

## Edwards,Michelle

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**From:** Elliott,Earl  
**Sent:** Friday, February 16, 2018 6:47 PM  
**To:** DeBaun,Curtis; Crossen,Martha; Don Morris; Nasser,Karrum; Garrison,Neil; Azar, George  
**Cc:** Edwards,Michelle; Felling,Darrell  
**Subject:** Fw: \*Ext!\* Main Lift Station Value Engineering Workshop - Meeting Minutes

FILED

All, FYI. Earl

FEB 20 2018

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**From:** Elliott,Earl  
**Sent:** Friday, February 16, 2018 3:33 PM  
**To:** Scales, Andrew; Miller,Ronnie; Amy Auler; Hensley,Hank; Auler,Scott; Al Stong; Greg Garnes; Toby Church; Josh Wheatley; Padgett,Debbie; George, Tim; Nation,Todd; Ennis,Charles; Eric Smith (esmith@hwcengineering.com); Troy Swan; Doug Foli (Doug.Foil@terrehaute.in.gov); Robbins, Larry; Pandian, Ari; Gibson, Jay; Elkins,Robert; Vince Sommers; Rosselli,Johnny; short72963@gmail.com  
**Subject:** Re: \*Ext!\* Main Lift Station Value Engineering Workshop - Meeting Minutes

CITY CLERK

Mr. Scales, Thanks for the detailed summary of the discussion of the decisions made, deferred, etc. during the value engineering workshop. It certainly does not make sense to me to defer \$2.0 million now only to incur \$4.0 million a few years from now. The potential savings in financing costs do not justify the \$2.0 million cost of the deferral.

I have surmised my involvement in this process is to represent who I believe are the owners of this project. That is the property tax payers and user fee payers that provide the revenue streams to the Waste Water Utility. Most of the participants in the discussion did not represent the owners. It is the Sanitary Board and City Council members that are charged with approving the revenue streams that will pay for the Long Term Control Plan. The Sanitary Board members are appointed. The City Council members are elected.

The 2014 median household income for the City of Terre Haute was a mere \$ 33,317. I expect that is much less than the communities that the out of town consultants in the meeting were from. Prior council approved a series of three 15% rate increases which is a compounded 52% increase. Council learned later for some vague reasons that those increases were not enough to satisfy all the debt service and debt service reserve requirements required by the SRF bond issue. The current Council eventually passed a two-stage rate increase. I believe the increases were 15% then 6%. This was projected to provide the cash flow for the debt service required to fund the projected \$40 million cost of LTCP Phase 2. These discussions were held with City Admin personnel and legal counsel present who knew the \$40.0 million was not sufficient but they did not inform Council of that. Council did not know of the ground contamination issue which others knew about. It should be no surprise that some Council members were livid when the cost of LTCP and related borrowings of some \$78 million were subsequently presented.

Council's uproar appears to have helped lead to this detail review of the costs of LTCP phase 2. I have no idea what level of cost Council will support. I suggest the lower the better. Any increase in rates may take food off the table of some of our citizens. I urge everyone to do their best to reduce the cost as much as possible. So how can the footprint be reduced to the smallest size possible and still satisfy everyone?

I further understand and have a report that the total cost of the long term control plan is somewhat based on what the Community' can afford. This significant increase in cost of LTC may cause our community to have a plan that we cannot afford. If someone has not looked into that, someone should. The question will come up.

If you have read this far, thank you very much.

O Earl Elliott, CPA,  
City Council District 2  
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**From:** Scales, Andrew <AScales@chacompanies.com>  
**Sent:** Tuesday, February 13, 2018 2:48 PM  
**To:** Miller,Ronnie; Amy Auler; Hensley,Hank; Auler,Scott; Al Stong; Greg Garnes; Toby Church; Josh Wheatley; Padgett,Debbie; George, Tim; Nation,Todd; Ennis,Charles; Eric Smith (esmith@hwcengineering.com); Troy Swan; Doug Foli (Doug.Foli@terrehaute.in.gov); Robbins, Larry; Elliott,Earl; Pandian, Ari; Gibson, Jay; Elkins,Robert; Vince Sommers; Rosselli,Johnny; short72963@gmail.com  
**Subject:** \*Ext!\* Main Lift Station Value Engineering Workshop - Meeting Minutes

**\*\*External Email - Think Before You Click\*\*** - Helpdesk

All,

Attached please find a copy of the meeting minutes from last week's Main Lift Station VE Workshop. Please let us know if you have any comments or revisions to the minutes. If we do not receive a response by EOB Friday (02/16/18) we will assume you agree with the minutes as written.

Thank you all for your participation. This session was quite helpful for the design team as we move heavily into detailed design.

Please feel free to contact me directly if you have any questions.

**Andrew M. Scales, P.E.**  
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Senior Project Manager  
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