

MINUTES
HAMILTON COUNTY REGIONAL UTILITY DISTRICT
BOARD OF TRUSTEES
SEPTEMBER 11, 2023

Hamilton County Government & Judicial Center
Commissioners Courtroom
One Hamilton County Square
Noblesville, Indiana

President Mark Heirbrandt called the meeting to order at 10:30 a.m. declaring a quorum present of Christine Altman, Steven C. Dillinger, and Mark Heirbrandt.

Approval of Minutes

Dillinger moved to approve the minutes of July 10, 2023. Altman seconded. Motion carried unanimously.

Update on Phase 1 Construction

Mr. Marty Wessler reported Reynolds is currently laying sewer on Englewood, east of US 31 through October with a second crew to help with the sewer and water force main crossing under US 31. The water main crew is on 236th Street laying the water main west of Bakers Corner to Springmill Road. The wastewater treatment plant access drive will be installed this month.

Mr. Doug Tishbein reported the access road to the water treatment plant at 236th Street and Rhodes is cut in with access back to the plant site. They are moving dirt at the wastewater treatment plant; the stormwater lagoon will be placed at the east end of the plant.

By the groundbreaking, the work on the water storage tank at the plant site will have started and scheduled to be mobilized on September 18th. Lift station No. 1 located at 236th and Rhodes is about 90% complete. Lift Station No. 2 located at the south end of 236th and Englewood is about 85% complete. Sanitary line is a 10-inch gravity line that extends north on Englewood from Lift Station No. 2 is currently being installed and it is going very well. The depth of that line is about 34 feet, the deepest line in the project. There is 1,300 linear feet of 3,500 linear feet installed. Line F from Lift Station No. 2 from US 31 will be started. The wastewater treatment plant lime stabilization on the road will be graveled to prepare to continue the work on the stormwater and lagoons at the plant site. Trailers will be set within the next two weeks and preparing for the groundbreaking ceremony. There are a couple of action items within INDOT that they are waiting on and they are working with Wessler to get it taken care of.

Altman asked if there is a general cost per foot or mile for extensions assuming you are not going to the really deep lines to extend the sewer lines. Tishbein does not have that information in front of him but can get it for her.

Heirbrandt reported he was contacted by Structurepoint, they are the design architect for the National Guard Armory, and they have sat a preliminary groundbreaking event for October 19, 2023. The time has not been determined with the invitation to be sent out within days.

Heirbrandt reported the IBJ (Indianapolis Business Journal) had a great article about Bakers Corner.

IFA Grant

Mr. Steve Wood reported the first paperwork has been filed with the IFA (Indiana Finance Authority) for Phase 1.

Money has been saved on the project because of the dewatering, they have not had to dewater as anticipated. Phase 2 looks as it will be in budget as planned

Sullivan noted the Phase 2 Guaranteed Maximum Price (GMP) will be given to the board soon.

Sullivan reported the Board of Commissioners will sign the IFA Grant Agreement for the \$20 million today. Once the agreement is returned to the IFA funds will be available to the county.

Addition of Territory

Sullivan reported the Hamilton County Board of Commissioners sent a letter to the Hamilton County Regional Utility District Board of Trustees petitioning we add territory to the district putting it in line to the original boundaries, expanding it east and west. They will need a letter from the President of the Board of Trustees to Indiana Department of Environmental Management (IDEM). There is no other formal review process. Altman moved to increase the district as presented. Dillinger seconded. Motion carried unanimously.

New Business

Request for Proposal for Operations

Sullivan recommended the district start to think about the Request for Proposals (RFP) for operations, with their permission he will work with Wessler Engineering and Steve Wood to draft the RFP, send to this board for approval and then will request approval to issue at this board's November meeting. No action is required today. Altman asked which meeting in November with Sullivan replying November 13, 2023 meeting. Altman wants to make sure we have sufficient time and suggested expanding the response to as late as we can because it is a hard time of year. Sullivan anticipates interviews will be done which will push the award into 2024.

IURC Rate Case

Mr. Chris Janack reported on the IURC Rate Case. Indiana American Water filed a case to increase their revenues by 31% but it was not a proportionate rate increase. They said the people that would be getting the highest increase were the wholesale customers i.e.: the district. They probably have 10 wholesale water customers across the state and wanted to increase the wholesale water rates by 50%. The residential customers would be significantly less than that.

How this works is all the testimony and exhibits are pre-filed on your behalf as well as several wholesale customers. They hired an expert, filed their own testimony and exhibits that basically said the cost-of-service study used to allocate the increase to the customers is bad. It was us against the world, they have residential, commercial, and industrial customers supporting having the wholesale customers pay more. It was good that the wholesale customers stuck up for themselves. If we had not participated, we would have ended up with the biggest increase. The hearing ended last week, all the evidence was in the records and the hearing went very well. Their expert that said we should get a 50% increase did not come off as very credible. What the IURC does with that we do not know. The case is done, briefing will be done between now and the first of November and then the commission will decide this case in the first quarter of 2024. Between this board's meetings Marty Wessler filed testimony on the county's behalf basically saying that we had a deal with Indiana American Water, we took bids, and they pulled a bait and switch on us and had we had known that they were going to increase rates by 50% we would have gone with another provider. It was very helpful for the county and the rest of the wholesale customers. The decision will impact what the rates are going to be to your customers. Indiana American has asked for a 31% increase in the revenues, the Office of Utility Consumer Counsel (OUCC) that represents all ratepayers says it should be 6%. We and many of the non-residential customers,

wholesale customers, said the studies they used to try and allocate the most cost to us are not any good so the rate should be on an across-the-board basis. We could have a rate increase anywhere from 6 ½% to 49%. Janack anticipates seeing a rate increase of at least 15% to the wholesale rate, it could be better or worse than that.

Altman assumes we are at the stage where we cannot change providers? Janack replied from a contractual standpoint, they met with Indiana American Water basically telling them they changed the whole game. The President of Indiana American was present and seemed to indicate that if we wanted out of the deal maybe we could, but we are so far along in the process that it is almost too late to change from an engineering standpoint and getting water to the armory in time. At a minimum we will have to go with them for a good portion of our water, we have a deal we have to take all our water from them. Maybe we can get an order from the IURC that give us flexibility, but he would not count on that. Altman asked if we had no protections in the contract against the bait and switch? Janack replied we could undo it arguing they changed the terms but undoing it at this point puts us in jeopardy of not being able to provide service. Altman is not saying undo it but reduce the increase. Janack replied the contract says the IURC will set their rates and we will agree with whatever the IURC says, that is what we have to go with. Even if the contract said something other than that, the law is such, that the IURC can change the contractual rates.

By-Laws and Rules

Janack stated the regional district statute allows you to do bylaws or rules. They can be everything from how they want to operate as a board to adopting rules governing what type of discharges into your system. You can also do by-laws and rules that protects the system, we could potentially dictate how service is provided in your area and maybe give you some protection or say if people want to provide water or sewer service in your district you can talk about how that is going to happen. You do not have to with most districts not doing it. Altman's largest concern is integrity of the system and there is no reason to recreate the wheel, there is certain type of discharge you allow and certain type you do not. She assumes with what other systems do if there is something unique about our treatment system, we would adjust it. She does not see any reason to spend time and money on that. What she is most concerned about is integrity of our district area and to the extent we can keep people out, we need to review that because of the substantial investment of the taxpayers and the government in this. That is where she would like to spend some time and money. She is even more concerned that we are giving money to a potential competitor, Cicero, to put in treatment capacity. If we are going to spend any attorney's fees or time, we need to look at that and protect our area. Janack agreed. Altman stated if we hand off to other entities and decide we do not want to be numbers anymore then we look at procedures. Dillinger and Heirbrandt agreed. Janack asked if he should leave the Roberts Rules of Order out and keep the service territory rules in. Altman replied yes, conduct of the board is not material to her because we have operated as a board in various other roles, and we are comfortable with the way we operate. Let us spend our money where it counts and be conservative.

Janak replied, the other thing we can do rules with are certain types of loans that can be taken out that give territorial protection. There is one loan in particular through the federal government that they can take out, Rural Development. If you take out a loan through Rural Development it will give you super protection under federal law, he will look at that for future projects. We cannot really use the current projects but future projects to smaller areas he would consider. Altman asked to figure out the best way to use the tools at hand because if we lose territory, we lose revenue, and the system does not operate.

Next Meeting – November 13, 2023 at 10:30 a.m.

Groundbreaking

Groundbreaking Ceremony set for October 4, 2023 at 11:00 a.m.

Heirbrandt noted there are a lot of moving pieces with lots of meetings every week, we are making a lot of progress and he is pleased with what is happening.

Dillinger moved to adjourn. Altman seconded. Motion carried unanimously.

Present

Christine Altman, Trustee
Steven C. Dillinger, Trustee
Mark Heirbrandt, Trustee
Robin M. Mills, Auditor
Connor Sullivan, Attorney
Marty Wessler, Wessler Engineering
Doug Tischbein, Reynolds Construction
Chris Janack, Attorney from Bose McKinney, and Evans
Lee Buckingham, Director of Administration
Steve Wood, Buildings & Grounds Superintendent
Kim Rauch, Executive Assistant to Auditor
CJ Taylor, Plan Commission Director

HAMILTON COUNTY REGIONAL UTILITY DISTRICT BOARD OF TRUSTEES

Christine Altman
Steven C. Dillinger
Mark Heirbrandt

Date Approved: 11/13/2023