



BUDGET & FINANCE COMMITTEE

Thursday, May 6, 2021 at 8:00 a.m.

Memorandum

This meeting was held virtually via GoToMeeting

Ms. Merrill called the meeting to order at 8:00 a.m.

Members Present: Committee Chair Jane Merrill, member Carl Mills. Others in attendance were Utility Director Andrew Williams, Controller Cindy Sheeks, Engineering Manager Wes Merkle and Administrative Assistant Maggie Crediford.

Mr. McDonald attended the meeting virtually.

Public Comment

There was no one present from the public.

User Rate Fees

Ms. Sheeks said commercial revenues are slightly down, and residential revenue is on target for the year. Mr. Mills asked if residential usage readings would be up for the year when balanced billing numbers are run since people have been working from home. Ms. Sheeks said she would expect there to be a slight increase. Mr. Mills asked if the bump in residential flows would be enough to offset the decrease in commercial consumption. Mr. Williams said he spoke with John Duffy, the Utility Director at the City of Carmel, and they have seen an increase in residential water consumption during the pandemic. Mr. Williams said he is hoping commercial revenue goes up as the warm weather comes and commercial customers turn on cooling towers. Ms. Sheeks said there should be a bump in revenue with residential usage, but she doubts it would make up for a rate increase. Mr. McDonald said the Utility does not want to end up in a situation later where a larger than five percent increase will be required if a needed rate increase is postponed now. Ms. Merrill said she is not inclined to raise rates just to have money in the bank. Mr. Mills believes that the Utility will be fine through 2022 without a user rate increase at this time and is inclined not to do one. Ms. Sheeks said capital spending is also a consideration, there are expenses for planned projects that will be due this year. Mr. Merkle said projections showed if there is not a user rate increase next year money will be tight. Mr. Mills said it looks like cash would dip down to around \$1.6 million to 1.8 million in 2022. Mr. McDonald asked if there are other revenues to generate cash if there is a cash flow bind in the future. Mr. Mills said short term financing could be used. Ms. Sheeks said an off-cycle rate increase can be implemented if needed, staff just likes to keep rate increases tied to the balanced billing cycle. Mr. Williams said there are some projects that could be pushed into the future if the Utility becomes short on cash.

EDU/Interceptor Rates

Mr. Merkle said TriCo has over twenty thousand parcels in its service area. He presented a map showing the Utility's service area and some surrounding parcels. Properties listed in blue represent raw land and open farm ground. Properties in green are small farm or single-family residences, Yellow parcels are known projects, Orange shows neighborhood sewer projects. Light pink parcels are ones that are already connected to sewers. The light green shows allocated capacity. Light purple represents golf course/park space and subdivision common areas. Mr. Merkle said projections from 2019 are overall on target. Mr. Williams said the handouts show conservative, moderate, and aggressive development scenarios, per IDEM the Utility must keep a ten-percent capacity reserve. Mr. Merkle said there will be 2,200 to 4,500 EDU's of excess capacity which would accommodate additional density or additional service area. Mr. Mills asked if C&C discussed new projects that are coming in with higher densities. Mr. Merkle said yes and cited several planned projects as examples. Ms. Merrill asked if Zionsville is servicing Holiday Farms. Mr. Mills said they plan to. Mr. Williams said the proposed five percent EDU fee increase would be the last one needed, unless TriCo's service territory expands. The fee shows TriCo does not charge its current customers for servicing future development. Mr. Williams said staff would like to implement the EDU fee increase at the same time as the revisions to the Sewer Use Ordinance take effect.

Mr. Mills made a motion to recommend the Board of Trustees approve a five percent EDU rate increase to take effect July 1, 2021. Mr. McDonald seconded the motion, and it was unanimously approved.

The meeting Adjourned at 8:26 a.m.

Respectfully Submitted

Cindy Sheeks

Cindy Sheeks
Controller