

**Valparaiso City Utilities
Board of Directors
September 9, 2008**

The Board of Directors of the Valparaiso City Utilities met at the Valparaiso Department of Water Works Board Room, 205 Billings Street, Valparaiso, Indiana on Tuesday, September 9, 2008 at 5:00 P.M.

Board Members present were: President Brad Dolezal, David Bengs, Lori Ferngren, Jack Barkley and Kathy Luther was late by 30 minutes. Also present were staff members: Utilities Director John Hardwick, Controller Dick Freeman, Administrative Assistant Cathy Fejer, Distribution Manager Chuck McIntire, Water Operations Manager George Brown, Customer Service Manager Shaun Shifflett, System Protection Administrator Daryl Brown, Water Reclamation Manager Steve Poulos, Stormwater Engineer Matt Kras, Tim Burkman, East Gate Project Manager Justin Freer for Uptown East and Time Reporter Phil Wieland.

The minutes of the August 26, 2008 were reviewed and approved.

The Board reviewed and approved the claims submitted.

Cumberland Crossing Phase 1 / Sanitary Sewer Approval – The Board of Directors approved the Sanitary Sewer System for Cumberland Crossing Phase 1. The approval is subject to a one-year warranty against defects in workmanship and or materials.

Greeley-Hansen CSO/Biosolids Agreement – The Board of Directors approved the Greeley Hansen CSO/Biosolids Handling and Disposal Program Agreement in the amount of \$60,000 for this year and \$8,000 in 2009.

Change Order Request for MXU/Battery Change Out Program – Shaun Shifflett presented the MXU/Battery Change Out Program change order in the amount of \$60,000 to replace 1500 Register Heads by M.E. Simpson Company. The Board of Directors approved the change order.

Request for Alternative Water Main Pipe Materials – At the last Board Meeting on August 26, 2008 Developer Bob Coolman asked the Valparaiso City Utilities (VCU) for permission to use PVC (polyvinyl chloride) pipe in a new “affordable housing” development, citing cost savings. On September 5, 2008 Bob Coolman sent a formal request in for consideration.

The VCU Board decided to respond to this request by forming an Advisory Pipe Panel, facilitating their deliberations, and considering their recommendations. This pipe issue warrants the extra effort of a panel because use of PVC pipe would depart from Valparaiso’s long-term practice of using ductile iron pipe exclusively. While the VCU is open to new approaches, its principal concern is quality, that is, the best overall long-term interest of the City and its infrastructure, especially its underground infrastructure. The Board invited the five following panel to serve on the committee and they have agreed. They are:

1. Brad Dolezal and David Bengs -- VCU board members
2. Kathleen Sevener --VU College of Engineering faculty member
3. Dave Burrus -- Retired construction contractor
4. Stu Walesh -- Chair, Facilitator, and Consulting Engineer

The following six individuals accepted the VCU Board's invitation to serve as resource persons, drawing on their areas of expertise:

1. John Hardwick -- Utilities Director, VCU
2. Chuck McIntire -- WD Distribution Manager, VCU
3. George Brown -- Distribution Manager (Water Quality Specialist), VCU
4. Bob Coolman, or his representative -- additional details on his request and also serve as a representative of the interests of local developers
5. Paul Hanson -- representing the Ductile Iron Pipe Institute
6. A representative of the PVC industry (to be determined)

The Advisory Pipe Panel, with the assistance of the indicated resource persons and additional resource persons as may be needed, is respectfully asked to:

1. Begin work as soon as feasible and proceed as quickly as possible with the goal of providing its findings and recommendations to the VCU Board on or before October 13, 2008. However, the panel's schedule should be driven by the need to achieve a sound decision.
2. Meet at the offices of the VCU, conduct short (1.5 hours or less) meetings, provide written agendas before and written minutes immediately after meetings, and use email and other communication as needed to make optimum use of everyone's time.
3. Practice transparency. For example, share agendas and minutes with anyone having a valid interest and conduct open-door meetings.
4. Practice inclusiveness. For example, provide opportunities to receive input from responsible individuals or organizations who offer assistance.
5. Learn, share, discuss, and weigh the "pros" and "cons" of ductile iron and PVC pipe. Consider many features such as, but not necessarily limited to: initial cost, life-cycle cost, design capabilities, additional construction training needs, constructability, special use applications, durability, maintenance, environmental impact, and intangibles.
6. Prepare a brief written report that outlines the panel's process, presents and weighs the "pros" and "cons," and makes recommendations to the VCU Board. Present an oral summary of the report to the board.

Uptown East Sewer Fee Adjustment Request – Justin Freer asked the Board to consider not charging the sewer reconnect fee for the new Uptown East Development that has been demolished and rebuilt. The board did not honor his request.

Garfield/Greenwich Sewer Repair Approval – Steve Poulos presented quotes to repair the Garfield-Greenwich Sewer in need of repairs immediately. The quotes received are as follows:

RV Sutton	\$41,500
Grimmer	\$47,826
Marshall	\$83,475

The funds are available within the Capital Improvement Plan Sewer Rehabilitation Budget in the amount of \$85,000. The Board approved the low bid recommendation of RV Sutton as the contractor in the amount of \$41,500.

Union Street Appropriation – Storm Water – Storm Water Engineer Matt Kras is requesting approval to appropriate \$135,000 into a new line item for Union Street Project 2 Construction. There is only \$24,106 remaining in the bond money and the balance from the contract for this project is approximately \$266,600. This Grant will pay 48% of this with our share being 52%. The Board approved the appropriation in the amount of \$135,000.

Utilities Director Hardwick Report:

John reported the Utility was awarded the National Hoosier Water Guardian because of the outstanding commitment and efforts that Daryl Brown puts forth. Congratulations to Daryl.

New Business:

Jack Barkley reported with the current administration's mindset to change board members after two terms, we are finding ourselves with more inexperienced board members than we ever have. He feels where in the past, items to be voted on were either familiar to the board members, or at least the policies were. We are now finding ourselves with board members not fully engaged in what is going on. Barkley feels it is only fair that items to be voted on are given the time by the board to understand what is going on and to ask questions of staff before the meeting takes place. To get the agenda after 4 p.m. on the Monday before the meeting Tuesday does not give the Board time to understand all the items on the agenda, especially voting items. Board Member Jack Barkley recommended "The agenda for each board meeting should be distributed to the board members no later than the close of business on the Thursday prior to the next board meeting. This agenda should include any supporting documentation for items that require a vote and those agenda items should be highlighted for board members in case there is no supporting documentation for the item. There should be no items added to the agenda after this time that require a vote. Additions of non-voting items may be added and of course any item may be deleted up to the meeting date." The Board and Staff have agreed and will honor his request.

Meeting adjourned.

The next Board Meeting is September 23, 2008 at 5:00 p.m.

Brad Dolezal, President

Lori Ferngren, Secretary