

**MINUTES
SPECIAL MEETING
UTILITY SERVICE BOARD
SEPTEMBER 24, 2013**

The Special Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 11:00 AM on Tuesday, September 24, 2013.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Doug Schulte – Secretary
Alex Emmons – Wastewater Commissioner
Ken Sendelweck – Electric Commissioner
Dave Hurst – Water Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Ernie Hinkle – Gas & Water Manager
Bud Hauersperger – General Manager
Renee Kabrick – City Attorney
Ashley Kiefer – Office Manager

ABSENT:

Rick Stradtner – Vice Chairman
Keith Masterson – Gas Commissioner
Ed Hollinden – Wastewater Manager

PLEDGE OF ALLEGIANCE (DVD-00:34)

Chairman Wayne Schuetter led the Pledge of Allegiance.

AWARD BID FOR 3RD AVENUE WATER MAIN REPLACEMENT PROJECT (DVD-00:55)

Derick Wiggins, with Midwestern Engineers, addressed the Board regarding the bids for the 3rd Avenue Water Main Replacement project. Wiggins handed out a bid tabulation summary sheet to the Board members, which listed the engineer's estimate, each contractor's base bid results, and the mandatory alternate bid items. Wiggins explained the summary sheet in detail.

Infrastructure Systems, Inc. from Orleans, Indiana was the low base bid of \$914,134.50. The base bid included ductile iron pipe with flowable backfill. Infrastructure Systems, Inc. was also the low bid for all alternate bid items. The total bid amount for PVC pipe in lieu of ductile iron pipe alternate is \$861,494.50, or a deduct of \$52,640. The total bid amount for #8 stone in lieu of flowable fill alternate is \$865,797.00, or a deduct of \$48,337.50. The total bid amount for

both PVC pipe and # 8 stone alternates is \$813,157.00, or a deduct of \$100,977.50. The total bid amount if service lines are all open cut in lieu of boring is \$958,084.50, or an addition of \$43,950.

Wiggins believes that #8 stone backfill is the best way to go as long as the City Engineer agrees. If flowable fill is used versus the #8 stone backfill it may slow the project down. The flowable fill would have to be delivered by concrete vendors and may cause a timing issue. The stone backfill can be delivered anytime. The flowable fill also has to be mixed perfectly and steel plates must be used, which may also slow the contractor down. The stone backfill is also cheaper. City Engineer, Chad Hurm, and Street Commissioner, Raymie Eckerle, are both fine with the use of #8 stone backfill for this project, due to the trench size and conditions.

Wiggins stated that the City traditionally uses ductile iron, but Midwestern Engineers believes that PVC pipe would work the same, if properly bedded and installed. Ernie Hinkle, Gas and Water Manager, foresees no problems with using the PVC pipe. Both the PVC pipe and the ductile pipe should get 50 to 100 years of use. The current pipe, now in use, is 60 years old.

Midwestern Engineers will be inspecting this project part-time as per their agreement with the City. The City will be inspecting the project the remainder of the time. Infrastructure Systems did a good job on the sewer line project in the Fairview Heights area and Wiggins highly recommends them.

Doug Schulte made a motion to approve Infrastructure Systems, Inc. for the 3rd Avenue Water Main Replacement project for the total bid amount of \$813,157, which includes the alternates for both the PVC pipe and the #8 stone backfill. Dave Hurst seconded the motion. Motion approved, 5-0.

The 3rd Avenue Water Main Replacement project will begin as soon as the contracts are signed and Infrastructure Systems can work the project into their schedule.

RESOLUTION RECOMMENDING CHANGES TO GAS ORDINANCE (DVD-24:34)

Wayne Schuetter presented Resolution USB 2013-7, to the Board, recommending changes in the City of Jasper's Gas Ordinance with regards to the rules, regulations, and penalties that shall apply to, govern, and control the operation of the natural gas system.

Ernie Hinkle explained that the changes will allow the flexibility to use plastic versus steel for underground gas installation, upon the Manager's approval. Other small material changes will also be included.

Ken Sendelweck made a motion to approve Resolution USB 2013-7. Alex Emmons seconded the motion. Motion approved, 5-0.

UTILITY FUNDING FOR UPDATING ZONING/SUBDIVISION CONTROL ORDINANCES (DVD-27:05)

(Alex Emmons left the meeting @ 11:26AM and returned @ 11:27AM.)

Chairman Schuetter stated the Utility Service Board approved participating in the funding for the updating of the Zoning/Subdivision Control Ordinances. Schuetter said that after reviewing how to fund the project, it has been decided to roll the \$33,000 needed for the project, into the 2014 Capital Expenditure plans, which will be reviewed in the next couple of months.

Hauersperger stated that the accounting breakdown for the \$33,000 will be split between each Utility Department. The Electric Department will pay \$9,570, the Water and Sewer Departments will each pay \$8,910 and the Gas Department will pay \$5,610. Utility Controller, Linda McGovren, has a set percentage calculated for these types of projects and each department shares the expense based on the number of customers that the Utility has.

Alex Emmons made a motion to put funding for the updating of Zoning/Subdivision Control Ordinances in the 2014 Capital Expenditure plans. Dave Hurst seconded the motion. Motion approved, 5-0.

COMMITTEE MEETINGS IN COMING MONTHS – WAYNE SCHUETTER (DVD-29:46)

Chairman Schuetter stated that the Utility Service Board has always been a basic component in the economic development of the City of Jasper. Schuetter also stated that there is a potential in developing a Compressed Natural Gas filling station in Jasper. He said that several area businesses have talked about converting their fleets to natural gas. Schuetter stated that a public/private partnership is being considered.

Schuetter also stated that there has been discussion regarding last summer's drought and the City's intake pool. He thinks that there should be a proactive discussion about developing a 2nd pool on Patoka River that would allow immediate response in case of an emergency. Schuetter also mentioned the Electric Department and discussing renewable energy.

Schuetter asked that in the next few months the Utility Commissioners call Committee meetings to be proactive on the issues facing the Utilities.

HIRONS & COMPANY (DVD-32:29)

Chairman Schuetter stated that the economics of Jasper is at the forefront now and the Utilities are a basic corner stone of that development. He feels advertising is the engine that drives things as far as economic development. Schuetter would like to hire an advertising agency to promote projects going on throughout the City.

Schuetter has looked into some companies and one company stood out, Hirons and Company. Hirons is a 35 year old public relations and advertising agency, based in Indianapolis. The Hirons Public Affairs team is led by Senior Vice President Mike Murphy. Schuetter feels this would be part of the economic development of Jasper and would like the Utilities to take the lead and expand it to other departments within the City.

Hirons and Company will assist with developing communications strategy and messaging that promotes the positive impact of various economic development opportunities being pursued or to be pursued by the City of Jasper. Examples include; the Jasper Clean Energy Project, the

expansion/promotion of the Energize Indiana program, the potential Compressed Natural Gas Facility, and the ongoing creation of economic development opportunities.

Schuetter has received a proposal from Hirons and Company for \$5,000 per month beginning today, with September being pro-rated. Paid advertising and production will be billed in addition to the retainer. The Utilities can opt out of the professional services agreement at any time with no penalties.

Hirons and Company will use the following methods to achieve the City of Jasper's goals; deliver the City's message to the appropriate media at the appropriate time, recruiting and developing local Jasper leadership to serve as advocates for the client's economic development strategies and its impacts, developing and guiding various economic development projects, and working with local and regional media to increase their understanding of the benefits of Jasper's economic development strategies.

Schuetter stated that it is time that Jasper "tooted its own horn" for advancement into the future. Economic development is the key. Ken Sendelweck encouraged the Hirons to look at the ratepayer side of things, not just the business side, through the messaging. The residents of Jasper need to know how great Jasper is and how low our rates are compared to other regional areas. Jasper needs to grow its population and the businesses will come, not the other way around.

Mayor Seitz stated that bringing new residents into the community is critical. The more the City creates the awareness of what Jasper has to offer, the more residents and businesses will come into the area. Schuetter stated that the more residents and businesses Jasper has, the lower the utility rates will become. We need to get that message out to the current residents. Hirons can help with that messaging.

Schuetter stated that the money that has been saved on various projects this year will pay for this year's fees for the advertising and messaging. Schuetter said that the fees for next year will be budgeted into the 2014 operational expenses. Schuetter also stated that other City departments will most likely pay a portion of the fees, depending on how much they use the services.

Schuetter stated since the Utilities do not have an Advertising Committee, final approval for the advertising methods will be made by the Utility Service Board or the Chairman. Schuetter also recommended that the Executive Committee of the Utility Service Board, along with input from the Utility managers and the Mayor, may oversee the finalized advertising methods and recommend them to the Board.

Dave Hurst made a motion to approve the letter of agreement for professional services from Hirons and Company for \$5,000 per month. Ken Sendelweck seconded the motion. Motion approved, 5-0.

PROPOSAL FOR ELECTRIC RATE STUDY (DVD-55:47)

Bud Hauersperger informed the Board that the last Electric rates study was performed in 2008 and was implemented in 2009. Hauersperger was waiting to perform another rate study until the Jasper Clean Energy Center was up and running, but that may not affect the rates for another five years, even if the Jasper Clean Energy Center project starts early next year. Therefore,

