

Valparaiso City Utilities
Board of Directors
October 13, 2009

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, October 13, 2009 at 5:00 P.M.

Board Members present were: President Brad Dolezal, David Bengs, Lori Ferngren, Kathy Luther and Mike Sur. Also present were staff members: Utilities Director John Hardwick, Assistant Utilities Director Steve Poulos, Attorney Mike Langer, Controller Dick Freeman, Administrative Assistant Cathy Fejer, Distribution Manager Chuck McIntire, Office Manager Shaun Shifflett and WD Lab Director Shihua Chen. Also in attendance was Times Reporter Phil Wieland.

The minutes of the September 22, 2009 were reviewed and approved.

The Board reviewed and approved the claims submitted.

WRD – Excavator Upgrade – Assistant Utilities Director Steve Poulos explained that after meeting with Distribution Manager Chuck McIntire that VWRD and WD can eliminate a significant Capital Improvement Purchase. VWRD excavator was purchased in 1988 and has met its lifecycle and WD owns a 2000 John Deere which is in good condition and it was identified that this piece of equipment could do the work that the VWRD and WD perform and could be shared by both departments. This action will eliminate the need for a capital purchase of \$200,000 for a new excavator for the VWRD. The VWRD received a quotation from John Deere that will take the 1984 Hitachi as a trade-in and provide equipment upgrades to the 2000 John Deere. The breakdown is as follows:

2000 John Deere Excavator Upgrades	\$23,050.00
1988 Hitachi Trade in	\$16,000.00
Balance due from the VWRD	\$ 7,050.00

Steve Poulos recommended VCU Board to approve the upgrades to the 2000 John Deere. The Board approved the upgrades to the 2000 John Deere. (Copy Attached)

WRD – Ohio Street & Kellogg Street Sewer Lining Projects – Assistant Utilities Director Steve Poulos reported that part of the VWRD's Capital Improvement Plan is to rehabilitate sewer mains and there are two sewer main projects that need attention. The Ohio Street sewer lining project is the second phase of the rehabilitation of an 18" main that is experiencing severe infiltration and root intrusion that causes surcharging within this line during rain events. As a reminder the lining projects on Ohio Street are part of a plan to reduce basement backups within this watershed. Second, as part of our continual televising investigations, the VWRD has discovered another steel corrugated line that conveys sewage underneath a railroad track that is located south of Evans Street. The condition of the line is poor and could be a potential cave in that is comparable to the Franklin Street sewer. The contractors have concluded that this line based on its current condition can be lined versus open dig. This project has not been budgeted as part of the 2009 Capital Improvement Plan and must be paid from cash reserves. The Utility will eventually approach the City Council to be reimbursed by Sewer Cumulative Funds. The VWRD has received quotations from two contractors to provide sewer lining services. The quotations are as follows:

	Insituform	Proform
Ohio Street (320 feet 18" Sanitary)	\$32,000.00	\$30,680.00
Kellogg Street (213 feet of 18' Sanitary)	\$38,320.00	\$28,282.50

Assistant Utilities Director Steve Poulos recommended VCU Board to approve the Proform bid who is the lowest bidder and to proceed with the lining projects at the aforementioned project sites. The Board approved the Proform bid. (Copy Attached)

WD – Compact Pick-Up Trucks – Distribution Manager Chuck McIntire explained that in the past we have purchased all E-85 compatible vehicles. To get E-85 in a pickup truck, you have to purchase a full-size V-8 vehicle. He said that there are several areas in the utility that would allow for compact pickup trucks. Chuck put together numbers on the Ford Version and found almost \$9,000 savings. Chuck asked for approval from the Board to give VCU the option to buy Ranger's instead of E-85. The Board approved the recommendation to receive other bids on smaller trucks vs. larger trucks. (Copy Attached)

WD – Approve Banking Services (Letter of Understanding) – Controller Dick Freeman and the accounting staff met with all the local bank personnel to review their Request for Proposal (RFP) for banking services. Dick Freeman met with Umbaugh with a recommendation to accept Horizon Bank. After Umbaugh's review they accepted the Horizon Bank recommendation. Instead of paying fees, we will be generating income. The Board approved the Horizon Bank recommendation. (Copy Attached)

WD – Bill Mailer/Sorter Purchase Request – Customer Service Manager Shaun Shifflett requested to purchase a new Bill Mailer/Sorter. The current Mailer is approximately six (6) years old and has over one million folds to its credit. In the past 10 months, we are averaging over one visit per month from the factory maintenance technician. With our current machine, folding the bills take approximately 2 to 3 days, when it should only take one. This machine is used twice a month to send out over 12,000 bills per month. Below are two quotes I received:

<u>Pitney Bowes:</u>	<u>Total Cost</u>
D14253station	\$13,867.50
20% down of \$2773.50 plus 4 payments of \$2773.50 starting 1/1/2010	
Annual Maintenance of \$1,327 per year.	

<u>Mail Management:</u>	
Neopost DS-70 3staion	\$23,814.00
63 month lease \$378 per month w/ \$1buyout.	
Includes maintenance	

The funding is available from the cost savings of \$5000 when purchased three (3) handheld units for \$18,999.99 and had budgeted \$24,000 from the 2009 Customer Service Capital Budget. There are no funds currently budgeted for a mailer/folder, however, in the 2010 Capital Budget there is a request for \$15,000. Shaun Shifflett recommends to purchase the Pitney Bowes mailer/folder and to transfer \$2,773.50 for the down payment. The Board approved the Pitney Bowes purchase and the transfer of funds. (Copy Attached)

WD – Developer and Contractor Contracts - Stor-it-Now – Chuck McIntire presented the Contractor/Developer Contracts for Stor-it-Now Water Main Installation. The Board approved the contracts. (Copy Attached)

Staff Reports:

WRD - Green Acres/Concord Woods Executive Summary – Utilities Director Steve Poulos reported on Green Acres/Concord Woods. He explained the past history of the areas and said he will be meeting with Umbaugh to come up with contractual funds plan and put a procedure together and go to City Council for approval. Steve said he would like to move forward and begin. Steve's recommendation is to proceed with the rehabilitation of the 52 public manholes within the GA watershed. This includes the materials and labor to replace castings, improper manhole lids and the lining of the internal structure of the manholes. This will reduce inflow and infiltration within the public sewer system. Steve will come up with a cost and present it at the next board meeting for approval to move forward. (Copy of Summary Attached)

WRD - Certificate of Recognition VCU EKPCF Lab (Quality Assurance Testing) – Steve Poulos presented the plaque they received from IDEM recognizing the EKPCF Lab.

WRD - Energy Pilot Project – Steve Poulos explained to the Board about the 2009 - 2011 Energy Pilot Program sponsored by EPA and IDEM. He explained this is a way to utilize and reduce energy usage and save money for the WRD and WD facilities. The committee is Steve Poulos, George Brown, Shihua Chen and Bill Fessler. (Copy Attached)

WRD - Wastewater Treatment Plant (Sludge Transfer Line Update) – Assistant Utilities Director Steve Poulos reported that the Sludge Transfer Line at the Wastewater Treatment Plant is not leaking anymore.

New Business: Utilities Director John Hardwick made a recommendation to amend the "Barkley Rule" and allow the addition of the Contractor/Developer contracts to the board agenda after the cut off time. He asked Attorney Mike Langer to write an amendment to the rule.

Meeting adjourned.

The Next Board Meeting is October 27, 2009 at 5:00 p.m.

Brad Dolezal, President

Lori Ferngren, Secretary