



JOINT CAPITAL & CONSTRUCTION MEETING AND BOARD OF TRUSTEES MEETING

Monday October 2, 2023, at 4:30 p.m.
Memorandum

Ms. Foley called the meeting to order at 4:32 p.m.

Members Present: Committee Chair Amanda Foley, members Steve Pittman and Jeff Hill. Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Engineering Manager Wes Merkle, Collections Superintendent Aaron Strong and Administrative Assistant Maggie Crediford.

PUBLIC COMMENT

There was no one present from the public.

DEDICATIONS

The Committee will recommend the Board of Trustees accept the dedication of Towns at Appaloosa Section 2 sanitary sewers.

SURPLUS EQUIPMENT

The Committee will recommend the Board of Trustees declare the Cummins portable 210kW generator and Thompson 6" pad mounted pump equipment surplus to be sold on using the public bidding process. Mr. Pittman asked where TriCo sells its surplus items. Mr. Williams said the government surplus website GovDeals.

SERVICE AGREEMENT AMENDMENT FOR HIGHLANDS LATIN SCHOOL

Mr. Merkle said the original agreement from May 2020 between TriCo and Highlands Latin School allowed the school three years to connect to TriCo sewers. The school requested additional time to make the connection per the agreement. The May 2020 agreement also stated that since the parcel is in Citizen's service area TriCo would provide temporary service to the school for a period of ten years; if Citizens does not extend their service to that parcel within ten years, it will become a permanent customer of TriCo. As part of the extension agreement Citizens is demanding the disconnection deadline be extended to November 30, 2030. The Committee will recommend the Board approve the Highlands Latin School Service agreement amendment.

2024 CAPITAL BUDGET

Mr. Merkle reviewed the list of projects that are expected to be completed in 2023 which included Lift Station 1 (#2201) wet weather pump replacements, Lift Station 8 Reconstruction (#2202), Lift Station 11 added generator (#2204), Lift Station 14 Generator and controls replacement (#2205), Lift Station 26 added generator (#2206), Lift Station 26 parallel force main (#2207), Lift Station 16 replacement/relocation (#2208), and Lift Station 21 pump and discharge piping replacement. Project #2301 Lift Station 10 upgrades are slated to be designed and bid in 2023, with construction and installation to

be completed in 2024. Projects that may begin or continue in 2024, pending capacity need and private development, include Lift Station 23 upgrades, Little Eagle Creek Interceptor Extension and Lift Station 6 elimination and 99th Street Interceptor extension.

Mr. Merkle said changes from the 2023 Capital Budget include cost adjustments made due to changes in scope of work, inflation, and projects that could be pushed back to later years.

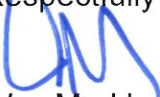
The Committee discussed how other service opportunities that might arise outside of TriCo's service area will affect TriCo's Capital Budget in future years if they materialize.

Mr. Hill said looking out into the future, capital is trending down as money is spent on capital projects. He asked if a look at rates is required. Mr. Williams said the Budget and Finance Committee is looking at a 5% user rate increase for 2024. Mr. Merkle said the rate study being conducted through Mrs. Poindexter is looking at wholesale costs as well as TriCo's current treatment costs. Mr. Merkle said he updated 20-year cash projections and expects TriCo to end the year with \$9 to \$10 million in the bank. In 2028, cash balances will drop below \$3 million. Mr. Merkle said a 5% user rate increase is needed in 2024 to maintain about \$3 million minimum cash reserves in future years. TriCo was able to get by without having a rate increase in 2023 but one is now needed. Mr. Williams said historically rate increases have been made in the middle of the year to coincide with balanced billing adjustments. Since Carmel has been replacing water meters and switched to a new software system, it is unknown when they will be able to provide TriCo with the information needed to calculate balanced billing. The Budget and Finance Committee is considering implementing a 5% rate increase in January or February instead of mid-year. Mr. Merkle explained that the budget presented for 2024 is preliminary and asked if the Committee and any other questions or suggestions. They did not at this time.

ADJOURNMENT

The meeting adjourned at 5:45 p.m.

Respectfully submitted,



Wes Merkle
Engineering Manager