the implications of charging a fee without Carmel not charging a similar fee would be to the perception of the Utility. Mr. Williams said the fee is not necessary for operation, staff is trying to come up with ways to offset Utility costs. Ms. Merrill asked if fines have recently been levied against violators as they have been in the past. Mr. Williams said yes, but some establishments have been paying the fee, so they have not been brought before B&F to be contested.

Mr. McDonald asked what qualifies a business to be part of the FOG program. Mr. Watkins said it is any business with a grease control device, either an oil separator or a grease trap. Mr. Williams said staff have been reviewing building plans before construction and recommending outside grease interceptors, which are more expensive on the front end but easier to inspect and maintain in the long run.

The committee decided they would like time to think about the proposed fee and vote on it at a later meeting.


Bonds

Mr. Hall said he received a response from Sterling National Bank with their final and best offer. Huntington's proposal was still the best offer and will be accepted.

The meeting adjourned at 8:28 a.m.

The next Budget and Finance Committee Meeting will be February 28, 2020 at 7:30 a.m.

Respectfully Submitted


Cindy Sheeks
Controller



MEMORANDUM

To: Board of Trustees

From: Andrew Williams

Date: February 5, 2020

Subject: Citizens / Byrum Service Agreement

On January 31, 2020, Citizens Energy Group informed TriCo that they had reached an agreement with Byrum and the Highland Latin School on sanitary sewer service to the School facilities planned for this parcel. The agreement is contingent on a wholesale arrangement between Citizens Westfield and TriCo. Attached is the agreement between Citizens, Byrum and the School. Also attached is the term sheet setting forth the terms Citizens Westfield proposes for the wholesale arrangement with TriCo. The final page is the term sheet sent to Byrum in December.

Citizens will present their proposal to the Board at the February 10 meeting.

Background

Service to this parcel was first presented to the Board in April 2016 and several Board Members have changed over this time period. The following is a brief background on this matter and the Board's past actions.

While TriCo has a wholesale agreement with Carmel Utilities to treat half of our collected flow at their WWTP, the Board has stated in the past that it did not want to be entangled in another wholesale agreement. In 2014, HSE Utilities requested a wholesale agreement to provide service for two residential properties at the NW corner of 146th Street and County Line Road. The Board rejected this request. Subsequently HSE released the area so TriCo could provide service.

Due to inquiries about service outside of our service area, TriCo conducted a study in 2017 to determine the availability of surplus capacity in the Eagle Creek Interceptor and Lift Station 14 (Austin Oaks). It was determined that TriCo could serve an additional 700 acres outside of our existing service area via Lift Station 14.

After 2 years of discussions regarding service to this parcel and even being drawn into an IURC hearing, there still was no agreement between Citizens and Byrum. At the May 14, 2018 Board of Trustees meeting, the Board approved the motion that if both Mr. Byrum and Citizens Westfield came to a joint agreement regarding service for Mr. Byrum's property, the Board would be willing to listen to a presentation and take the proposal under consideration.

In February 2019 TriCo received a non-binding draft term sheet from Citizens requesting capacity for 65 EDUs. Citizens and Byrum appeared to have a rough outline of an agreement. The parcel was zoned to allow a 10 EDU development and no development plan had been created at that time.

At the March 2019 C&C Committee meeting the draft terms from Citizens were discussed. There were questions about the increase from the previously discussed 3 EDUs to 65 EDUs and whether this increase was possible given the zoning. The matter was put on hold by Mr. Beall, Byrum's attorney.

In September 2019, Mr. Beall called to let TriCo know that the Byrums had a signed agreement with a private school contingent on them getting water and sewer access. Mr. Beall had contacted Citizens to work on an agreement to bring back to the Board.

On October 25, 2019, Hamilton Design requested information on the nearest manhole for connection to the sewer. The requested information was provided, but they were informed that TriCo had not agreed to service this area which is outside of its service territory.

On November 21, 2019, Hamilton Design submitted concept drawings and flow numbers. They were once again reminded that there was no agreement in place for TriCo to provide service.

Since this matter continued to consume staff time even though this parcel is outside of TriCo's service area, staff drafted terms of service which were presented at the December 2, 2019 C&C Committee meeting. These terms of service for the Byrum parcel could possibly be used for other properties north of 146th Street. The attached term sheet was sent to Mr. Beall, who responded that they were still negotiating with Citizens for service.

Staff strongly desires to retain control of all infrastructure connected to TriCo's collection system because TriCo is ultimately responsible for its operation and IDEM compliance.

**Proposed Wholesale Wastewater Service Agreement
Citizens Westfield Wastewater and TriCo Regional Sewer Utility
Term Sheet – January 30, 2020**

Purpose: TriCo Regional Sewer Utility (TriCo) to provide wholesale wastewater service to Citizens Wastewater of Westfield, LLC (“Citizens Westfield”) in order to facilitate Citizens Westfield’s provision of retail wastewater utility service to the proposed Highlands Latin School (the “School”) project to be constructed on property currently under contract for sale by the Byrum Family Partnership (“Byrum”) to the School, located at 3810 W. 146th Street (the “Property”) in the City of Westfield.

Terms:

1. Capacity: Wholesale treatment and interceptor capacity will be sized for TriCo to provide Citizens Westfield service on an equivalent 18 EDU capacity.
2. Wholesale Connection: Citizens Westfield will be responsible to construct a gravity main extension that would extend from the Property and connect to the TriCo system directly south of 146th Street to an appropriate access point on the existing TriCo wastewater system (the “Citizens Gravity Main Extension”).
3. Capacity Fee (non-refundable): Citizens Westfield will pay a one-time fee to TriCo of \$34,344 (18 EDU x \$1,908) for treatment capacity.
4. Interceptor Fee (non-refundable): Citizen Westfield will pay TriCo a one-time fee of \$130,848.25 (32.11 acres x \$4,075) for interceptor capacity.
5. Monthly Service Charges: Citizens Westfield will pay TriCo’s standard non-residential tariff rate for wholesale flows sent from the Citizens Gravity Main Extension to the TriCo system.
6. The initial term during which the wholesale arrangement described in this term sheet will remain in effect will be 15 years. Three years prior to the expiration of the initial term, TriCo and Citizens Westfield will have six months to discuss and decide whether to extend the arrangement for an additional five-year term. Following such six-month discussion period, if either TriCo or Citizens Westfield choose not to extend the wholesale arrangement beyond its initial term, the party desiring not to extend the arrangement will provide the other party written notice of such decision within 30 days. Upon the expiration of the wholesale arrangement, TriCo will have no further obligations to provide any service to Citizens Westfield or any owner or resident of the Property.

Disclaimer: It is Citizens Westfield’s intent to present the above proposal to the TriCo Capital and Construction Committee for consideration at its February 3, 2020 meeting and thereafter to present it to the TriCo Board during its February 10, 2020 meeting. Any final agreement is subject to, among other things, receipt of all internal and external consents and approvals deemed necessary or advisable by a party in its sole discretion.

Citizens Westfield Wastewater Service to Highlands Latin School

Wholesale Option

Term Sheet – January 30, 2020

Purpose: Citizens Wastewater of Westfield, LLC (“Citizens Westfield”) to provide wastewater utility service to the proposed Highlands Latin School (the “School”) facilities to be constructed on property currently under contract for sale by the Byrum Family Partnership (“Byrum”) to the School, located at 3810 W. 146th Street (the “Property”) in the City of Westfield.

Terms:

1. Capacity: Wastewater utility service will be sized to provide service to the school facilities based on an equivalent 18 EDU capacity.
2. Wholesale Arrangement with TriCo Regional Sewer Utility (“TriCo”): Citizens Westfield’s provision of service is contingent on reaching a satisfactory wholesale arrangement with TriCo pursuant to which TriCo and Citizens Westfield would reach agreement as to the terms of TriCo’s provision of wholesale service to Citizens Westfield, including but not limited to the following terms: (a) responsibility for the construction of a gravity main extension that would extend from the Property and connect to an appropriate access point on the existing TriCo system directly south of 146th Street. (the “Citizens Gravity Main Extension”); (b) agreement that such wholesale arrangement will remain in effect for an initial term of 15 years; and (c) agreement regarding the rights of TriCo and Citizens Westfield related to any extension of the wholesale arrangement after its initial term expires. Citizens agrees that if either TriCo or Citizens choose not to extend the wholesale arrangement beyond its initial term, Citizens will pay the costs necessary to extend and connect the Citizens Westfield collection system directly to the School’s facilities located on the Property.
3. School Collection System Facilities: The School will be responsible, at its sole expense, to construct all service pipes to all structures on the Property and any on-site gravity sewer required to connect the School’s collection system facilities to the Citizens Gravity Main Extension (described in paragraph 2 above) at a connection point to be located on the Property in accordance with Citizens Westfield’s Terms and Conditions for Service and its construction standards.
4. Deposits and Fees: Prior to commencement of construction of the Citizens Gravity Main Extension, the School will pay Citizens Westfield any applicable deposits and fees in accordance with Citizens Westfield’s Terms and Conditions for Service.
5. Total Cost to Extend Retail Wastewater Service: Citizens Westfield Wastewater estimates the total costs the School (or Byrum on behalf of the School) will be required to pay the utility to extend retail wastewater utility service to the Property (including reimbursement of any costs Citizens Westfield is required to pay TriCo to effect a wholesale arrangement) will not exceed \$250,000. The \$250,000 estimate includes reimbursement of the cost of the Citizens Gravity Main Extension and capacity and interceptor fees Citizens Westfield will pay TriCo. Byrum and/or the School will grant Citizens Westfield any on-site easements required at no cost to Citizens Westfield, including any easements required to connect the School’s facilities located on the Property directly to the Citizens Westfield collection system as described in paragraph 2 above. The foregoing costs do not include the costs the School is responsible for under paragraph 3 above.

6. Retail Service Charges: The School will pay Citizens Westfield's standard tariff rate and charges for wastewater utility service.

Disclaimer: In support of a proposal for a wholesale arrangement Citizens Westfield intends to present to TriCo, it is the parties' intent to present the above proposal to the TriCo Capital and Construction Committee for consideration at its February 3, 2020 meeting and thereafter to present it to the TriCo Board during its February 10, 2020 meeting. Any final agreement is subject to (a) the School's submission of a completed main extension application and Citizens Westfield's review and approval of the same; and (b) all parties receiving all internal and external consents and approvals deemed necessary or advisable by a party in its sole discretion.

Citizens Wastewater of Westfield, LLC

Byrum Family Partnership

By: _____ By: _____
Jeff Willman Clark Byrum

Highlands Latin School

By: _____
[Name]



January 28, 2020

Mr. Michael Allen
Citizen's Energy Group
2020 N. Meridian
Indianapolis, IN 46202

Mr. Allen and Citizen's Energy Group Leadership team,

Thank you for providing the latest proposals with the wastewater utility service options. Highlands needs to assure that we will have water and wastewater utility service to the property in a timely basis at the lowest possible cost. The two wholesale distribution agreements in your proposal for water and wastewater utility service provide us certainty of timing and lower cost needed for a successful outcome.

We are in agreement with the terms that you proposed regarding the water utility service of utilizing a wholesale arrangement with the City of Carmel's water utility for water supply including the total cost cap of \$80,000.00 for extending the retail water service to the property. We are in also aware of and in agreement with the revised terms that have been agreed upon between you and the Byrums regarding providing wastewater service to the school through a temporary wholesale distribution agreement with TriCo Utility Service Utility including the total cost cap of \$250,000.00. Once executed, these wholesale agreements provide us the necessary assurance of time and cost which will allow us to move forward with the school project and necessary fundraising efforts to support it. We are in full support of the two wholesale distribution agreements to provide water and wastewater to the property.

We appreciate Citizen's willingness to work quickly to get these wholesale agreements negotiated and finalized, which helps us move forward with our purchase of the property and building project.

Sincerely,

Tim Huston

Board President
Indy Latin School Association Inc. dba Highlands Latin School Indianapolis



**Draft Term Sheet
December 2, 2019**

1. Citizens-Westfield will release the Byrum parcel from its service area and TriCo will add the Byrum property to its service area. The Byrum parcel will immediately pay all system development fees due to TriCo for the proposed development.
2. TriCo agrees to serve the proposed development under the same ordinances and policies applicable to development within TriCo's service area. Sanitary sewer service will be provided to the property via gravity. All TriCo system development fees, construction requirements, user rates, and sewer use requirements apply to the development. TriCo will be responsible for operation and maintenance of dedicated sewer infrastructure. Fees and rates will be paid directly to TriCo. There will be no payment by the property owner, developer, or TriCo to Citizens-Westfield.
3. If sanitary sewers are not complete and in service within one year from the date of execution, the agreement will be null and void, and the property returned to Citizens-Westfield service area. TriCo will return 80 percent of system development fees paid less any reimbursed offsite construction costs.
4. If Citizens-Westfield connects the development to Citizens-Westfield sewers, disconnecting the development from TriCo sewers within five years from the date of execution of the agreement:
 - a. the property will be permanently returned to Citizens-Westfield service area,
 - b. TriCo will transfer ownership, operation and maintenance of dedicated infrastructure to Citizens-Westfield,
 - c. all costs to extend Citizens-Westfield sewers and to disconnect development from TriCo sewers will be paid by Citizens-Westfield, and
 - d. there will be no refund of system development fees paid to TriCo.
5. If Citizens-Westfield fails to extend sanitary sewer and serve the development within five years from the date of execution of the agreement, then the development shall remain permanently connected to TriCo sewers. There will be no payment by property owner, developer or TriCo to Citizens-Westfield.