

**COMMON COUNCIL  
UTILITIES COMMITTEE  
MARCH 14, 2024**

The City of Noblesville Utilities Council Committee met pursuant to public notice on Thursday, March 14, 2024 in the administration conference room at the Wastewater Utility Offices. Mike Davis, Evan Elliott, and Pete Schwartz were present. Mark Boice attended electronically via Microsoft Teams.

Also present were City Clerk Evelyn Lees, Utility Director Jonathan Mirgeaux, Assistant Utility Director Karrie Hutson, and Utility Accounting Manager Steve Strycker.

Mr. Schwartz called the meeting to order at 1:30 p.m.

White River Alliance – Annual Dues

Mr. Mirgeaux responded to a question from Mr. Davis in his role on the Finance Committee regarding annual dues paid to the White River Alliance (WRA). Mr. Mirgeaux stated the Utilities pay \$1,000 as well as an additional \$9,000 in dues for help with MS4 (Municipal Separate Storm Sewer System) compliance. He stated the Utilities' permit with IDEM (Indiana Department of Environmental Management) requires public outreach, which the Alliance provides. He stated he recognized the dues are a significant cost and has requested reporting on WRA's public outreach activities to Noblesville residents to help justify the amount of dues the Utilities paid. He stated the Alliance does good work and organizes the White River cleanup each year. He stated Michael Overby is the new MS4 coordinator for the City, and Mr. Mirgeaux is working with him on the matter. Mr. Davis stated it is the Council's job to look at expenses and question everything. He stated he would defer to Mr. Mirgeaux if he was happy with the arrangement. Mr. Mirgeaux replied he is not happy with what the Alliance provides. He stated he and Mr. Overby are requesting outreach materials focused on teaching residents how to ensure proper drainage and water quality, and when to contact the Utility with problems. He stated public outreach is needed for the MS4 permit. He stated if the Utilities do not participate in the WRA MS4 program, the public outreach will need to be performed and documented by staff, which carries its own cost. He stated he has forwarded the Council's questions to Mr. Overby, and they will continue to evaluate the matter.

2024 Sewer Rate Adjustment

Mr. Mirgeaux stated sewer rates were last increased in 2020 and fixed for four years, so 2024 is a rate increase year. He stated he has received a draft analysis from Baker Tilly, the Utility's financial consultant. He displayed a draft of the Utility's asset management plan, including long range capital forecasts and a capital improvement plan. He stated the forecasts should help prevent sudden, large rate increases with appropriate planning. He stated the long-range forecasts include revenue from rates, growth-funded connection fees, and bonds. He stated bond debt service needs are also taken into account. He presented a draft of two possible rate increase scenarios for comparison. He stated one scenario would raise rates by approximately 15.5 percent or \$7.15 and stay fixed for four years; the second scenario would increase rates by

approximately 3.9 percent each year for four years. He stated no final recommendations have been made yet. He reviewed the pros and cons of each scenario. He stated the trash fee will be increased soon, and it would make sense to increase the sewer rate at the same time, since they appear on the same bill and most users view them as parts of the same thing. Mr. Boice stated historically, the Utility increased the sewer rate by 3.9 percent each year. He stated fixing the rate for four years was a new approach. He stated he did not have a personal preference for either option. Mr. Davis stated he did not have a personal preference as long as the long-term needs and repairs are funded. Mr. Boice stated it is important not to fall behind on funding, because then a large increase is needed all at once to catch up. Mr. Mirgeaux stated the worst case scenario is privatizing, because then the City loses control of its own destiny. He stated owning the Utility gives the City more flexibility.

### Stormwater Fee

Mr. Mirgeaux stated there is a small number of residences and businesses within the City that do not pay a sewer fee, but they do benefit from the City's stormwater MS4 areas. He stated because stormwater is funded by sanitary sewer fees, the residences and businesses are not contributing to the stormwater service they receive. He distributed a handout illustrating the matter. He stated because of coming development in the southeast quadrant of the City served by Hamilton Southeastern Utilities and Fishers Utilities, the number will grow. There was a discussion concerning the issue and how best to address it. Mr. Mirgeaux stated the Utilities hope to be proactive and have stormwater fees in place ahead of new development. The committee agreed that those benefitting from storm sewer management should contribute to that utility if they do not pay sanitary sewer fees. Mr. Davis suggested a once per year assessment. Mr. Mirgeaux stated a semi-annual bill for trash and storm water is another possibility. The committee agreed it was best to begin the fee before the area is developed.

### LTCP Compliance Plan – CSO 004 Area

Mr. Mirgeaux stated the Long Term Control Plan was completed, and the Post-Construction Monitoring Report was submitted to IDEM. He stated one Combined Sewer Overflow outlet does not meet the agreed-upon level of service. He stated the Utility is preparing the required compliance plan to submit to IDEM. He stated two additional blocks of storm sewer may need to be constructed, and one business on 9<sup>th</sup> Street may need to have the sewer lined. He stated the business has downspouts that empty into the sewer and will need to be diverted. He stated the overflow weir in the CSO diversion structure also should be raised to force more water to the treatment plant.

### BOT – Sludge Process Improvements

Mr. Mirgeaux stated the treatment plant has two treatment trains: solid and liquid. He stated updates are needed primarily to the solid treatment train. He stated the project is expected to cost approximately \$6 million. He stated the Utility has a 30 percent design of the project, which will reduce risk for the contractor and may save overall cost. He stated the Utility intends to complete the project as Build-Operate-Transfer. He stated most of the project costs are related to

equipment replacement, miscellaneous architectural modifications, HVAC, and structural rehabilitation. He stated at this time, Council's approval is not needed for the project.

Other Business

Mr. Schwartz asked if there are unfunded mandates on the horizon. Mr. Mirgeaux replied there are three that may occur, but there are not timetables for them yet, and they are not included in the Utility's capital plan. He stated if they are required in the future, there will probably be a five-year window to implement them, since the Utility's permit lasts five years. He stated the Utility may be asked in the future to reduce total nitrogen, reduce phosphorus, and monitor or reduce PFAS. He stated IDEM may require reduction of PFAS by the producers rather than the Utility. Ms. Hutson offered an example of a business on Herriman Boulevard that has implemented procedures to contain PFAS. There was a discussion concerning potential approaches to nitrogen and phosphorus reduction.

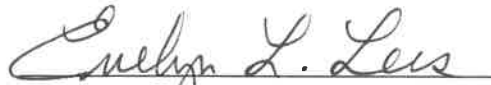
Mr. Davis asked if sewer bills can be paid in advance. Ms. Hutson replied yes, they can be. Mr. Davis suggested a discount for paying quarterly or annually. There was a discussion concerning credit card fees.

The meeting adjourned at 2:48 p.m.



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PETE SCHWARTZ, COMMITTEE CHAIR



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EVELYN L. LEES, CLERK  
CITY OF NOBLESVILLE