

**COMMON COUNCIL  
WASTEWATER COMMITTEE  
MAY 29, 2020**

The City of Noblesville Wastewater Council Committee met pursuant to public notice on Friday, May 29, 2020 in the Utility training room. Mark Boice, Brian Ayer, Mike Davis, and Pete Schwartz were present.

Also present were Mayor Chris Jensen, City Clerk Evelyn Lees, Deputy Mayor Matt Light, Wastewater Utility Director Ray Thompson, Wastewater Utility Assistant Director Karrie Hutson, City Attorney, Lindsey Bennett, and Controller Jeff Spalding.

Mr. Boice called the meeting to order at 2:04 p.m.

Mr. Light reviewed a memo providing information and recommendations in relation to rate adjustments for planned and anticipated capital projects, as well as data and recommendations for the trash fee, since it is included on wastewater bills. He reviewed several options that were studied. He stated the approach the Mayor prefers adjusts both rates so that they will remain unchanged for four years.

Mr. Light stated the current trash and recycling contract expires on May 31, and a new contract was recently bid. He stated Republic Services, the City's current provider, was the lowest responsive, responsible bidder. He stated there will be no change in service, and the contract term is for four years with the option of a mutual four-year extension. He stated Baker Tilly (formerly Umbaugh) has performed the same analysis for increasing wastewater rates and provided several options: an annual increase; a year-over-year increase; or an increase that will remain unchanged for four years. He stated the Mayor prefers the last option, because it saves taxpayers from yearly budget adjustments or auto pay adjustments.

Mr. Thompson reviewed the capital construction projects planned for the Utility in the next four years: the Long Term Control Plan (LTCP) Phase V; Lift Station 2 (Stoney Creek Lift Station); Lift Station 9 at Little Chicago Road and Hawthorn Drive; and the lift station at 206<sup>th</sup> Street and Hague Road. Mr. Light reviewed draft data concerning bonds to fund the projects. Mr. Ayer stated developers should help pay for upgrades. Mr. Thompson agreed that tap on fees should be increased. Mr. Light reviewed rate comparisons with other municipalities, which showed Noblesville's rates in the bottom third.

Mr. Boice asked if a Payment in Lieu of Taxes (PILOT) could be instituted. Mr. Thompson replied ten percent of the Utility's budget currently is transferred to the Civil City to pay salaries. He stated if a PILOT was enacted, rates would need to be increased more. Mr. Boice expressed concern whether the proposed increase is enough. He stated it is very important to stay ahead of the need. He stated he would rather face a negative response now than fall behind on improvements and have to approve a much larger increase in the future. Mr. Thompson replied he is confident this increase will fund improvements needs for the next four years. He noted he has good estimates of what will be needed in the next five to ten years. Mayor Jensen stated he is comfortable with setting fees for four years, but he would not like to project further because

things can change in that time. There was a discussion concerning tap on fees. Mr. Light offered to provide comparisons to tap on fees in other communities. He noted in 2006 when the LTCP began, Umbaugh projected Utility rates in 2022 to be \$66.33. He stated the City is below that projection, thanks to good management. Mr. Ayer stated no one in 2006 could have predicted bond interest rates would be this low. Mr. Spalding stated the lower-than-expected rates are a combination of both factors.

Mr. Ayer asked when the LTCP will be complete. Mr. Thompson replied the last phase will be complete in 2022, followed by a period of monitoring by the State to make sure the project was completed to their standards. He stated they already monitor the completed phases, and the results are very good.

The committee discussed the rate increases for wastewater and trash collection. They agreed it is best to increase them both at the same time. Mr. Spalding discussed the various options for the trash fee and stated the four-year flat rate is the least expensive over time.

Mr. Light stated during the COVID-19 emergency, late payment penalties and liens have been suspended. Mr. Thompson stated there has not been a large drop in collections. Mr. Light stated if the rates are increased, they will work to provide hardship provisions for ratepayers. Mr. Light stated the City will coordinate reinstatement of late penalties and liens with the County.


Mr. Thompson requested approval of an increase in June, so there will be time to inform rate payers before the increase is effective August 1, which will be reflected on the September bill. The committee recommended the proposed increases. Ms. Bennett stated she will work to prepare the ordinances.

The meeting adjourned at 2:50 p.m.



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MARK BOICE, COMMITTEE CHAIR



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EVELYN L. LEES, CITY CLERK