



## **TriCo Regional Sewer Utility**

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### **BUDGET & FINANCE COMMITTEE MEETING**

**Friday, July 24, 2020 @ 7:30 A.M.  
John Hensel Government Center  
Community Room**

1. Public Comment
2. Financials
3. Investment Policy
4. FOG Fees

Next Scheduled Meeting: Friday, August 28, 2020 @ 7:30 A.M.

TriCo Regional Sewer Utility  
 Budget & Finance Committee - Analysis of June 2020  
 July 16, 2020

**Income Statements**

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> (unfavorable)	Above / - Under Budget	<u>Explanation</u>
Residential	418,403	415,413	2,990	0.72%	Over Budget
Commercial	192,025	214,005	(21,980)	-10.27%	Under Budget
Other Revenue	12,443	15,583	(3,140)	-20.15%	Under Budget
Other Income	18,579	13,868	4,710	34%	Over Budget - interest
Total Revenue	641,451	658,870	(17,419)	-2.64%	Under Budget

Midway in 2020, revenue figures are at 47.50% to budget even with the commercial revenue decline due to COVID. Residential sales were up \$593 in June and were slightly above budget. Commercial revenue was up \$25,000 from May and \$21,980 below June's projection. Other revenue was under budget by \$3,140 (-20.15%). Late fees totalled \$6,699 in June. Other income was above budget with the addition of the bond interest in the money market accounts. June Total Sales of \$641,451 was \$17,419 under projected revenue of \$658,870 (-2.64%). Commercial revenue was the main reason revenue was below projections. Overall, commercial is down \$79,000 from projections since March. YTD revenue is 47.54% of budget.

**June Spending Analysis**

Wages & benefits in June were \$199,111 and over budget by \$5,289 (3.91%). YTD Spending is at 42.11% of budget. Administration spending in June was \$55,856 and \$7,531 under budget (11.8%). YTD spending is 14.21% of budget. Treatment costs in June were \$153,641 which is \$23,208 under budget (13.12%). YTD spending is 35.62% of budget. Collection costs were \$40,283 in June which was \$22,916 under budget (36.26%). YTD spending is 8.06% of budget.

**Total Operating expenses in June were \$448,893 which is \$48,366 under budget (9.73%). YTD spending is 49.60% of budget.**

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> (unfavorable)	Above / - Under Budget	<u>Explanation</u>
Wages	135,409	130,314	(5,095)	3.91%	Over budget - H ins waivers
Employee Insurance	38,346	30,904	(7,442)	24.08%	Over Budget - Mutual of Omaha invoices
Govt Center operations	5,070	4,041	(1,029)	25.46%	Over Budget - Now paying rent
Computer	20,996	15,833	(5,163)	32.61%	Over budget- IT Indpls
Carmel Treatment	82,125	120,000	37,875	-31.56%	Under budget - lower flow
Plant R & M	26,148	14,100	(12,048)	85.45%	Over budget- ACE Technology invoices
Lift Station R & M	17,932	15,000	(2,932)	19.55%	Over Budget - ACE Technology invoices
Vehicle R & M	1,098	200	(898)	449.00%	Over Budget - Pearson Ford repairs
Interest expense	238,140	42,120	(196,020)	465.38%	Over Budget - Bond payment due 7/1/20
Total Operating Expenses	448,893	497,260	48,367	-9.73%	Under budget

<b>Net Income (loss) net of depreciation</b>	<b>(107,036)</b>	<b>58,040</b>	<b>(165,076)</b>	<b>-284.42%</b>	<b>Over Projections- Bond payment made in June</b>
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Expenses were \$48,367 lower than budgeted in June.

### Cash Generated

Cash generated for June shows a net decrease in all operating funds by \$215,594 in June. Capital Spending during the month included admin office improvements, plant expansion, plant outfall, Haver Way, neighborhood sewers, and LS 14 elimination.

Individual fund balances and changes are listed on the Cash Generated Statements included with the monthly financial statements.

	June	March	+/- from last month	
Operating	\$ 4,734,047	\$ 4,793,189	\$ (59,142)	
Interceptor	\$ 513,465	\$ 499,773	\$ 13,692	
Plant Expansion	\$ 4,635,281	\$ 4,805,425	\$ (170,144)	
Operating Reserve	\$ 519,252	\$ 519,252	\$ -	
Reserve for Replacement	\$ 616,071	\$ 616,071	\$ -	\$ (215,594)
Subtotal	\$ 11,018,116	\$ 11,233,711	\$ (215,594)	
2020 Bond Funds	\$ 18,308,948	\$ 21,739,258	\$ (3,430,310)	
Total	\$ 29,327,064	\$ 11,233,711	\$ (3,645,905)	

Operating, Interceptor, Plant Exp and R4R cash decreased \$215,594 in June. Bond funds decreased \$3,430,310.

### Investments

The money market rates are .15% at Citizens, 1.0% and 1.5% at Merchants. \$10,000,000 in bond proceeds were transferred from Federated to Merchants. The Federated MM account is earning .14%. The MM account at Merchants is paying 1.0%. The MM accounts at Merchants sweep the funds out nightly into CD's to maintain appropriate deposit insurance. The District invested \$2,000,000 in December 2015 in a 5 year CD earning 2.05%. The CD comes due in July of this year. The bond fund accounts rate has dropped to .14% resulting in \$1,310 in interest during June. The interest earned at Merchants was \$13,788 in June, \$221 at Citizens and accrued interest at Fifth Third of \$3,369.

<b>TriCo Regional Sewer Utility</b>								
<b>Income Statement</b>								
June 2020								
		<b>Actual</b>	<b>Budget</b>					
		<b>MTD thru</b>	<b>MTD thru</b>			<b>Actual</b>	<b>Annual</b>	
		<b>06/30/2020</b>	<b>06/30/2020</b>	<b>Variance</b>	<b>% MTD</b>	<b>YTD</b>	<b>Budget</b>	<b>% YTD</b>
Sales								
Residential								
4001-1	Sales - Residential	418,403.38	415,413.00	2,990.38	100.72 %	2,496,107.53	4,975,000.00	50.17 %
Residential		418,403.38	415,413.00	2,990.38	100.72 %	2,496,107.53	4,975,000.00	50.17 %
Commercial								
4003-1	Sales - Commercial	192,025.24	214,005.00	(21,979.76)	89.73 %	1,092,756.40	2,613,000.00	41.82 %
Commercial		192,025.24	214,005.00	(21,979.76)	89.73 %	1,092,756.40	2,613,000.00	41.82 %
Other Revenue								
4005-1	Late Charges	6,699.79	8,083.33	(1,383.54)	82.88 %	23,927.75	97,000.00	24.67 %
4007-1	Applications Fees	5,743.50	5,416.67	326.83	106.03 %	27,532.50	65,000.00	42.36 %
4009-1	Plan Reviews, Inspections, Misc. F	0.00	2,083.33	(2,083.33)	0.00 %	7,465.71	25,000.00	29.86 %
Other Revenue		12,443.29	15,583.33	(3,140.04)	79.85 %	58,925.96	187,000.00	31.51 %
Total Sales		622,871.91	645,001.33	(22,129.42)	96.57 %	3,647,789.89	7,775,000.00	46.92 %
Other Income								
4501-1	Interest - Investments	3,369.00	3,333.33	35.67	101.07 %	28,841.06	40,000.00	72.10 %
4503-1	Interest - Banking	15,139.92	10,416.67	4,723.25	145.34 %	99,404.58	125,000.00	79.52 %
4507-1	Bank Fees	(55.00)	(20.00)	(35.00)	275.00 %	(335.00)	(240.00)	139.58 %
4601-1	Interest - by project	124.88	130.00	(5.12)	96.06 %	928.17	1,500.00	61.88 %
4701-1	Customer Fees & Reimbursements	0.00	0.00	0.00	0.00 %	(1,143.05)	0.00	0.00 %
4901-1	Misc Income/Expense	0.00	8.33	(8.33)	0.00 %	0.10	100.00	0.10 %
Other Income		18,578.80	13,868.33	4,710.47	133.97 %	127,695.86	166,360.00	76.76 %
Total Revenue		641,450.71	658,869.66	(17,418.95)	97.36 %	3,775,485.75	7,941,360.00	47.54 %
Operating Expenses								
Wages & Benefits								
5001-1	Gross Wages	135,408.88	130,313.92	(5,094.96)	103.91 %	823,003.26	1,563,767.00	52.63 %
5003-1	Other Employee Exp	2,525.93	1,000.00	(1,525.93)	252.59 %	12,283.97	12,000.00	102.37 %
5005-1	Retirement Plan - Hoosier START	13,095.76	17,801.00	4,705.24	73.57 %	81,876.92	154,277.00	53.07 %
5007-1	Employee Insurance	38,346.66	30,904.58	(7,442.08)	124.08 %	181,473.69	370,855.00	48.93 %
5009-1	Taxes (Employer FICA)	9,734.70	13,803.00	4,068.30	70.53 %	58,980.00	119,628.00	49.30 %
Wages & Benefits		199,111.93	193,822.50	(5,289.43)	102.73 %	1,157,617.84	2,220,527.00	52.13 %

		Actual	Budget					
		MTD thru	MTD thru			Actual	Annual	
		06/30/2020	06/30/2020	Variance	% MTD	YTD	Budget	% YTD
Administration								
5101-1	Clay Township Govt Center Opera	5,070.29	4,041.67	(1,028.62)	125.45 %	26,900.10	48,500.00	55.46 %
5103-1	Professional Education	133.45	1,666.67	1,533.22	8.01 %	9,353.23	20,000.00	46.77 %
5105-1	Boardmember Fees	1,550.00	1,583.33	33.33	97.89 %	9,600.00	19,000.00	50.53 %
5107-1	Board Expense	20.11	125.00	104.89	16.09 %	582.81	1,500.00	38.85 %
5109-1	Consulting	150.00	4,166.67	4,016.67	3.60 %	176.16	50,000.00	0.35 %
5111-1	Computer Expenses/Consultants	20,996.42	15,833.33	(5,163.09)	132.61 %	136,093.68	190,000.00	71.63 %
5113-1	Insurance	9,708.25	9,166.67	(541.58)	105.91 %	65,126.44	110,000.00	59.21 %
5115-1	Accounting Fees	0.00	416.67	416.67	0.00 %	1,200.00	5,000.00	24.00 %
5117-1	Legal Fees	680.00	2,916.67	2,236.67	23.31 %	17,582.49	35,000.00	50.24 %
5119-1	Engineering Fees	0.00	2,500.00	2,500.00	0.00 %	2,087.17	30,000.00	6.96 %
5125-1	Professional Affiliations	35.00	583.33	548.33	6.00 %	819.00	7,000.00	11.70 %
5127-1	Travel & Mileage	89.70	583.33	493.63	15.38 %	3,302.05	7,000.00	47.17 %
5129-1	Collection	890.00	750.00	(140.00)	118.67 %	1,870.65	9,000.00	20.79 %
5131-1	Billing Service Contracts	7,952.68	6,000.00	(1,952.68)	132.54 %	50,414.36	92,000.00	54.80 %
5133-1	Bad Debt Expense	0.00	125.00	125.00	0.00 %	0.00	1,500.00	0.00 %
5135-1	Office Expense	195.08	833.33	638.25	23.41 %	4,893.20	10,000.00	48.93 %
5137-1	Postage Expense	5,763.67	5,012.50	(751.17)	114.99 %	32,199.81	60,150.00	53.53 %
5139-1	Office Services	2,621.62	5,000.00	2,378.38	52.43 %	24,866.77	60,000.00	41.44 %
5141-1	Customer Outreach & Education	0.00	2,083.33	2,083.33	0.00 %	3,553.52	25,000.00	14.21 %
Administration		55,856.27	63,387.50	7,531.23	88.12 %	390,621.44	780,650.00	50.04 %
Treatment								
5201-1	Sewage Treatment - Carmel WWT	82,125.50	120,000.00	37,874.50	68.44 %	573,583.62	1,200,000.00	47.80 %
5203-1	Sewer Sampling & Lab	5,593.89	4,100.00	(1,493.89)	136.44 %	44,878.04	50,000.00	89.76 %
5205-1	Biosolids Disposal	11,263.77	13,000.00	1,736.23	86.64 %	83,749.89	165,000.00	50.76 %
5207-1	Plant R & M	26,148.93	14,100.00	(12,048.93)	185.45 %	88,127.76	170,000.00	51.84 %
5209-1	Utilities - Plant	24,823.08	22,000.00	(2,823.08)	112.83 %	156,235.67	295,000.00	52.96 %
5211-1	Operating Supplies - Plant	3,808.08	2,400.00	(1,408.08)	158.67 %	16,167.51	29,000.00	55.75 %
5213-1	Safety Materials & Training	(121.90)	1,250.00	1,371.90	(9.75)%	6,431.22	15,000.00	42.87 %
5215-1	Permits	0.00	0.00	0.00	0.00 %	10,180.00	10,500.00	96.95 %
Treatment		153,641.35	176,850.00	23,208.65	86.88 %	979,353.71	1,934,500.00	50.63 %
Collection System								
5301-1	Lift Station R & M	17,932.27	15,000.00	(2,932.27)	119.55 %	59,310.35	125,000.00	47.45 %
5303-1	Line Maintenance	1,119.87	6,000.00	4,880.13	18.66 %	11,280.78	55,000.00	20.51 %
5305-1	Line Repair	1,899.20	7,300.00	5,400.80	26.02 %	5,617.22	50,000.00	11.23 %
5307-1	Equipment Repair	338.87	2,500.00	2,161.13	13.55 %	2,200.63	20,000.00	11.00 %
5313-1	Vehicle R & M	1,098.29	200.00	(898.29)	549.15 %	8,162.39	8,000.00	102.03 %
5315-1	Fuel	2,003.25	1,600.00	(403.25)	125.20 %	8,604.38	20,000.00	43.02 %
5317-1	Utilities - Lift Stations	13,945.47	16,250.00	2,304.53	85.82 %	90,831.70	195,000.00	46.58 %
5319-1	Operating Supplies - Collection Sy	0.00	1,250.00	1,250.00	0.00 %	4,504.45	15,000.00	30.03 %

		Actual MTD thru 06/30/2020	Budget MTD thru 06/30/2020	Variance	% MTD	Actual YTD	Annual Budget	% YTD
5321-1	Manhole R&M	707.94	10,000.00	9,292.06	7.08 %	17,006.96	66,000.00	25.77 %
5322-1	Televising	0.00	2,000.00	2,000.00	0.00 %	10,893.95	40,000.00	27.23 %
5323-1	Uniforms & Shop Towels	1,238.46	1,100.00	(138.46)	112.59 %	3,181.28	13,000.00	24.47 %
	Collection System	40,283.62	63,200.00	22,916.38	63.74 %	221,594.09	607,000.00	36.51 %
	Total Operating Expenses	448,893.17	497,260.00	48,366.83	90.27 %	2,749,187.08	5,542,677.00	49.60 %
	Interest Expense							
5801-1	Interest Expense	238,140.00	42,120.00	(196,020.00)	565.38 %	406,620.00	463,320.00	87.76 %
	Total	238,140.00	42,120.00	(196,020.00)	565.38 %	406,620.00	463,320.00	87.76 %
	Total Interest Expense	238,140.00	42,120.00	(196,020.00)	565.38 %	406,620.00	463,320.00	87.76 %
	Depreciation							
5901-1	Depreciation	353,675.86	353,670.70	(5.16)	100.00 %	2,122,041.66	4,244,048.40	50.00 %
	Depreciation	353,675.86	353,670.70	(5.16)	100.00 %	2,122,041.66	4,244,048.40	50.00 %
	Amortization							
5911-1	Amortization of CIAC	(292,222.00)	(292,222.00)	0.00	100.00 %	(1,753,332.00)	(3,506,664.00)	50.00 %
	Amortization	(292,222.00)	(292,222.00)	0.00	100.00 %	(1,753,332.00)	(3,506,664.00)	50.00 %
	Total Expenses	748,487.03	600,828.70	(147,658.33)	124.58 %	3,524,516.74	6,743,381.40	52.27 %
	NET SURPLUS/(DEFICIT)	(107,036.32)	58,040.96	(165,077.28)	(184.42)%	250,969.01	1,197,978.60	20.95 %

# TriCo Regional Sewer Utility

## Balance Sheet

June 2020

	Actual as of 06/30/2020	Actual as of 06/30/2019	% of Prior Year
<b>ASSETS</b>			
Utility Plant	119,382,383.33	114,111,682.04	104.62 %
Current Assets			
Cash & Investments			
Cash & Investments - Operating Fund	4,734,047.47	2,984,032.10	158.65 %
Cash & Investments - Operating Reserve	519,252.00	2,192,400.00	23.68 %
Cash & Investments - Reserve for Replacement	616,071.15	456,963.76	134.82 %
Cash & Investments - Interceptor Fund	513,465.30	312,111.27	164.51 %
Cash & Investments - Plant Expansion Fund	4,635,281.21	4,493,995.59	103.14 %
Cash & Investments - 2020 Bond Funds	18,308,948.18	0.00	0.00 %
Total Cash & Investments	29,327,065.31	10,439,502.72	280.92 %
Accounts Receivable	1,192,767.48	1,250,795.83	95.36 %
Liens Receivable	41,906.59	31,689.24	132.24 %
Invoiced Receivables	256,464.67	212,885.16	120.47 %
Notes & Interest Receivable	25,669.22	35,575.10	72.16 %
Investment Interest Receivable	203,427.00	162,427.00	125.24 %
Other Current Assets	274,745.67	252,325.73	108.89 %
Current Assets	31,322,045.94	12,385,200.78	252.90 %
<b>TOTAL ASSETS</b>	<b>150,704,429.27</b>	<b>126,496,882.82</b>	<b>119.14 %</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>			
<b>LIABILITIES</b>			
Current Liabilities			
Invoiced Payables	116,138.80	109,352.05	106.21 %
Accounts Payable	639,574.77	23,468.05	2,725.30 %
Accrued Paid Leave	89,777.21	83,398.41	107.65 %
Other Current Liabilities	810,987.81	651,129.18	124.55 %
Total Current Liabilities	1,656,478.59	867,347.69	190.98 %
Long-Term Liabilities			
Bonds Payable	22,000,000.00	0.00	0.00 %
Long-Term Liabilities	22,000,000.00	0.00	0.00 %
<b>TOTAL LIABILITIES</b>	<b>23,656,478.59</b>	<b>867,347.69</b>	<b>2,727.45 %</b>
<b>EQUITY</b>			
Retained Earnings	28,595,330.47	26,880,751.99	106.38 %
Construction in Aid	98,452,620.21	98,748,783.14	99.70 %
<b>TOTAL EQUITY</b>	<b>127,047,950.68</b>	<b>125,629,535.13</b>	<b>101.13 %</b>
<b>Total</b>	<b>150,704,429.27</b>	<b>126,496,882.82</b>	<b>119.14 %</b>

**TriCo Regional Sewer Utility**  
**Cash Generated**  
June 2020

	<b>Operating</b>	<b>Interceptor</b>	<b>Plant Expansion</b>	<b>Operating Reserve</b>	<b>Reserve for Replacement</b>	<b>2020 Bond Funds</b>	<b>2020 Bonds DSR</b>	<b>TOTAL</b>
Beginning Balance	4,793,189	499,773	4,805,424	519,252	616,071	20,063,881	1,675,378	32,972,968
Receipts:								
Deposits	622,650	14,018	27,265	0	0	0	5	663,938
Interest	14,009	0	0	0	0	1,020	110	15,139
Transfers	0	0	0	0	0	0	0	0
Total Receipts	636,659	14,018	27,265	0	0	1,020	115	679,077
Disbursements:								
Checks	518,865	0	196,020	0	0	40	0	714,925
Carmel Utilities	0	0	0	0	0	0	0	-
Plant Outflow 1701/1906	0	0	1,389	0	0	0	0	1,389
Plant Odor Control-1505	0	0	0	0	0	0	0	-
LS 8 Upgrades - 1904	0	0	0	0	0	0	0	-
LS 14 Forcemain Extension 1901	0	0	0	0	0	0	0	-
96th Keyston Repairs	0	0	0	0	0	0	0	-
LS 4 Elim - 1801	0	0	0	0	0	0	0	-
106th St Parallel FM-1601	0	0	0	0	0	0	0	-
Office Remodel	176,936	0	0	0	0	0	0	176,936
Neighborhood sewers	0	0	0	0	0	0	0	-
96th Keystone Relocate - 1702	0	0	0	0	0	0	0	-
Plant Expansion - 1902	0	0	0	0	0	3,431,406	0	3,431,406
Springmill Interceptor-1602	0	0	0	0	0	0	0	-
Haver Way - 1802	0	326	0	0	0	0	0	326
Transfers	0	0	0	0	0	0	0	0
Total Disbursements	695,801	326	197,409	0	0	3,431,446	0	599,676
Net Increase/(Decrease)	-59,142	13,692	-170,144	0	0	-3,430,426	115	121,650
Petty Cash								
Ending Balance	4,734,047	513,465	4,635,281	519,252	616,071	16,633,455	1,675,493	29,327,064

**TriCo Regional Sewer Utility**  
**Cash Generated**  
YTD June 2020

	<u>Operating</u>	<u>Interceptor</u>	<u>Plant Expansion</u>	<u>Operating Reserve</u>	<u>Reserve for Replacement</u>	<u>2020 Bond Funds</u>	<u>2020 Bonds DSR</u>	<u>TOTAL</u>
Beginning Balance	4,312,294	258,992	4,699,335	2,192,400	679,577	0	0	12,142,598
Receipts:						-	-	
Deposits	3,743,979	475,204	324,494	-	-	22,000,000	5	26,543,681
Interest	75,208	-	-	-	-	30,356	2,350	107,913
Transfers	-	-	-	-	-	-	1,673,148	1,673,148
Total Receipts	3,819,187	475,204	324,494	0	0	22,030,356	1,675,503	28,324,742
Disbursements:								
Checks	2,565,307	0	197,838	0	63,506	170	10	2,111,906
Carmel Utilities	399,052	0	0	0	0	0	0	399,052
Plant Outflow 1701/1906	0	0	17,028	0	0	0	0	15,639
Plant Odor Control-1505	0	0	0	0	0	0	0	0
LS 8 Upgrades - 1904	0	0	0	0	0	0	0	0
LS 14 Forcemain Extension 1901	0	117,735	0	0	0	0	0	117,735
96th Keyston Repairs	0	0	0	0	0	0	0	0
LS 4 Elim - 1801	0	0	0	0	0	0	0	0
106th St Parallel FM-1601	0	0	0	0	0	0	0	0
Office Remodel	433,076	0	0	0	0	0	0	256,141
Neighborhood sewers	0	67,750	0	0	0	0	0	67,750
96th Keystone Relocate - 1702	0	0	0	0	0	0	0	0
Plant Expansion - 1902	0	0	173,682	0	0	5,396,730	0	2,139,007
Springmill Interceptor-1602	0	0	0	0	0	0	0	0
Haver Way - 1802	0	35,246	0	0	0	0	0	34,920
Transfers	0	0	0	1,673,148	0	0	0	1,673,148
Total Disbursements	3,397,435	220,731	388,547	1,673,148	63,506	5,396,900	10	6,815,296
Net Increase/(Decrease)	421,751	254,473	(64,054)	(1,673,148)	(63,506)	16,633,455	1,675,493	17,184,465
Petty Cash								
Ending Balance	4,734,045	513,465	4,635,281	519,252	616,071	16,633,455	1,675,493	29,327,063

2020 Capital Budget

Project		Funding Source	2020	June	YTD Spending	Note/Justification
Location	No.      Project					
WRRF	Michigan Road Water Resource Recovery Facility					
	1902	WRRF Expansion	Plant Expansion	\$ -	\$ 74,400	Includes capacity-related work (3rd screen, 2 clarifiers, 4 VLRs, genset, UV)
	1902	WRRF Expansion (grit)	Operating	\$ 1,400,000	\$ -	New grit removal equipment
	1902	WRRF Expansion Alt 1 (clarifiers 1-3 repl)	Reserve for Replacement	\$ 1,100,000	\$ -	Replaces 3 small aging clarifiers
	1902	WRRF Expansion Alt 2 (office site work)	Operating	\$ 590,000	\$ 17,598	Site work required for office project
	1902	WRRF Expansion	Plant Expansion	\$ -	\$ 67,444	Site work required for office project
	1902	WRRF Expansion	Bond Proceeds	\$ 11,000,000	\$ 1,779,578	\$ 5,396,730 Site work required for office project
	1906	WRRF Outfall Sewer Expansion	Plant Expansion	\$ 2,300,000	\$ 3,183	\$ 18,822 '19 budget reduced due to late start
	1910	WRRF Office Unification	Operating	\$ 2,300,000	\$ 226,982	\$ 660,058 Includes building, site, FFE, repl of aging bldg systems. Sale of admin office not included.
	2502	WRRF Belt filter press replacement	Reserve for Replacement		\$ -	
		Annual Plant Improvement & Repair Projects/Feb Digester Mods	Operating	\$ 150,000	\$ 29,250	Typical annual expenditures
LS 1	Carmel Creek					
	1802	Haver Way/Whitley Drive Lift Station & Sewer Reconstruction	Interceptor	\$ 650,000	\$ 601	\$ 33,821 Amounts budgeted do not include contribution or future reimbursement from property owners
	2201	LS 1 Replace wet weather pumps, generator, wet well piping	Reserve for Replacement		\$ -	Replace equipment at the end of its service life.
LS 2	Meridian Corridor					
	2002	LS 2 Odor Control System Replacement	Reserve for Replacement	\$ 200,000	\$ -	Moved project to 2020. May be cancelled.
	2401	106th Street Parallel Force main (LS 2 to Ditch Road)	Interceptor		\$ -	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	Interceptor		\$ -	Combine this project with the LS19 elimination project.
LS 6	Waldon Pond					
	2104	Interceptor extension & lift station elimination	Interceptor		\$ -	Timing is development driven.
LS 7	Laurelwood Sub					
		Pump replacements	Reserve for Replacement		\$ -	
LS 8	Laurelwood					
	2101	LS 8 Reconstruction + new force main to 106th St	Operating		\$ -	Wet weather capacity needed. Scope is pending force main troubleshooting and I&I removal
LS 9	Towne Road					
		Pump & control panel replacement	Reserve for Replacement		\$ -	
LS 10	Michigan Road					
	2102	LS 10 Replace pumps, wet well piping, controls, backup generator	Reserve for Replacement		\$ -	Wet weather capacity needed. Scope is pending force main troubleshooting
LS 11	Boone County					
	1911	Pump and control panel replacement	Reserve for Replacement	\$ 100,000	\$ -	Added to 2019 budget due to pump failure, age
LS 12	Kingsmill					
		(no projects)			\$ -	
LS 14	Austin Oaks					

2020 Capital Budget

Project		Project	Funding Source	2020	June	YTD Spending	Note/Justification
Location	No.						
	1901	Parallel force main extension	Interceptor	\$ 925,000	\$ 160,354	\$ 276,151	'19 budget reduced due to late start
	2202	LS 14 Generator replacement & control upgrades	Reserve for Replacement			\$ -	Replace equipment at the end of its service life.
	2001	LEC Interceptor extension	Interceptor	\$ 500,000		\$ -	Timing is development driven.
LS 16	Zionsville Presbyterian						
	1905	LS 16 Replacement/relocation	Interceptor	\$ 400,000		\$ -	Timing is development driven.
LS 17	Zion Hills						
	2501	LS 17 Pump & electrical upgrades	Reserve for Replacement			\$ -	Timing is based on when capacity is needed.
LS 18	Train Express						
		Pump replacements	Reserve for Replacement			\$ -	Replace pumps at the end of their service life.
LS 19	Village of West Clay						
	2601	Interceptor extension & lift station elimination	Interceptor			\$ -	Combine this project with the LS5 elimination project.
LS 20	Mayflower Park						
		Pump replacement	Reserve for Replacement			\$ -	Replace pumps at the end of their service life.
LS 21	High Grove						
	2301	Interceptor extension & lift station elimination	Interceptor			\$ -	Timing is development driven.
LS 22	North Augusta						
		Pump replacement	Reserve for Replacement			\$ -	
LS 23	126th Street						
	2203	LS 23 Pump & electrical upgrades	Reserve for Replacement			\$ -	Timing is based on when capacity is needed.
LS 24	Parkwood West						
		Pump & control panel replacement	Reserve for Replacement			\$ -	
LS 25	Towne Oak Estates						
		Pump replacement	Reserve for Replacement			\$ -	
LS 26	Jacksons Grant						
	2103	LS 26 additional pumps, backup generator & parallel force main extension	Interceptor			\$ -	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	Reserve for Replacement	\$ 150,000	\$ 32,600	\$ 64,128	Repairs are made as problems are found during televising.
	1908	Brandywine, Crossfields, Larkspur, Oak Tree, North Augusta and Lakewood Gardens Sewer Extension	Interceptor			\$ 50,250	'19 neighborhood sewer project
		Future Sewer Extension Projects	Interceptor	\$ 300,000	\$ 22,500	\$ 40,000	Extend service into unsewered neighborhoods
Equipment							
		Vehicles	Operating			\$ -	Scheduled Replacement of Vehicles
		Laboratory Equipment	Reserve for Replacement	\$ 5,000		\$ -	Replacement and Upgrades to Lab equipment
		240, 480 Selectable portable Genset	Reserve for Replacement			\$ 3,596	Existing Generators are from 1985 & 1992
		FirstNET Lift Station Radios	Reserve for Replacement	\$ 19,000		\$ 20,377	Replace existing radios with FirstNET radios.
		UV Module	Reserve for Replacement	\$ 15,000		\$ 14,754	A spare UV Module for stock.
		Plant Radar Level Sensors	Reserve for Replacement	\$ 12,000		\$ -	Units will replace the existing pressure transducers.
		Hand Held Sludge Blanket Sensor	Operating	\$ 8,000		\$ 7,483	Two hand held sludge blanket sensors.
		Plant Fiber Optic Cable Mapping	Operating	\$ 25,000		\$ 3,775	Map and correctly terminate the plant Fiber.



# TriCo Regional Sewer Utility Cash & Investments

June 30, 2020

Bank & Purch Date	Account	Amount	Maturity Date	Rate	Fund
<b><u>Citizens State Bank</u></b>					
	Checking	\$ 569,188		0.05%	All funds
	Money Market	\$ 651,161		0.25%	Operating, Oper Res, R4R
<b><u>Merchants Bank of Indiana</u></b>					
	Money Market	\$ 6,947,883		1.50%	Plant Expansion, Operating
	Money Market	\$ 10,890,938		0.995%	Plant Exp, Oper, Oper Res, R4R
<b><u>Huntington Bank</u></b>					
	2020 Bonds	\$ 18,913		0.00%	Bond Proceeds
	2020 Bonds MM	\$ 7,996,468		0.14%	Bond Proceeds
	2020 DSR	\$ 4,995		0.00%	DSR Fund
	2020 DSR MM	\$ 1,670,497		0.14%	DSR Fund
<hr/>					
<b><u>Fifth Third Bank</u></b>					
7/15/2015	CD - 5 years	\$ 2,000,000	7/15/2020	2.05%	Operating Reserve, Oper
TOTAL CASH & Investments		<u>\$ 30,750,044</u>		0.22%	Interest rate - Total
Less: Cash		<u><u>\$ 28,750,044</u></u>		0.07%	Interest rate - Cash
NET INVESTMENTS		<u><u>\$ 2,000,000</u></u>		2.05%	Interest rate - Investments



## Memorandum

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To: Budget and Finance Members

From: Cindy Sheeks, Controller

Date: July 21, 2020

Subject: Investment Policy Resolution

Indiana Code 5-13-9 permits the fiscal officer of a political subdivision to invest or reinvest funds in accordance with an investment policy adopted by the fiscal body of the political subdivision. The previous policy was passed by the Board on May 11, 2015. IC 5-13-9-5.7 (b) limits the duration of the policy to four years so it is necessary to renew it and update the expiration date. The new expiration date will be August 10, 2024. No other changes were made. A copy of IC 5-13-9 is included for your review.

## RESOLUTION NO. 8-10-2020

A resolution replacing the Investment Policy of the Utility approved by the Board on May 11, 2015.

WHEREAS, I.C. 5-13-9 (the "Act") permits the fiscal officer of a political subdivision to invest or reinvest funds in accordance with an investment policy adopted by the fiscal body of the political subdivision; and

WHEREAS, the Board of Trustees (the "Board"), as the fiscal body of TriCo Regional Sewer Utility desires to adopt an investment policy in accordance with the Act, to confirm the designation of the Controller as the Fiscal Officer of the Utility and to take other actions set forth herein; and

WHEREAS, the Utility desires to take advantage of higher interest rates offered by authorized investments under the Act while assuring that public funds are available for their intended uses; and

WHEREAS, Section 5.7 of the Act authorizes the Board to approve the investment of public funds for periods in excess of two (2) years, but not longer than five (5) years, and the Board desires to grant such authority to the Controller as the Utility's fiscal and investing officer.

***Now, therefore, be it resolved by the Board of Trustees of the TriCo Regional Sewer Utility, Indiana:***

**Section 1.** Funds will be invested in a manner to conform to state statutes governing public funds investments, including the Act. The primary objectives in priority order are: safety of principal, liquidity to meet operating and capital cash requirements, and return on investment.

**Section 2.** The Controller is hereby authorized to invest up to twenty-five percent (25%) of the Utility's total portfolio for periods in excess of two (2) years but not more than five (5) years as provided under Section 5.7 of the Act.

**Section 3.** The Controller will recommend all investment amounts and maturity terms to the Utility Director prior to bidding. The Utility Director may adjust the investment and will approve the amount and terms prior to bidding.

**Section 4.** The Controller will solicit bids from financial institutions as required by state statutes governing public funds investments, including the Act. The Controller will review and record all investment bid offers and present the list to the Utility Director for approval of the winning bid. The winning bid will be selected as outlined in the Act.

**Section 5.** Authorized investments include all financial instruments approved in the Act with the exception of obligations related to the International Bank for Reconstruction and Development and the African Development Bank.

**Section 6.** This policy shall expire on August 10, 2024 – four (4) years after it takes effect.

***PASSED AND ADOPTED*** by the Board of Trustees of the TriCo Regional Sewer Utility on the \_\_\_\_\_ day of \_\_\_\_\_, 2020

## BOARD OF TRUSTEES:

Approve

Oppose

Abstain

Carl S Mills President			
Steve Pittman Vice President			
Michael McDonald Secretary			
Jane Merrill Treasurer			
Eric Hand			
Jeffrey Kimbell			
Charles Ryerson			
Barbara Lamb			
Jeffrey Hill			

Attest: \_\_\_\_\_

Andrew Williams  
Utility Director

**IC 5-13-9****Chapter 9. Deposit and Investment Powers**

5-13-9-0.3	Legalization of investment in certain public funds
5-13-9-0.4	Legalization of certain investment of public funds
5-13-9-1	Investment powers; funds that may be invested
5-13-9-2	Investment of funds held in securities; cost in excess of par; protecting interest in funds invested; legal custodians; safekeeping receipts
5-13-9-2.4	Repealed
5-13-9-2.5	Permitted investments; limitations
5-13-9-3	Repurchase agreements; funds held by officer and available for investment; obligations held as collateral
5-13-9-3.3	Investment of funds in obligations issued, assumed, or guaranteed by International Bank for Reconstruction and Redevelopment or African Development Bank
5-13-9-3.5	Investment and reinvestment of funds; participation in loans; lending securities
5-13-9-4	Deposit, investment, or reinvestment of funds in transaction accounts; certificates of deposit; deposit accounts
5-13-9-5	Authorization to invest in certificates of deposit; quotes from depositories
5-13-9-5.3	Authorization to invest in interest bearing deposit accounts; conditions; exemption from security or pledging requirements
5-13-9-5.6	Final maturity; investment policy
5-13-9-5.7	Political subdivision investment policy
5-13-9-6	Interest received from investment; deposit; receipt; reinvestment; disposition
5-13-9-7	Repealed
5-13-9-8	Service charges; consideration in computing interest rate; payment by direct charge or from interest earned; reporting by political subdivision
5-13-9-8.5	Designation as public funds
5-13-9-9	Prohibited acts
5-13-9-10	County joint investment fund; participating political subdivisions; written master agreement; administration of board; interest payments
5-13-9-11	Local government investment pool

**IC 5-13-9-0.3****Legalization of investment in certain public funds**

Sec. 0.3. An investment in public funds (as defined in IC 5-13-4-20):

(1) made or entered into before March 21, 1996; and

(2) that:

(A) would have been in compliance with this chapter, as amended by P.L.18-1996, if this chapter, as amended by P.L.18-1996, had been in effect at the time the investment was made or agreement entered into;

(B) is no longer in effect on March 21, 1996; or

(C) is brought into compliance with this chapter, as amended by P.L.18-1996, not later than June 19, 1996;

is legalized and validated.

*As added by P.L.220-2011, SEC.93.*

**IC 5-13-9-0.4****Legalization of certain investment of public funds**

Sec. 0.4. An investment of public funds (as defined in IC 5-13-4-20, as in effect before February 27, 1996):

(1) made under a repurchase or resale agreement, including a standing repurchase or resale agreement, that was entered into before February 27, 1996; and

(2) that:

(A) would have been in compliance with section 3 of this chapter, as amended by P.L.41-1996, if section 3 of this chapter, as amended by P.L.41-1996, had been in effect at the time the repurchase or resale agreement, including a standing repurchase or resale agreement, was entered into;

(B) is no longer in effect on February 27, 1996; or

(C) is brought into compliance with section 3 of this chapter, as amended by

P.L.41-1996, not later than May 27, 1996;  
is legalized and validated.  
*As added by P.L.220-2011, SEC.94.*

**IC 5-13-9-1                      Investment powers; funds that may be invested**

Sec. 1. (a) Except as provided in subsection (b), in addition to any other statutory power to make investments, each county treasurer and each fiscal officer of any political subdivision other than a county, under the guidelines established, respectively, by the board of county commissioners of each county and the fiscal body of any other subdivision, and any other officer of a local government entity authorized by statute or court order to make investments, may invest any funds held by each in accordance with this chapter.

(b) The treasurer of state may invest funds under sections 2(a)(3) and 2.5 of this chapter.

(c) The funds that may be invested under this chapter include money raised by bonds issued for a future specific purpose, sinking funds, depreciation reserve funds, gift, bequest or endowment, and any other funds available for investment.

*As added by P.L.19-1987, SEC.11. Amended by P.L.18-1996, SEC.11; P.L.134-1999, SEC.1; P.L.220-2003, SEC.1; P.L.102-2014, SEC.1.*

**IC 5-13-9-2                      Investment of funds held in securities; cost in excess of par;  
protecting interest in funds invested; legal custodians;  
safekeeping receipts**

Sec. 2. (a) Each officer designated in section 1 of this chapter may invest or reinvest any funds that are held by the officer and available for investment in any of the following:

(1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by any of the following:

- (A) The United States Treasury.
- (B) A federal agency.
- (C) A federal instrumentality.
- (D) A federal government sponsored enterprise.

(2) Securities fully guaranteed and issued by any of the following:

- (A) A federal agency.
- (B) A federal instrumentality.
- (C) A federal government sponsored enterprise.

(3) Municipal securities issued by an Indiana local governmental entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase. A security purchased by the treasurer of state under this subdivision must have a stated final maturity of not more than ten (10) years after the date of purchase.

(b) If an investment under subsection (a) is made at a cost in excess of the par value of the securities purchased, any premium paid for the securities shall be deducted from the first interest received and returned to the fund from which the investment was purchased, and only the net amount is considered interest income.

(c) The officer making the investment may sell any securities acquired and may do anything necessary to protect the interests of the funds invested, including the exercise of exchange privileges which may be granted with respect to maturing securities in cases where the new securities offered in exchange meet the requirements for initial investment.

(d) The investing officers of the political subdivisions are the legal custodians of securities under this chapter. They shall accept safekeeping receipts or other reporting for securities from:

- (1) a duly designated depository as prescribed in this article; or
- (2) a financial institution located either in or out of Indiana having custody of securities with a combined capital and surplus of at least ten million dollars (\$10,000,000)

according to the last statement of condition filed by the financial institution with its governmental supervisory body.

(e) The state board of accounts may rely on safekeeping receipts or other reporting from any depository or financial institution.

(f) In addition to any other investments allowed under this chapter, an officer of a conservancy district located in a city having a population of more than five thousand (5,000) but less than five thousand one hundred (5,100) may also invest in:

- (1) municipal securities; and
- (2) equity securities;

having a stated final maturity of any number of years or having no stated final maturity. The total investments outstanding under this subsection may not exceed twenty-five percent (25%) of the total portfolio of funds invested by the officer of a conservancy district. However, an investment that complies with this subsection when the investment is made remains legal even if a subsequent decrease in the total portfolio invested by the officer of a conservancy district causes the percentage of investments outstanding under this subsection to exceed twenty-five percent (25%).

(g) In addition to any other investments allowed under this chapter, a clerk-treasurer of a town with a population of more than five thousand (5,000) but less than ten thousand (10,000) located in a county having a population of more than one hundred forty thousand (140,000) but less than one hundred fifty thousand (150,000) may also invest money in a host community agreement future fund established by ordinance of the town in:

- (1) municipal securities; and
- (2) equity securities;

having a stated final maturity of any number of years or having no stated final maturity. The total investments outstanding under this subsection may not exceed twenty-five percent (25%) of the total portfolio of funds invested by the clerk-treasurer of a town. However, an investment that complies with this subsection when the investment is made remains legal even if a subsequent decrease in the total portfolio invested by the clerk-treasurer of a town causes the percentage of investments outstanding under this subsection to exceed twenty-five percent (25%).

*As added by P.L.19-1987, SEC.11. Amended by P.L.67-1989, SEC.1; P.L.72-1995, SEC.4; P.L.18-1996, SEC.12; P.L.54-1999, SEC.1; P.L.212-1999, SEC.1; P.L.170-2002, SEC.14; P.L.220-2003, SEC.2; P.L.115-2010, SEC.6; P.L.119-2012, SEC.15; P.L.102-2014, SEC.2; P.L.47-2016, SEC.2.*

#### **IC 5-13-9-2.4                      Repealed**

*As added by P.L.134-1999, SEC.2. Repealed by P.L.220-2003, SEC.6.*

#### **IC 5-13-9-2.5                      Permitted investments; limitations**

Sec. 2.5. (a) An officer designated in section 1 of this chapter may invest or reinvest funds that are held by the officer and available for investment in investments commonly known as money market mutual funds that are in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(b) The investments described in subsection (a) shall be made through depositories designated by the state board of finance as depositories for state deposits under IC 5-13-9.5.

(c) The portfolio of an investment company or investment trust described in subsection (a) must be limited to the following:

- (1) Direct obligations of the United States.
- (2) Obligations issued by any of the following:
  - (A) A federal agency.
  - (B) A federal instrumentality.

- (C) A federal government sponsored enterprise.
  - (3) Repurchase agreements fully collateralized by obligations described in subdivision (1) or (2).
  - (d) The form of securities of or interests in an investment company or investment trust described in subsection (a) must be rated as one (1) of the following:
    - (1) AAAM, or its equivalent, by Standard and Poor's Corporation or its successor.
    - (2) Aaa, or its equivalent, by Moody's Investors Service, Inc. or its successor.
  - (e) The form of securities in an investment company or investment trust described in subsection (a) is considered to have a stated final maturity of one (1) day.
  - (f) The state board of accounts may rely on transaction confirmations evidencing ownership of the form of securities of or interests in an investment company or investment trust described in subsection (a).
- As added by P.L.134-1999, SEC.3. Amended by P.L.115-2010, SEC.7.*

**IC 5-13-9-3                      Repurchase agreements; funds held by officer and available for investment; obligations held as collateral**

- Sec. 3. (a) As used in this section, "repurchase agreement" means an agreement:
- (1) involving the purchase and guaranteed resale of securities between two (2) parties; and
  - (2) that may be entered into for a fixed term or arranged on an open or a continuing basis as a continuing contract that:
    - (A) operates like a series of overnight repurchase agreements;
    - (B) is renewed each day with the repurchase rate and the amount of funds invested determined daily; and
    - (C) for purposes of this article, is considered to have a stated final maturity of one (1) day.
  - (b) Each officer designated in section 1 of this chapter may enter into, with any funds that are held by the officer and available for investment, repurchase agreements:
    - (1) with depositories designated by the state board of finance as depositories for state deposits under IC 5-13-9.5; and
    - (2) involving the political subdivision's purchase and guaranteed resale of any interest-bearing obligations:
      - (A) issued; or
      - (B) fully insured or guaranteed;
- by the United States, a United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise.
- The depository shall determine daily that the amount of money in this type of agreement must be fully collateralized by interest-bearing obligations as determined by their current market value. The collateral for this type of agreement is not subject to the provisions of section 2(c) of this chapter.
- (c) If the market value of the obligations being held as collateral falls below the level required under subsection (b) or a higher level established by agreement, the depository shall deliver additional securities to the political subdivision to make the agreement collateralized to the applicable level. The collateral involved in a repurchase agreement entered into under this section is not subject to the maturity limitation provided in section 5.6 of this chapter.
  - (d) A political subdivision may invest in repurchase agreements without entering into a contract under IC 5-13-11 for an investment cash management system.
- As added by P.L.19-1987, SEC.11. Amended by P.L.49-1988, SEC.1; P.L.41-1996, SEC.1; P.L.18-1996, SEC.13; P.L.46-1997, SEC.10; P.L.134-2000, SEC.1.*

**IC 5-13-9-3.3                      Investment of funds in obligations issued, assumed, or guaranteed by International Bank for Reconstruction and Redevelopment or African Development Bank**

Sec. 3.3. Each officer designated in section 1 of this chapter may invest or reinvest any funds that are held by the officer and available for investment in obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Redevelopment or the African Development Bank.

*As added by P.L.18-1996, SEC.14.*

**IC 5-13-9-3.5                      Investment and reinvestment of funds; participation in loans; lending securities**

Sec. 3.5. (a) The fiscal officer of a political subdivision or county treasurer that is located in a county containing a consolidated city may invest or reinvest any funds that are held by the fiscal officer or the county treasurer and that are available for investment in participations in loans. However, funds may be invested or reinvested in a participation in loans under this subsection only under the following conditions:

(1) The principal of the participation in loans must be guaranteed by an agency or instrumentality of the United States government.

(2) The participation in loans must be represented by a certificate issued by a bank that is:

(A) incorporated under the laws of Indiana, another state, or the United States; and

(B) insured by the Bank Insurance Fund of the Federal Deposit Insurance Corporation.

(b) Funds may be invested or reinvested in a participation in loans under subsection (a) even though the certificate representing the participation in loans is not insured by the Bank Insurance Fund of the Federal Deposit Insurance Corporation.

(c) A fiscal officer or county treasurer described in subsection (a) may lend any securities acquired under this section or section 2 of this chapter. However, securities may be lent under this subsection only if the agreement under which the securities are lent is collateralized by:

(1) cash; or

(2) interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United States government, a federal instrumentality, or a federal government sponsored enterprise in excess of the total market value of the loaned securities.

*As added by P.L.44-1990, SEC.6. Amended by P.L.8-1991, SEC.3; P.L.29-1992, SEC.4; P.L.57-1993, SEC.5; P.L.18-1996, SEC.15; P.L.46-1997, SEC.11.*

**IC 5-13-9-4                      Deposit, investment, or reinvestment of funds in transaction accounts; certificates of deposit; deposit accounts**

Sec. 4. (a) Each officer designated in section 1 of this chapter may, subject to the restrictions provided in IC 5-13-8-9(a) through IC 5-13-8-9(e), deposit, invest, or reinvest any funds that are held by the officer and available for investment in transaction accounts issued or offered by a designated depository of a political subdivision for the rates and terms agreed upon periodically by the officer making the investment and the designated depository.

(b) The investing officer making a deposit in a certificate of deposit shall obtain quotes of the specific rates of interest for the term of that certificate of deposit that each designated depository will pay on the certificate of deposit. Quotes may be solicited and taken by telephone. A memorandum of all quotes solicited and taken shall be retained by the investing officer as a public record of the political subdivision under IC 5-14-3. If the deposit is not placed in the designated depository quoting the highest rate of interest, the investing officer shall:

(1) place the deposit in the depository quoting the second or third highest rate of interest; and

(2) note the reason for placing the deposit on the memorandum of quotes.

(c) If all of the designated depositories of a political subdivision decline to issue or receive any deposit account, or to issue or receive the deposit account at a rate of interest

equal to the highest rate being offered other investors, investments may be made in the deposit accounts of any financial institution designated for state deposits as a depository by the state board of finance under IC 5-13-9.5.

*As added by P.L.19-1987, SEC.11. Amended by P.L.50-1988, SEC.1; P.L.44-1990, SEC.7; P.L.57-1993, SEC.6; P.L.18-1996, SEC.16; P.L.46-1997, SEC.12; P.L.173-2003, SEC.2; P.L.115-2010, SEC.8; P.L.117-2018, SEC.1.*

**IC 5-13-9-5                      Authorization to invest in certificates of deposit; quotes from depositories**

Sec. 5. (a) The board of county commissioners of each county, and the fiscal body of each political subdivision other than a county, may, subject to the restrictions provided in IC 5-13-8-9(a) through IC 5-13-8-9(e), by ordinance or resolution authorize the investing officer of each, respectively, to invest in certificates of deposit of depositories that have not been designated by the local board of finance of either but have been designated by the state board of finance as a depository for state deposits under IC 5-13-9.5. An ordinance or a resolution adopted under this subsection must provide that the authority granted in the ordinance or resolution expires on a date that is not later than one (1) year after the date the ordinance or resolution is adopted.

(b) With respect to any money to be invested in a deposit account under subsection (a), the investing officer shall solicit quotes for the certificates of deposit from at least three (3) depositories. If only one (1) depository has been designated for the political subdivision by its local board of finance, a quote must be solicited from that depository. If two (2) or more depositories have been designated for the political subdivision by its local board of finance, at least two (2) quotes must be solicited from the depositories thus designated. The quotes may be solicited and taken by telephone. A memorandum of all quotes solicited and taken shall be retained by the investing officer as a public record of the political subdivision under IC 5-14-3.

(c) If a deposit is not placed in the designated depository quoting the highest rate of interest, the investing officer shall follow the procedures and priority for placing deposits that are set forth in section 4 of this chapter and note the reason for placing the deposit on the memorandum of quotes.

*As added by P.L.19-1987, SEC.11. Amended by P.L.47-1991, SEC.1; P.L.18-1996, SEC.17; P.L.46-1997, SEC.13; P.L.115-2010, SEC.9; P.L.117-2018, SEC.2.*

**IC 5-13-9-5.3                      Authorization to invest in interest bearing deposit accounts; conditions; exemption from security or pledging requirements**

Sec. 5.3. (a) For purposes of this section, "deposit account" does not include a deposit account described in IC 5-13-4-7(5).

(b) In addition to the authority to invest in certificates of deposit under section 5 of this chapter and in transaction accounts under section 4 of this chapter, and notwithstanding any other law, the board of county commissioners of each county, and the fiscal body of each political subdivision other than a county, may by ordinance or resolution authorize the investing officer of each, respectively, to invest public funds in interest bearing deposit accounts in accordance with the following conditions:

- (1) The funds are initially invested through a depository that is selected by the investing officer.
- (2) The selected depository arranges for the deposit of the funds in interest bearing deposit accounts in one (1) or more federally insured banks or savings and loan associations, wherever located, for the account of the county or political subdivision.
- (3) The full amount of the principal and any accrued interest of each deposit are covered by insurance of any federal deposit insurance agency.
- (4) The selected depository acts as a custodian for the county or political subdivision with respect to the deposits.

(5) On the same date that the county's or political subdivision's funds are deposited, the selected depository receives an amount of deposits covered by insurance of any federal deposit insurance agency from customers of other institutions, wherever located, at least equal to the amount of the funds invested by the county or political subdivision through the selected depository.

(c) Public funds invested in accordance with subsection (b) are not subject to any security or pledging requirements that may otherwise be applicable to the deposit or investment of public funds.

*As added by P.L.115-2010, SEC.10. Amended by P.L.31-2012, SEC.2.*

#### **IC 5-13-9-5.6 Final maturity; investment policy**

*Revisor's Note: See IC 1-1-3.5-8 concerning the effective date of this section as amended by P.L.119-2012, SEC.1.*

Sec. 5.6. Except for investments allowed under section 2(f) or 2(g) of this chapter, investments made under this chapter must have a stated final maturity of not more than:

- (1) five (5) years after the date of purchase or entry into a repurchase agreement for a conservancy district located in a city having a population of more than five thousand (5,000) but less than five thousand one hundred (5,100);
- (2) five (5) years after the date of purchase or entry into a repurchase agreement for investments made from a host community agreement future fund established by ordinance of a town with a population of more than five thousand (5,000) but less than ten thousand (10,000) located in a county having a population of more than one hundred forty thousand (140,000) but less than one hundred fifty thousand (150,000); or
- (3) two (2) years after the date of purchase or entry into a repurchase agreement for:
  - (A) a fund not described in subdivision (1) or (2); or
  - (B) a political subdivision that:
    - (i) is not described in subdivision (1) or (2); and
    - (ii) does not have in effect an investment policy and ordinance under section 5.7 of this chapter.

*As added by P.L.18-1996, SEC.18. Amended by P.L.54-1999, SEC.2; P.L.212-1999, SEC.2; P.L.170-2002, SEC.15; P.L.43-2012, SEC.1.*

#### **IC 5-13-9-5.7 Political subdivision investment policy**

Sec. 5.7. (a) The fiscal body of a political subdivision may adopt an investment policy authorizing the investment of public funds of the political subdivision for more than two (2) years and not more than five (5) years. The policy must:

- (1) be in writing;
- (2) be adopted at a public meeting;
- (3) provide for the investment of public funds with the approval of the investing officer;
- (4) provide that the investments must be made in accordance with this article;
- (5) limit the total investments outstanding under this section to not more than twenty-five percent (25%) of the total portfolio of public funds invested by the political subdivision, including balances in transaction accounts; and
- (6) state a date on which the policy expires, which may not be more than four (4) years after the date on which the policy takes effect.

(b) A policy adopted by a fiscal body under subsection (a) remains in effect only through the date of expiration established in the policy, which may not be more than four (4) years after the date on which the policy takes effect.

(c) A fiscal body that has adopted a written investment policy under subsection (a) may adopt an ordinance authorizing its investing officer to make investments having a stated final maturity that is:

- (1) more than two (2) years; but

(2) not more than five (5) years;  
after the date of purchase or entry into a repurchase agreement.

(d) An ordinance adopted by a fiscal body under subsection (c) and the power to make an investment described in subsection (c) expire on the date on which the policy expires, which may not be more than four (4) years after the date on which the policy takes effect.

(e) After an investment of public funds of a political subdivision is made by the investing officer under this section, the total investments of the political subdivision outstanding under this section may not exceed twenty-five percent (25%) of the total portfolio of public funds invested by the political subdivision, including balances in transaction accounts. However, an investment that complies with this section when the investment is made remains legal even if:

- (1) the investment policy has expired; or
- (2) a subsequent decrease in the total portfolio of public funds invested by the political subdivision, including balances in transaction accounts, causes the percentage of investments outstanding under this section to exceed twenty-five percent (25%) of the total portfolio of public funds invested by the political subdivision.

(f) An investing officer may contract with a federally regulated investment advisor or other institutional money manager to make investments under this section.

*As added by P.L.43-2012, SEC.2. Amended by P.L.13-2013, SEC.9.*

**IC 5-13-9-6                      Interest received from investment; deposit; receipt;  
reinvestment; disposition**

Sec. 6. (a) All interest derived from an investment by a political subdivision or by any other local public officer under the authority granted by section 3 of this chapter shall be deposited, except as otherwise provided by law, in the general fund of the investment authority or in any other fund its governing body designates specifically or by rule, subject to the modifications and limitations in this section.

(b) Interest from the following investments shall be receipted as follows:

- (1) Interest from investments of funds of a political subdivision that are traceable to United States government funds must be receipted to the fund of which they are a part, if required by federal law or regulation.
- (2) Interest from investments of funds controlled by court orders must be receipted to that fund unless otherwise designated by the court order.

(c) Each county treasurer, if authorized by the board of county commissioners, may invest tax collections under this chapter pending distribution of the collections to political subdivisions. These investments may not:

- (1) exceed the amount available after giving consideration to taxes which may need to be advanced to any political subdivision; or
- (2) be made in deposit accounts or repurchase agreements, the maturity dates of which are later than the time when the tax collections are required by law to be distributed to political subdivisions.

(d) The interest received on the investments made under subsection (c) shall be receipted to the county general fund or any other fund from which expenses incurred in the maintenance of county highways may be paid. The county fiscal body (as defined in IC 36-1-2-6) shall determine the allocation of this interest among the general fund and the various highway funds into which the interest may be deposited.

(e) Any political subdivision may apply the interest derived from the investment of the proceeds from bonded indebtedness or local tax levies to the appropriate redemption bond interest or sinking fund for the bonded indebtedness.

(f) If meter deposits of a municipally owned utility are invested, the interest earned on the investment may be applied to and used in the operation or depreciation fund of the municipally owned utility as determined by its governing body.

(g) Interest from the investment of the public funds of a political subdivision may not be

paid personally or for the benefit of any public officer.

*As added by P.L.19-1987, SEC.11. Amended by P.L.68-1989, SEC.1; P.L.18-1996, SEC.19.*

**IC 5-13-9-7                      Repealed**

*As added by P.L.19-1987, SEC.11. Repealed by P.L.18-1996, SEC.33.*

**IC 5-13-9-8                      Service charges; consideration in computing interest rate;  
payment by direct charge or from interest earned; reporting  
by political subdivision**

Sec. 8. Any investing officer of a political subdivision that makes a deposit in any deposit or other account may be required to pay a service charge to the depository in which the funds are deposited, if the depository requires all customers to pay the charge for providing that service. However, the service charge imposed must be considered in the computation of the interest rate for determining which depositories are entitled to investments as prescribed by sections 4 and 5 of this chapter. If the total service charge cannot be computed before the investment, the investing officer shall estimate the service charge and adjust the interest rate based on this estimate. The service charge may be paid:

- (1) by direct charge to the deposit or other account; or
- (2) in a manner that subtracts the service charge from interest earned on the funds in the deposit or other account.

If the manner described in subdivision (2) is used to pay the service charge, the political subdivision must report the net interest deposited in the political subdivision's financial records, and the political subdivision is not required to report the amount of the service charge subtracted in the political subdivision's financial records.

*As added by P.L.19-1987, SEC.11. Amended by P.L.18-1996, SEC.20; P.L.147-2011, SEC.1; P.L.202-2011, SEC.1; P.L.233-2015, SEC.11.*

**IC 5-13-9-8.5                      Designation as public funds**

Sec. 8.5. Funds deposited in deposit accounts in accordance with this chapter and interest earned or accrued on the funds are public funds and are covered by the insurance fund.

*As added by P.L.18-1996, SEC.21.*

**IC 5-13-9-9                      Prohibited acts**

Sec. 9. An officer designated in section 1 of this chapter may not do the following:

- (1) Purchase securities on margin.
- (2) Open a securities margin account for the investment of public funds.

*As added by P.L.72-1995, SEC.5.*

**IC 5-13-9-10                      County joint investment fund; participating political  
subdivisions; written master agreement; administration of  
board; interest payments**

Sec. 10. (a) The investing officers of two (2) or more political subdivisions located within a county may establish a joint investment fund by entering into a written master agreement that defines the rights and obligations of the participating political subdivisions.

(b) An investing officer of a political subdivision that enters into a written master agreement under subsection (a) may pay funds that are held by the investing officer and that are available for investment into the joint investment fund.

(c) The fund shall be administered by a board, which must be comprised of the investing officer of each of the participating political subdivisions and which must be an instrumentality of the participating political subdivisions. Each officer of a political subdivision located within the county who is designated in section 1 of this chapter may pay funds that are held by the officer and available for investment into a joint fund known as a joint investment fund. The fund is administered by a board comprised of the investing officer

of each of the participating political subdivisions and is an instrumentality of the participating political subdivisions.

(d) A joint investment fund must be invested and reinvested as a separate and individual fund. A joint investment fund may be invested or reinvested only in investments that are permitted for political subdivisions by this chapter.

(e) A written master agreement under subsection (a) must provide the following:

(1) A political subdivision may participate in a joint investment fund only with the written authorization of its local board of finance.

(2) A political subdivision may participate in a joint investment fund only if its legislative body approves the written master agreement.

(3) Subject to subsection (d), the board of a joint investment fund shall establish written policies for the investment and reinvestment of joint investment funds in the manner provided by IC 30-4-3-3.

(4) A fund shall be invested and reinvested as prescribed in subdivision (3).

(5) A custodian bank or trust company located in Indiana must:

(A) be selected and contracted by the board of a joint investment fund to hold the securities and other investments of the joint investment fund;

(B) collect the income and other receipts from the securities and other investments; and

(C) provide any other services appropriate and customary for a custodian; subject to the direction of the board of a joint investment fund.

(6) The board of a joint investment fund may select and contract with a fund administrator to provide investment advice to the board and any other services determined by the board to be appropriate and necessary for the efficient administration and accounting of the joint investment fund. The fund administrator shall agree to recommend only securities and other investments as prescribed in the written policies established by the board in rendering investment advice to the board and shall agree to be responsible, accountable, and liable for any breach of this provision. The fund administrator must have experience in the investment of public funds for governmental entities and must be either of the following:

(A) A financial institution located in Indiana.

(B) Registered as an investment adviser with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (15 U.S.C. 80a-9 et seq.), with public funds under management in the amount of at least one hundred million dollars (\$100,000,000).

(7) A joint investment fund must be audited at least annually by an independent auditing firm, with a copy of the audit provided to each participating political subdivision.

(8) The administrative expenses of a joint investment fund, including fees for the fund administrator, custodian, auditor, and other professional services, must be paid from the fund's interest earnings.

(9) The interest earnings that exceed the administrative expenses of a joint investment fund must be credited to each political subdivision participating in the joint investment fund in a manner that equitably reflects the differing amounts and terms of the political subdivision's investment in the joint investment fund.

(10) Each participating political subdivision shall receive reports, including a daily transaction confirmation reflecting any activity in the political subdivision's account and monthly reports reflecting its investment activity in the joint investment fund and the performance and composition of the joint investment fund itself.

(11) The board of a joint investment fund shall meet at least annually to review the operation and performance of the joint investment fund, the custodian, the fund administrator, the auditor, and any other professional retained by the board.

(12) The board of a joint investment fund shall provide for any other policies that are

necessary for the efficient administration and accounting of the joint investment fund and are consistent with the law governing the investment, management, deposit, and safekeeping of public funds of political subdivisions.

*As added by P.L.224-2003, SEC.276. Amended by P.L.3-2008, SEC.27; P.L.115-2010, SEC.11.*

#### **IC 5-13-9-11                      Local government investment pool**

Sec. 11. (a) The following definitions apply throughout this section:

(1) "Clearinghouse" refers to the clearinghouse registered with the department of state revenue under IC 6-8.1-9.5-3.5.

(2) "Investment pool" means the local government investment pool established by subsection (b).

(b) The local government investment pool is established within the office and custody of the treasurer of state.

(c) An officer designated in section 1 of this chapter may pay any funds held by the officer into the investment pool for the purpose of deposit, investment, and reinvestment of the funds by the treasurer of state on behalf of the unit of government paying the funds into the investment pool.

(d) The treasurer of state may pay state funds into the investment pool for the purpose of deposit, investment, and reinvestment of the state funds.

(e) The treasurer of state shall establish an account in the investment pool for the operator of the clearinghouse. The treasurer shall hold amounts paid by the department of state revenue for deposit in the clearinghouse operator's account in the investment pool.

(f) Upon signed written request of the operator of the clearinghouse, the treasurer of state shall distribute the money in the operator's account established under subsection (e):

(1) to the operator of the clearinghouse; or

(2) to specific investment pool accounts of political subdivisions represented by the clearinghouse, if the written request submitted under this subsection specifies:

(A) the political subdivision to which the funds are to be disbursed;

(B) the specific amount of the funds to be disbursed; and

(C) the specific investment pool account to which the disbursement is owed.

The clearinghouse shall assume liability for any legal or administrative claims filed against a disbursement made by the treasurer of state that complies with this section.

(g) Any interest accrued by the investment pool on funds held in the operator's account shall be distributed to the political subdivisions at a rate equal to the percentage owed to that political subdivision based on the overall setoff paid by the department of state revenue. No interest shall accrue under this subsection on any fees owed to the clearinghouse under IC 6-8.1-9.5-10(b).

(h) The treasurer of state shall invest the funds in the investment pool in the same manner, in the same type of instruments, and subject to the same limitations provided for the deposit and investment of state funds by the treasurer of state under IC 5-13-10.5.

(i) The treasurer of state:

(1) shall administer the investment pool; and

(2) may contract with accountants, attorneys, regulated investment advisors, money managers, and other finance and investment professionals to make investments and provide for the public accounting and legal compliance necessary to ensure and maintain the safety, liquidity, and yield of the investment pool.

(j) The treasurer of state shall establish and make public the policies that the treasurer of state will follow to ensure the efficient administration of and accounting for the investment pool. The policies must provide the following:

(1) There is not a minimum time for which funds paid into the investment pool must be retained by the investment pool.

(2) The administrative expenses of the investment pool shall be accounted for by the

treasurer of state and shall be paid from the earnings of the investment pool.

(3) The earnings of the investment pool in excess of the administrative expenses of the investment pool shall be credited to the state and each unit of government participating in the investment pool in a manner that equitably reflects the different amounts and terms of the state's investment and each unit's investment in the investment pool.

(4) There is not a limit on the number of accounts that the state or a unit of government participating in the investment pool may establish within the investment pool.

(5) The state and each unit of government participating in the investment pool shall receive electronic or paper reports, including:

(A) a daily transaction confirmation, reflecting any activity in the state's or unit's account; and

(B) a monthly report showing:

(i) the state's or unit's investment activity in the investment pool; and

(ii) the performance and composition of the investment pool.

(6) The investment pool shall be audited at least annually by an independent auditing firm, with an electronic or a paper copy of the audit provided to the state and each unit of government participating in the pool.

(7) No less than fifty percent (50%) of funds available for investment shall be deposited in banks qualified to hold deposits of participating local government entities.

(k) A unit of government participating in the investment pool may elect to have any funds due from the state wired directly to the custodian bank of the investment pool for credit to the unit's investment pool account by submitting in writing a request to the auditor of state to wire the funds as directed. An election made by a unit of government under this subsection may be revoked at any time by the unit by submitting in writing a request to the auditor of state to cease wiring the funds as previously directed by the unit.

*As added by P.L.117-2007, SEC.1. Amended by P.L.117-2018, SEC.3; P.L.10-2019, SEC.31.*



## MEMORANDUM

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**To:** Budge & Finance Committee

**From:** Scot Watkins

**Date:** July 21, 2020

**Subject:** FOG Fees

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Porkopolis was inspected on 7/7/2020 and was found to contain 13.5" of settleable and floatable FOG; Per the SUO they may only have 12". This is their second violation in 18 months resulting in a \$400 fee. No written objection has been submitted at this time, only a phone call asking to waive the fee. Staff recommends the fee be upheld.

Red Robin was inspected on 7/7/2020 and was found to contain 17" of settleable and floatable FOG; Per the SUO, they may only have 15". This is their first violation resulting in a \$200 fee. Mahoney Environmental is the grease trap cleaner and is requesting the fee be waived due to lack of staffing. Please see attached. Red Robin (our customer) has not made any requests. Staff recommends the fee be upheld.

PFM Express (Zionsville) was inspected on 7/14/2020 and was found to contain 12.5" of settleable and floatable FOG; Per the SUO, they may only have 12". This is their first violation resulting in a \$200 fee. PFM is asking the fee to be waived; please see attached. Staff recommends the fee be upheld.

Hino Oishi was inspected on 7/16/2020 and was found to contain 14" of settleable and floatable FOG; Per the SUO, they may only have 12". This is their first violation resulting in a \$200 fee. No written objection has been submitted at this time, only a phone call asking to waive the fee. Staff recommends the fee be upheld.



July 7, 2020

Mr. Scot Watkins  
Superintendent  
TriCo Regional Sewer Utility  
10701 College Ave, Suite A  
Carmel, IN 46280

Regarding: **Red Robin, 9965 N Michigan Rd, Carmel, IN 46032**

Dear Mr. Watkins:

I am writing in response to the attached Notice of Violation issued to Red Robin. Mahoney Environmental has been cleaning the grease trap at Red Robin for years, and we clean it monthly.

As you can imagine, when COVID 19 hit back in March, and restaurants were forced to close their doors, they all suspended grease trap cleanings, since they were not cooking. Mahoney Environmental has been in business for over 65 years, and we service thousands of customers. Everything came to a screeching halt.

Fast forward. We resumed grease trap cleaning at Red Robin on 5/29. This meant their next GT cleaning was due on 6/29. With all of our customers wanting to resume GT cleaning at the same time, we fell a bit behind, and missed the 6/29 cleaning date. Staffing has been difficult between people's fears and the government paying everyone an extra \$650 a week in addition to regular unemployment.

We are cleaning the Red Robin GT again this evening, 7/7/2020. We are just 8 days late, and we ask, in fact, we beg for your forgiveness. Would you please consider these extenuating circumstances and NOT fine us for being a little bit late? We work very hard to provide the best service possible. These exceptional market conditions are just making it harder than ever to meet every time deadline.

Please extend our appreciation to the committee for their consideration. With fines ready to increase in just five days, I would appreciate a reply as quickly as possible. If you have any questions, please call me at 303-520-7695. Also, once a decision is made, please call me, or send me an email at: [MaryT@mahoneyes.com](mailto:MaryT@mahoneyes.com)

Sincerely,

Mary C Taylor  
Red Robin Brand Manager

## Scot Watkins

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**From:** Scot Watkins on behalf of Pretreatment  
**Sent:** Thursday, July 16, 2020 3:15 PM  
**To:** JNeely@PfmAutomotive.com  
**Cc:** Pretreatment; 'Robin Duncan'  
**Subject:** RE: Challenge to Violation

Mr. Neely,

TriCo staff performed the inspection and I stand behind their judgement. I personally saw the equipment being cleaned after said inspection.

Can you verify that the amounts you are specifying are correct? Did your cleaner provide pictures of the amounts in question? The committee is going to ask the same questions.

At the time of inspection, it was determined that the device was in violation.

As I mentioned in the previous email, if you wish to contest the fee, please let me know if you can attend in person or are going to contest via a written statement.

Respectfully,



**Scot Watkins, Superintendent / Information Technology Coordinator**  
**TriCo Regional Sewer Utility**

10701 North College Avenue, Suite A, Carmel, Indiana 46280

Phone 317-844-9200 ext. 301 • Direct 317-710-4066 • Website [www.trico.eco](http://www.trico.eco) • Email [scot.watkins@trico.eco](mailto:scot.watkins@trico.eco)

[Clay Township Regional Waste District is now TriCo Regional Sewer Utility. New Name.... Same Great Utility!](#)

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**From:** jneely@pfmautomotive.com <jneely@pfmautomotive.com>  
**Sent:** Thursday, July 16, 2020 2:57 PM  
**To:** Pretreatment <Pretreatment@trico.eco>; Shaun Odom <shaun.odom@trico.eco>  
**Cc:** 'Robin Duncan' <rduncan@pfmautomotive.com>  
**Subject:** RE: Challenge to Violation

I do appreciate that the staff reported 12" of settleable and floatable. But when the device was serviced it did not have an amount that would have been in excess of the 20% maximum of settled and 5% of the floating. I talked to your tech today when he was rechecking and he said that he was not the regular tech. Based on the amount of non-water material that was in the device, it does not make sense that 3% of the material would take up 25% of the volume. It appears that possibly there was an issue with the measurement. I was asked for pictures from when we had it serviced, are there pictures from the measurement?

If you believe the measurement to be accurate, can you explain where I am wrong in my assessment so that I will know in the future?

John Neely

[jneely@pfmautomotive.com](mailto:jneely@pfmautomotive.com)

(317) 733-3977 ext. 17

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**From:** Scot Watkins <[scot.watkins@trico.eco](mailto:scot.watkins@trico.eco)> **On Behalf Of** Pretreatment  
**Sent:** Thursday, July 16, 2020 12:56 PM  
**To:** [JNeely@PfmAutomotive.com](mailto:jneely@pfmautomotive.com)  
**Cc:** 'Robin Duncan' <[rduncan@pfmautomotive.com](mailto:rduncan@pfmautomotive.com)>; Pretreatment <[Pretreatment@trico.eco](mailto:Pretreatment@trico.eco)>  
**Subject:** RE: Challenge to Violation

Mr. Neely,

TriCo staff performed a FOG inspection on 7/14/2020 and found over 12" of settleable and floatable FOG. Per Sewer Use Ordinance (SUO) 6-9-2014 ([https://www.trico.eco/egov/documents/1455123724\\_85279.pdf](https://www.trico.eco/egov/documents/1455123724_85279.pdf)), this is a violation for device capacity.

If you wish to contest this fee, you may attend or submit your protest in writing to the Budget and Finance Committee. The next meeting is Friday, July 24, 2020 at 7:30am at our administrative office located at:

TriCo Regional Sewer Utility  
10701 North College Avenue  
Suite A  
Carmel, Indiana 46280

Please let me know if you plan to attend or submit in writing why you would like the fee to be waived by Friday (tomorrow) so I can make sure are on the agenda.

I can use the message below if you prefer.

Respectfully,



**Scot Watkins, Superintendent / Information Technology Coordinator**  
**TriCo Regional Sewer Utility**

10701 North College Avenue, Suite A, Carmel, Indiana 46280

Phone 317-844-9200 ext. 301 • Direct 317-710-4066 • Website [www.trico.eco](http://www.trico.eco) • Email [scot.watkins@trico.eco](mailto:scot.watkins@trico.eco)

[Clay Township Regional Waste District is now TriCo Regional Sewer Utility. New Name.... Same Great Utility!](#)

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**From:** [jneely@pfmautomotive.com](mailto:jneely@pfmautomotive.com) <[jneely@pfmautomotive.com](mailto:jneely@pfmautomotive.com)>  
**Sent:** Thursday, July 16, 2020 10:47 AM  
**To:** Pretreatment <[Pretreatment@trico.eco](mailto:Pretreatment@trico.eco)>  
**Cc:** Shaun Odom <[shaun.odom@trico.eco](mailto:shaun.odom@trico.eco)>; 'Robin Duncan' <[rduncan@pfmautomotive.com](mailto:rduncan@pfmautomotive.com)>  
**Subject:** Challenge to Violation

Dear Mr. Watkins,

I received the notice of Exceeding Device Capacity yesterday, July 15, 2020 for our 4900 W 106<sup>th</sup> Street location. First of all let me state that we appreciate the work that TriCo does in processing the sewage in a responsible way that protects the environment. We as a company also work to minimize our impact to the environment as much as possible, that is why I found your notice disturbing. We had Industrial Service Group out to service the oil-water separator within two hours of receipt of the email notice. We were very concerned about a potential harmful impact that an over full situation might cause. I was glad when I was told that our device was not causing a discharge of untreated water into the sewage system.

When cleaning and servicing the device, they removed 725 gallons of liquid and 25 gallons of solids and settled oils. I believe that the specs of this device, when installed, called for a 1000 gallon unit. Given that they removed 25 gallons of solids and settled oils, 3% of the total removed and 2.5% total capacity, this would be below the maximum limit of 20%. It is apparent that the violation was issued in error. I have attached the paperwork from Industrial Service Group for your reference.

Please acknowledge receipt of this email and advise me if this will service as a formal request to appeal the citation. Should there be another process please let me know what that process is as well.

Thank you.

John Neely

**John Neely**

President

PFM Automotive Management

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## TriCo Regional Sewer Utility

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### TriCo Fats, Oil and Grease (FOG) Program History

TriCo has strived to be environmental stewards within the wastewater industry and within our community. This mission was very challenging due to the devastating effects of fats, oil and grease (FOG) in the sanitary sewer system. FOG has become a costly problem that wreaks havoc on sanitary sewers systems and wastewater treatment facilities in many communities throughout the nation. TriCo is not immune to this increasing problem. Since its inception, TriCo has encountered clogs and numerous sanitary overflows due to FOG in the sewer system and pump stations. TriCo was plagued for years with FOG blockages and overflows caused by the improper disposal of FOG into the sewer system. Until TriCo developed a Pretreatment Program in June of 2009, the effect of FOG in the sewer system was an unavoidable cost of doing business. TriCo was spending several thousand dollars every month to maintain pump stations, clear and maintain grease-laden pipes, and to clean up overflows caused by FOG. Many of the initial years at TriCo were spent being reactive to the FOG problems and merely trying to maintain an operable system.

In late 2009, TriCo made the elimination of FOG backups a priority. A Pretreatment Coordinator role was created, filled, and tasked with developing a FOG program and ordinance. In order to gain knowledge about other FOG programs and how to combat the effects of FOG on the sewer system, TriCo did extensive research into other communities' programs both locally and nationally. After researching many FOG ordinances and programs throughout the country, TriCo decided on the rules and regulations that would work best to eliminate the FOG problems in the utility. The FOG Ordinance (now incorporated into the Sewer Use Ordinance (SUO) 6-9-2014) set forth the rules and limitations for the restaurants and automotive facilities in the utility including inspections, cleaning schedules, discharge limits, best management practices (BMPs), and enforcement requirements. This was the first time since the inception of the sewer utility that TriCo was taking a proactive approach to stop FOG from entering the sewer system.

Even with the development and implementation of the FOG ordinance, many barriers needed to be overcome before the program could be operational. The first barrier was determining which facilities fell under the jurisdiction of the FOG ordinance. Customer accounts did not distinguish the type of facilities that were operating in the location. Many food service and automotive facilities were in strip malls. This made it difficult to originally identify them because their account billed in the name of the property owner or manager. TriCo services territories in three counties (Boone, Hamilton, and Marion). Gathering information from the county databases was cumbersome and usually resulted in very limited information. To overcome this initial hurdle, the Pretreatment Coordinator went door-to-door to gather information and determine the use of each facility. Although this was a long process, it resulted in an understanding of what types of facilities were in the utility and whether the facilities had pretreatment devices installed (grease traps, grease interceptors, or oil-water separators). These site visits revealed most facilities were

unaware if they had a pretreatment device or not. Most locations that did have a pretreatment device could not document when the last time they had it cleaned. These initial visits also provided an opportunity to meet with management and explain the new program and the BMPs that they could institute to reduce the amount of FOG that enters the sewer system. These visits initially identified over 160 facilities that fell under the FOG ordinance. Each facility was supplied a binder to provide important information about the FOG program and the essential paperwork needed to stay compliant.

The next obstacle to overcome was making the facility managers understand the importance of compliance with the FOG ordinance. Many facility managers complained the program should not apply to their location or that they do not generate enough FOG to cause a problem. Others tried to do the minimum required by the FOG ordinance, which caused them problems. They were either a high-volume restaurant or not practicing the BMPs, which created excessive buildup in their pretreatment device. TriCo took a two-step approach; education and enforcement. TriCo held informational sessions for facility managers and for the grease haulers. The facility managers were made aware of the consequences of improperly disposing of FOG. Following the BMPs and proper disposal practices could reduce their risk of a sewer backup as well as help them to avoid noncompliance fees.

Throughout the following year, each facility was inspected quarterly for compliance with the regulations of the FOG ordinance. Many violations occurred because of device capacity failures, cleaning schedule failures, or exceeding discharge limits. After several years of monitoring the FOG facilities on a quarterly basis, TriCo was still experiencing grease-laden pump stations, floats, and conveyance pipes in some basins. In many instances, these problems were in strictly residential basins. To combat these residential grease problems, there were direct mailings to the residential areas of concern. Although this typically resolved the problem for a couple of weeks, the grease would again accumulate in the pump stations.

In 2010, after months of direct mailings with little long-term improvement, TriCo decided to develop and fund an Outreach and Education Program to combat not just the residential grease problems but also other unwanted debris in the sewer systems such as rags, household hazardous wastes, prescription drugs and dental floss. In order to minimize the FOG-related overflows and blockages that were occurring in the utility, TriCo needed to get more involved in the community and further promote the importance of BMPs in the home. Door-to-door visits to 13,000+ customers were unrealistic and impractical. TriCo determined the best way to affect a large number of people would be to attend some of the local festivals. CarmelFest was the first venue because of its size, number of festival patrons and the centralized location within the utility. TriCo recognized that setting up a booth to discuss drain saving tips might not excite the public unless they had previously experienced hardships with their drains. To overcome this, TriCo handed out educational grease prevention promotions designed to inform and make the disposal of FOG easier for households. The first educational items were "Fat Trapper" containers, metal grease cans, bowl/grease scrapers, multi-size lids for grease cans, tote bags made of recycled plastic, jar openers and miscellaneous literature. These products were chosen for their usefulness in the kitchen and to serve as a reminder to dispose of FOG properly. TriCo also realized the need to educate the children. Coloring books and other activities were available to engage the children into thinking about the consequences of improperly disposing of FOG. Since the children are the future, TriCo wanted to give them practical knowledge that they could use later in life and encourage their parents to change their practices. These handouts were received with great enthusiasm from the festival patrons and as well as many of the vendors at the festival. Over 750 grease handouts were given away over the first two-day CarmelFest event that TriCo attended.

Due to the great success of CarmelFest, TriCo started looking at other nearby festivals to further spread the word of proper FOG disposal. The next venues chosen were the Zionsville Fall Festival, Zionsville Creekfest and Carmel Public Safety Day (St. Vincent's) festival. The Zionsville Fall Festival was chosen due to its western location within our District and to target the Michigan Road corridor, an area with a high potential of grease accumulation due to the countless restaurants and subdivisions in the vicinity. The Carmel Public Safety Day festival was chosen to spread our message in the northern part of our utility and to foster a positive relationship with the other utilities that attend this festival. Because of the nature of the Carmel Public Safety Day festival, a slightly different approach is taken to promote our message at the festival. The focus is on the health hazards that can arise from clogged pipes and overflows caused by improper disposal of FOG. This festival allows us to display some of the safety equipment that our collection crews use to repair lines, remove debris, and clean grease-laden pipes.

Since the first year at CarmelFest, these festivals have become annual events for TriCo, with many patrons returning each year to restock their fat trapper bags and can lids. While only a quarter or so of the festival attendees are TriCo customers, TriCo believes that educational efforts are helping improve the environment throughout central Indiana. TriCo provides FOG educational items year-round to customers to ensure they always have resources to dispose of FOG. Customers can access the utility's website to request promotional items or they can pick them up at the Administrative Office. Inquiries have been received through the website for educational items from as far away as California. While distribution is typically limited to TriCo customers and festival patrons, TriCo was flattered by the request from California since they are a state that is known for environmental awareness. Since starting the Outreach and Education Program, TriCo has handed out thousands of metal grease cans, fat trappers, tote bags, multi-size can lids, jar openers, and wastewater activity books at the festivals alone.

Another outreach opportunity developed through exposure at these area festivals was in the form of Water Resource Recovery Facility (WRRF) tours. The first group that visited the facility was a senior science class from Carmel High School. The teacher used the plant tour as an opportunity to discuss the importance of water quality and the consequences of polluting the environment. Since that first plant tour, there has been a wide variety of group tours at the WRRF including Professional Engineers, boy and girl scouts, individual households, homeschool groups, students researching science fair projects, and school classes ranging from elementary to high school. While every tour is different and they have different focuses, the importance of water quality and the proper disposal methods for FOG is always stressed.

In order to reach out to all customers, TriCo started inserting informational brochures into the monthly billing statements. The monthly billing inserts centered on issues concerning the sewer system, such as FOG, inflow and infiltration, prescription drug disposal, and household hazardous waste disposal. Printed on each brochure was information on how to schedule a WRRF tour. This became a very positive way of promoting tours.

Just as participation at the local festivals opened new doors for educational opportunities, facility tours have fostered another opportunity to educate both the young and the old. Due to budget cuts at a local elementary school, it was not possible to bring the entire fourth grade class on a tour of the WRRF as they had done in previous years. The tour was used to teach real life examples of water quality and environmental awareness. After hearing the circumstances surrounding a school budget cut, TriCo contacted the teachers and offered to bring the plant tour to them. Through videos, pictures, and actual wastewater samples collected throughout the treatment process, TriCo staff were able to give the students the sense of being at the wastewater treatment plant without leaving their school. The school presentation also provided an opportunity to discuss with the students some of their household disposal habits and safe alternatives for disposal. The idea was to give the students critical-thinking skills needed to determine if their

disposal methods for common household products would have negative impacts on the environment. Several students came up after the presentation to state that they were going to have to teach their siblings, parents, and grandparents the proper way to dispose of things around the house. The goal of this outreach program is to educate students so that they have a better understanding of their actions and how they can affect the environment.

Since TriCo's initial investments in the Pretreatment Program and the Outreach and Education Program, great strides have been made in reducing the amount of FOG being discharged into the sewer system. Before the start of these programs, TriCo was continually battling the devastating effects of FOG within the sewer system. Pump stations that needed cleaning every one to two weeks, now need cleaning only quarterly. FOG-related blockages have been greatly reduced, and FOG-related overflows have been eliminated. Eliminating FOG-related overflows within three years was a very quick return on the investment of staff time. Having experienced the past maintenance challenges caused by FOG, TriCo continues to be vigilant against FOG discharges.

TriCo has been dedicated to its mission of providing effective and efficient sanitary service while providing a solid environmental infrastructure. Over the past eleven years, TriCo has strived to educate the community and the surrounding area about the need to be environmentally friendly, the need to eliminate FOG from sewer systems, and the need to promote an overall greener environment. TriCo will continue to expand efforts of the Outreach and Education Program in order to benefit the environment, the community, and to create substantial savings for the utility.

## SECTION 10-Reporting Requirements

### 10.1 Accidental Discharges

A User shall notify the Utility Director immediately upon accidentally discharging chemicals, corrosive substances, or anything deleterious to the sewerage system or treatment process, or wastewaters in violation of this Ordinance, to enable countermeasures to be taken by the District to minimize damage to the sewerage system, treatment processes and the receiving stream.

This notification shall be followed within seven (7) days of the date of occurrence by a detailed written report, signed by the user, describing the causes of the accidental discharge and the measures being taken to prevent future similar occurrence.

### 10.2 Falsifying of Information

A person shall not knowingly make or submit to the District a false statement, representation, record, report, plan or other document required to be filed hereunder or under a duly adopted regulation of the Board, or voluntarily filed with the intent that the District rely thereon, or falsify, tamper with, or knowingly render inaccurate any monitoring, testing, measuring or timing device required or installed under these regulations. A person shall not during any monitoring or surveillance period, alter industrial processes or other activities for the purpose of rendering samples drawn or measurements taken during said monitoring or surveillance unrepresentative or uncharacteristic of normal operations, flows or concentrations or pollutants.

## SECTION 11-Fees

### 11.1 No FOG Pretreatment Device at a FOG Facility:

Violation	NOV issued and 30 days to install a pretreatment device. No fee.
Failure to Install	2 <sup>nd</sup> NOV with a <b>\$500</b> fee with an additional 15 days to install the pretreatment device.
Failure to install after additional 15 day deadline	3 <sup>rd</sup> NOV with a <b>\$1,000</b> fee and a <b>\$100</b> fee per day of violation starting the day after the 15th day deadline ends

### 11.2 Violation of Cleaning Schedule for Grease Traps, Interceptors, or Oil-Water Separators:

1st Violation	NOV and a \$100 fee
2nd Violation	NOV with a \$200 fee
3rd Violation	NOV with a \$400 fee
4th Violation	NOV and Board review for enforcement

### 11.3 Violation of Pretreatment Device Capacity of Grease Trap, Interceptor or Oil

#### Water Separator Exceeded the District Specified Limits:

##### 1st Violation

- ☐ NOV with a **\$200** fee and 5 business days to clean the device

Failure to clean the device within 5 business days:

- ☐ NOV with a **\$500** fee and 5 additional business days to clean the device

Failure to clean the device after the second 5 day deadline:

- ☐ NOV with an additional **\$500** fee and **\$100** fee per day of noncompliance

##### 2nd Violation

- ☐ NOV with a **\$400** fee and 5 business days to clean the device

Failure to clean the device within 5 business days:

- ☐ NOV with a **\$500** fee and a **\$100** fee per day starting the day after the additional 5 days of noncompliance

##### 3rd Violation

- ☐ NOV with a **\$1,000** fee and 5 business days to clean the device

Failure to clean the device within 5 business days:

- ☐ NOV with a **\$500** fee and a **\$100** fee per day starting the day after the additional 5 days of noncompliance

##### 4th Violation

- ☐ NOV and Board review for enforcement

### 11.4 Failure to Report an Accidental FOG Discharge:

- A. NOV with a **\$100** fee per day from the date of discharge.

### 11.5 Samples Determined to be Over the Limit of FOG Discharge:

1st Violation	NOV with a <b>\$200</b> fee and 5 business days to clean the device.
2nd Violation	NOV with a <b>\$400</b> fee and 5 business days to clean the device.
3rd Violation	NOV with a <b>\$1,000</b> fee and 5 business days to clean the device.
4th Violation	NOV and Board review for enforcement.

### **11.6 Failure to Provide Logs, Files and Other Records during an Inspection:**

1st Violation	NOV and a <b>\$100</b> fee
2nd Violation	NOV with a <b>\$200</b> fee
3rd Violation	NOV with a <b>\$400</b> fee
4th Violation	NOV and Board review for enforcement.

### **11.7 Failure to Provide Quarterly Reports to the District:**

Violation	NOV and 5 business days to submit the report.
Failure to provide the report within the 5 business days	NOV and a <b>\$100</b> fee and an additional 5 business days to submit the report.
Failure to submit the report within the additional 5 business days	NOV with a <b>\$200</b> fee and a <b>\$100</b> fee per day starting the day after the additional 5 days of noncompliance.

### **11.8 Refusal of FOG or Pretreatment Inspection:**

1st Violation	NOV with a <b>\$500</b> fee
2nd Violation	NOV with a <b>\$1,000</b> fee
3rd Violation	NOV and Board review for enforcement.

### **11.9 FOG Modification Fee:**

The Modification Request Form fee is fifty dollars (\$50)

### **11.10 Inflow and Infiltration Fees:**

1. Initial inflow and infiltration inspection-No charge.
2. Re-inspection, if necessary- \$100.00. Such charge(s) are due and payable upon invoice.
3. For all customers a \$20 per month sewer surcharge shall be imposed beginning thirty (30) days after the sale of the property if the I/I certification of compliance is not on file with the District, thirty (30) days after the documented deadline for the completion of inspection or thirty (30) days following notice of scheduled inspection, whichever is sooner.

#### **Non-Compliance**

4. The \$20 per month surcharges shall be in addition to any and all other fees or charges levied by the Board of Trustees, for a failed inspection, failure to schedule an inspection, or failure to make repairs or otherwise, as set forth within this Ordinance.