

Tippecanoe & Chapman Regional Sewer District Board Meeting Minutes

North Webster Community Center – P.O. Box 572 North Webster, IN 46555-0572

The Tippecanoe Chapman Regional Sewer District Board met in regular session on Monday, May 10, 2021 6:30 pm at the North Webster Community Center and via Zoom at <https://us02web.zoom.us/j/244811872?pwd=ZkIJZkRWFCSVhSUDRXMTZlVzUrZz09> Meeting ID: 244 811 872 Passcode: 041891 One tap mobile+16465588656,,244811872#,,,,*041891# US

MEETING ATTENDANCE: Meeting was called to order at 6:30 pm by Jon Tyler, and the Pledge of Allegiance was given in unison.

I. ROLL CALL:

TCLRSD Board: Ed Ormsby, Jon Tyler, Brian Davison, Bob Weaver, Chuck Simpson, Kim Hathaway, and Jeff Thornburgh

Carson, LLP: Atty. Andrew Boxberger

JPR: Ken Jones, Steve Henschen, P.E, Victoria Trujillo

II. APPROVAL OF MINUTES (April 12th, 2021)

There were two corrections to the meeting minutes from April 12th.

- Page 7 “Jeff Thornburgh” was changed to “Jeff Rowe”.
- Misspelling of Mr. Payton’s name on page 7.

Chuck Simpson motions for the approval of the meeting minutes. Motion seconded by Brian Davison. Motion approved unanimously.

III. APPROVAL OF FINANCIAL REPORTS

a.) Monthly (March) Financial Report and Bank Reconciliation

IV. APPROVAL OF INVOICES/CLAIMS

There were seven (7) claims submitted for approval for a total of \$58,759.19.

Brian Davison made the motion to approve the monthly claims. Motion seconded by Chuck Simpson. Motion approved unanimously.

Kim Hathaway submitted two additional claims for the Board’s approval.

- Carson, LLP – \$10,001
- North Webster Community Center – \$2,530

Jeff Thornburgh made the motion to approve the two additional monthly claims. Motion seconded by Brian Davison. Motion approved unanimously.

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V. SUB-COMMITTEE REPORTS

a.) Finance Committee

No report this month from the Finance Committee.

b.) Engineering Committee

The Engineering Committee met in person on Tuesday, April 27th, 2021. Steve provided the Board with a recap of the meeting and included the meeting minutes in the Board packets.

The Board discussed vacuum sewer versus pressure sewer options. The Board met with Tri-Lakes Regional Sewer District and there were three take-aways from this meeting that include the following:

- Tri-Lakes has much lower operation and maintenance costs (vacuum sewer versus pressure sewer).
- Tri-Lakes has the advantage of no electrical to vacuum pits serving the homes.
- Many of the vacuum lines were installed between the lake front and the road which may lower the cost of the customer to connect to the main line if it was running from the lake to the house rather than in the roadway.

JPR revisited the operation and maintenance cost in the PER and they evaluated the pressure sewer, main vacuum sewer, and the hybrid vacuum sewer options. JPR indicated 60% of customers would be served by vacuum and 40% would be served by pressure sewer. The cost to have 90% of customers served by vacuum and 10% served by pressure sewer was significantly higher than the pressure sewer option. There are some areas AirVac cannot cover cost-effectively. AirVac's best scenario is to install as many systems efficiently with the remainder being pressure sewer systems. AirVac has attended 4-5 of the Board meetings in the past; however, after visiting Tri-Lakes, the Board would like to request a presentation from each of the sewer option vendors (vacuum and pressure sewer).

JPR assembled detailed construction and operational costs for the three options. It was noted that both vacuum systems had lower operational costs and it was offset by the lower cost of construction for the pressure sewer system. The operational cost for the pressure sewer system and hybrid system are almost the same. Installing 100% low pressure sewer systems is the lowest in capital cost or from a construction standpoint.

The cost split between the three scenarios are:

- \$41M – Low Pressure Sewer
- \$44M – Hybrid (60% vacuum, 40% low pressure)
- \$48M – Vacuum (90% vacuum, 10% low pressure sewer)

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Chuck Simpson asked if JPR would be worried about not getting the project funded if the project isn't the lowest price option. Steve responded that the funding agency will look into the Board's reasons for exploring another option for the project. Changing the option would not exclude the Board from funding; however, the funding agency looks at a cost-effective option and a project with a higher capital cost would require more funding for the project.

Chuck Simpson asked if there is one system that is better from an environmental standpoint. Steve responded that both low pressure and vacuum sewer are both good options. One of the three main scenarios the engineering firm always looks at are gravity sewer, pressure sewer, and vacuum system. From an environmental standpoint and the potential for spills or failures, these options do not pose any significantly higher risks than any other sewer system options. The engineering firm has included safeguards in their design such as standby generators in case the power goes out, alarm systems, and notification systems that will contact operators to respond to an event as quickly as possible.

Chuck Simpson is not sure why the hybrid option is 40% low pressure. Steve explained that terrain is a major limiting factor in the vacuum systems. Steve mentioned the most feasible option for vacuum systems are on flat land, hence the reason Tri-Lakes installed their vacuum sewer systems near the lake.

Bob Weaver made the comment that he doesn't think there are many systems on the lake and they have been installing septic systems for over 30 years. He included that for most of these installations, the septic has been draining towards the road and the wells are installed lakeside. Bob also indicated he can't envision placing grinder pumps or vacuum systems lakeside; however, there would be some exceptions if the plumbing in the home was changed. Steve responded that the engineering firm is in the process of identifying well and septic locates. The engineers need to maintain separation between wells and sewer lines. If the vacuum sewer fails, water will be sucked in rather than being pushed out. Theoretically, this could be one valid point from an environmental standpoint; however, when this happens, there is a major system failure.

Brian Davison commented installing at lakeside has dewatering issues. Steve added there are few other potential issues such as groundwater and poor soil conditions to build off of.

Chuck Simpson asked what is the depth of a vacuum sewer and Steve responded with no shallower than 3 1/2-4 FT to avoid freezing and for stair step 4-FT of covering on flat ground and 7-8 FT of cover.

Jon Tyler commented that it was discussed in the Engineering committee that Tri-Lakes is in a different life cycle in their system than the TCRSD. Tri Lakes has 20 years removed in their installation and TCRSD is currently in the planning phases. It is hard to say what technology and what pumps would be viable in 5-10. At this time, there aren't any savings in the installation of the vacuum sewer option. The disturbance to customer asphalt payment repair is driving the cost for the vacuum sewer option.

Brian Davison indicated it is more expensive to maintain a sewer pump and he has spoken with more property owners in favor of a vacuum system. Jon Tyler commented that either option will require the same access to get to the pit for maintenance and vacuum systems would require a more difficult installation. Jon Tyler also indicated there has been improvement in grinder stations over the years.

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The Engineering Committee concluded that the low-pressure and the vacuum sewer options had the same advantages with the exception of some of the electrical systems that would be needed for the grinder pits. As a Board, it was decided that the electrical service to those pits would be the responsibility of the District and not an added cost to the homeowner.

Jon Tyler commented that the Board has already formulated a plan on where the grinder systems would be located as a concession to mitigate costs to their customers. He included that the Board has taken significant steps and decided that overall the pressure system would cost less in installation and over a 20-year lifecycle. The Engineering Committee also decided in their meeting that the Board would continue on the same path they were on and agreed that changing the sewer option would delay the funding cycle by a year. The PER would also need to be revised.

Bob Weaver indicated he would like to do what is best for the customer and Jon Tyler agreed while stating he is not in favor of delaying this project another year after waiting 40 years to get to this point. Chuck Simpson agrees with Bob that the Board should delay the project another year and explore the hybrid sewer option. Jon Tyler mentioned to the Board they have a unique opportunity to have this project funded by both USDA and SRF, completing this project in a timely manner, and using money or matching funds that are currently being issued by the federal government. JPR is not anti-vacuum or pro-pressure sewer and has taken the approach from an engineering standpoint, following funding guidelines. Bob Weaver indicated he is in favor of a hybrid system because of the ease of maintenance and aesthetics since the vacuum system doesn't have an alarm panel. JPR will support the Board's decision on either a pressure or hybrid system.

Steve Henschen mentioned that JPR used O & M costs provided by the AirVac supplier to determine what the cost would be to maintain and operate a vacuum system. JPR also uses the same approach for pressure sewer and has years of experience working with other clients that have used this option. JPR indicated they are confident in their O & M costs included in the PER. Steve Henschen also included that with the vacuum option, there will be limitations on how far down the hill they can reach and areas for installing vacuum sewer; however, there may be 4 or more lots that will need to be served by a grinder pump to reach the vacuum pit.

Brian asked if the 20-year lifecycle is expected for both systems. Steve Henschen responded that the engineers have factored in major components that are expected to last 20+ years, i.e. vacuum tanks, vacuum pumps, pump station pumps, pressure sewer, etc. The engineers also take into-account short term assets or anything that does not have a 20-year life cycle and is also included as part of the O & M cost. This method ensures funds are being set aside to replace any items that would wear out prior to a 20-year period.

Brian Davison asked if the vacuum sewer option would jump ahead if an additional 10-years were added? Steve Henschen responded the cost for the vacuum system would not change as those parts will wear out too. Both options have pipelines and valves that will last close to the same amount of time. The engineers also looked at the salvage value at year 20. The Net Present Worth Analysis takes into-account the capital cost, salvage cost, and O & M cost.

Jon Tyler commented after the Board had their Engineering Committee Meeting, they had reached the consensus that they Board would continue on the path they were on while looking at ways to minimize the overall cost of the projects. Options for minimizing costs would include exploring the locations of the main lines to the agreed upon grinder station locations.

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The next step the Board has planned is to approve the selected equipment for bidding to keep the project moving forward. Steve Henschen mentioned that if the Board decided to switch to vacuum sewer, it would be nearly impossible to meet the funding commitment set up for the Board. Andrew Boxberger indicated SRF will decide on funding allocations in the next 60 days and will require the Board to commit to closing by a certain date. To have grant funding in July, the funding agency requires the bond to be closed by the following March. The Board should be expecting notifications from the funding agency in July on the type of funding package the Board is expected to receive. Upon commitment of the funding package, the design would be expected to be complete with the bond closed by March of 2022. If a forgivable grant is included, the funding agency may push for a deadline before the end of the year. JPR's commitment is to have the design complete in December with the project up for bid in January. Using this timeline, the Board would expect to receive bids and set bond rates in March of 2022.

This year the Board received extra points from the funding agency for submitting before March. Next year, there will not be an opportunity to receive extra points for submitting early. This year SRF also received an additional \$50M in grant funding and is expected to receive \$50M next year in matching grant. SRF normally funds the top 15 of the 25-30 projects on their project priority list. It is expected that only the top 3-4 will receive grant funding. If the Board would like to request loan money, they can close at any time.

As of now, the pre-selection package has been issued for grinder pumps and proposals are expected to be received on May 19th. The Engineering Committee plans to select a vendor during their meeting planned on May 24th. During that time, the Board can request vendors to present on both vacuum and pressure sewer options.

There is a \$600k difference in Net Present Worth between the Pressure Sewer and Vacuum Sewer Option.

- Pressure Sewer System – \$49.4M
- Hybrid System – \$50.2M
- Vacuum Sewer System – \$50.6

Bob Weaver makes the motion to have representative(s) from AirVac to attend one of the Board meetings and provide a presentation on their product.

Ed Ormsby moved for the previous motion to read: I move for the Board to consider a hybrid option. Motion seconded by Ed Ormsby. Motion approved with six yays Ed Ormsby, Brian Davison, Chuck Simpson, Bob Weaver, Kim Hathaway, Jeff Thornburgh and 1 nay by Jon Tyler.

Chuck Simpson suggests having a special meeting to allow for vendor presentations and to further discuss what other options there are. Andy Boxberger would like to explore options for a meeting after the bid quotation process to discuss sewer options with vendors. Steve Henschen recommended that any vendor who submits a package before the final selection be given the opportunity to meet with the Board and present information on their product. Andy would like to review options for a meeting from a legal perspective before confirming a meeting date to speak with vendors as the Statute says all pre-bids are to be kept confidential until the pre-selection has taken place. Andy will have an answer to the Board within 24-28 hours on options to host a meeting with vendors.

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VI. PER AND ENGINEERING UPDATE

Engineering and Land Acquisition – Steve Henschen provided the Board with a summary of JPR’s monthly Board Report.

a.) JPR Update

1. PER

- a. Archaeological and Environmental Report – work is underway. Notices were sent out to the affected property owners. JPR’s sub-consultant, Cardno has been leading this work. Work includes the delineation of wetlands that are out of public right-of-way. If crossing through undisturbed land is required, a walk-through and digging will be needed to discover any artifacts. Notices that were issued to the property owners indicated this work is on-going. JPR has received calls from property owners with questions and this information is being documented.
- b. Baker Tilly is working on the Financial Report and Jeff Rowe indicated he will be prepared to present this information at the June Board meeting.
- c. JPR had a successful project meeting with SRF on April 15th discussing the project. Jon Tyler, Andy Boxberger, the financial consultant, and JPR participated in this meeting.
- d. The USDA Rural Development application has been submitted by JPR. USDA did have a few comments that JPR is working on addressing. The Director of USDA indicated in an email that they are very excited about this project and it has gotten a lot of attention at the federal level.

2. Survey/Design

- a. Survey work is 95% complete. Topographic work has been completed. JPR will have crews beginning field checks for septic invert elevation.
- b. JPR has begun work on the horizontal pipeline for the pressure sewer and force mains. JPR has an internal team meeting scheduled on Monday, May 17th as formal review and more discussion on this topic.
- c. Project planning sheets and construction drawing is now underway.
- d. JPR has shown all grinder stations that will be serving all of the properties. These are being fine-tuned based on actual grades.
- e. JPR will begin utility coordination or reaching out to the utility companies. JPR provided the Board with a list of the utility companies they will be working with.
- f. Grinder pump stations – the Board established the grinder pump stations last month and JPR discussed with the Board the appeals process. Any deadlines will be refined.
- g. JPR has been receiving calls from customers to discuss grinder placements and they encourage property owners to continue contacting them with any questions they may have on the location of their grinder station or vacuum pit locations, if this is the option they continue moving forward with.

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- h. Andrew Boxberger asked if the placements will be in the same spot and Steve Henschen responded with, “yes”, except for those with grade limitations.
- i. Equipment pre-selection packages went out and are due on 5/19/21. Once those proposals have been received, the Board will begin the scoring process.
- j. Easements/land acquisitions – Title search and last deeds of records for all properties are being gathered. JPR has been working with Meridian Title on this work. The goal is to have this work completed by the end of June. The Board has discussed possibly sending out the easement letters in June. JPR will discuss with the Board at their next meeting the timeline for sending out the initial easement letters.

Title Search/Deeds Completion

- Tippecanoe – 31% complete
 - Chapman – not started yet
- k. JPR will start prioritizing pump station sites, unless the Board decides to pursue the vacuum sewer option. JPR will begin reaching out to the property owners of the planned pump station sites this week. There currently are four pump station site options; however, there may be a fifth option. This option is currently being evaluated.

VII. LEGAL COUNSEL UPDATE

a.) Interlocal Agreement Update

- i. Andrew Boxberger indicated the MOU for the Interlocal Agreement is in the hands of the City. Andrew Boxberger is awaiting any comments from the City. This will be a binding Interlocal Agreement that lays out the major terms of the contract.

b.) Insurance and Bond Update

- i. Andrew Boxberger has received the applications with bonds that were needed to be submitted. He has also received the insurance quote.
- ii. Patty Zelmer, bond counsel, is retiring. Andy Boxberger has been in contact with Lisa Lee at Ice Miller and another gentleman who was brought onboard. Andy Boxberger suggests the Board continue working with Ice Miller unless the Board has any concerns.

c.) Easement Notifications

- i. Steve Henshen discussed the easement notifications in his update earlier in the meeting and Andy Boxberger Indicated they will readdress this topic in June.

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VIII. FINANCIAL CONSULTANT UPDATE

- a.) Jeff Thornburgh provided the Board with an update at their planning meeting, he is working on the Preliminary Rate Analysis and plans to present this report to the Board at their June meeting.

IX. GRINDER PUMP LOCATION GUIDELINES

- a.) Jon Tyler indicated this work is on-going. They are still working on the appeal process and the general deadline for filing the appeal.
- b.) Jon Tyler asks how the Board would like to move forward with the guidelines or discussion in lieu of their previous dialogue during the meeting.

Ed Ormsby responded they can proceed with a recommendation to the Board on a date for the appeal process. Ed Ormsby asks the Board if they have a recommendation for a date. Andrew Boxberger replied that a good deadline would be after they accept the bid and he indicated this date may not be known yet. Steve commented if bids were to take place in January and if all appeals take at least a month, he would recommend that all appeals be submitted to the Board by the December Board meeting to begin the appeal process. This will allow the Board to incorporate any changes into the bid documents and the bid prices would reflect the change.

Andrew Boxberger recommends for this discussion to be tabled for a later date.

Steve and Andy Boxberger will work on setting an appeal deadline date. Andy Boxberger indicated he will also work on the Board of Zoning and Appeals language upon approval from the Board. Jon Tyler asks if the variance request will come before the Engineering Committee. Andrew Boxberger agrees this would be the appropriate process. Andrew Boxberger recommends formally delegating this authority to the Committee by vote when the time comes.

X. OFFICE SPACE AND HOURS

- a.) Steve Henschen indicated JPR met internally to draft a plan for the office space.
- b.) JPR plans to begin staffing the office in early to mid-July to September, if needed.
- c.) Office hours to the public would be planned as Monday, Wednesday, and Friday 9-4 pm. JPR would staff the office from 8-5pm. The plan would also be to have the office open every other Saturday from 8:30 -11:30 am. These hours would also be published to the TippyChapmanRSD.com website. JPR will assign one staff person, Jennifer Ransbottom, who has experience working with other Districts. There will be other staff on stand-by. There will also be a digital notary option for customers to use at a cost by Metropolitan Title Company.

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XI. PUBLIC INPUT

Comment: Sawyer Stephens from AirVac (online) wanted to include that he has attended the last four or five Board meetings and wanted address the Board's concern as to why he did not speak out. He has been working with Jon Tyler and Steve Henschen to get a sewer complete prior to the preliminary decision that would provide insight to the Board on the types of products they would be receiving. Examples include Lake Bruce and Lake Manitou and see AirVac's clearview test rate. Sawyer has tried numerous times and he thinks this would be a great opportunity for the Board to understand the system much more.

Answer: Andy Boxberger mentioned to Stephen that he should expect to hear back from the District.

Question: Phil Butler (Stanton Lakes) made the comment that he is so glad the meeting was so informative tonight and thanks the Board. Phil asked the Board if Stanton Lakes is included in the project plan. He indicated he has received misinformation and his neighborhood has been marked. He indicated he is not a "fan" of the project and he understands this project will benefit a certain area; however, he does not believe including his home is necessary. He would like a direct answer as to whether or not they are included as they have not been notified.

Answer: Jon Tyler replied that he does not believe they are currently on the list. Steve Henschen indicated he has received several calls from Stanton Lake property owners; however, they cannot control where the utilities choose to mark. Steve Henschen also responded that he could speak with him after the meeting and they can review the boundary maps. Jon Tyler concluded and responded that Stanton Lake is not included within the boundaries. Stanton Road. is one of the boundaries to the North side but not going into the neighborhood.

Question: Jared Ebberly (Chapman Lake) indicated he knows there has been consideration in the two costs of the proposals and he is curious to know from Steve if they go through the maintenance side and see that the alternative vacuum is the better option, what would be an acceptable option to present to the funding option to go with a more expensive system?

Answer: Steve responded that they would need to come up with some factors other than costs unless they review their costs and say they don't think they covered the cost appropriately.

Question: Jared understands that the Board has provided one example of a grinder pump and gravity but in this case, does the Board see any other circumstances that would fit this type of system? If they see that a vacuum system would cost more, and the delay would be a year away, what would the Board feel comfortable with saying the reason being?

Answer: Jon Tyler responded with that's a very good question and replied with he does not have anything to quantify what is going to sway back a different way other than what was discussed earlier in some of the other areas as far as the amount of inconvenience to the customers, the aesthetics, the long-term value of the system they will be installing, the initial costs & maintenance costs, and then the overall cost of the system. These were all

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predominant factors in the initial decision that was made. Ed Ormsby indicated they will have more information during the vendor presentations. Chuck Simpson indicated the difference between the systems were \$42M (pressure system) and \$44M (hybrid system) and he doesn't feel that a \$2M is a big difference and wonders if AirVac would possibly consider cutting their price given the amounts being considered for the different options. Steve Henschen indicated AirVac would not be bidding against anyone else.

Question: Pat Shaw (Stanton Lake) indicated he has a property on Old Mill Place and he would like to know what the estimated projected cost is for a property owner for installation and hook-up.

Answer: Jon Tyler responded that each property owner's needs are going to be different and it all depends on where the property owner's current system is, where the home is located, how far the property owner needs to go to get to the tank (grinder or vacuum), having to go under pavement/driveway, etc. The cost will be different for everyone and it is estimated to cost anywhere between \$1,500-\$4,500 for people to get established and have the excavation work done themselves. It may depend on the property owner talents as well. If the property owner is able to dig the trench and get a permit approved by the District to hook-up then the property owner may have less out of pocket costs.

Comment: Pat Shaw indicated his property is a vacant lot and he has no intentions of building on it. He would like to know what are his costs going to be?

Answer: The Board responded with \$0. Steve Henschen indicated that only existing sewage producing structures are served unless a property owner volunteers and wants to have service provided for future considerations. Jon Tyler added if in the future the land was to be developed, there would be cost to hook-in but initially, there are no costs to him at this time.

Ed Ormsby made the motion to adjourn the meeting. Motion seconded by Jon Tyler. Motion approved unanimously.

Meeting adjourned at 8:20pm.