



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.

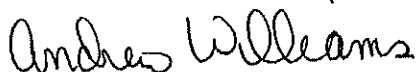
Adjournment

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.

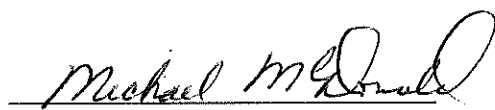
Respectfully submitted,



Andrew Williams
Utility Director

Approved:

as Presented
 as Amended


Michael McDonald, Secretary
Carl Mills, President