

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
OCTOBER 20, 2014**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, October 20, 2014.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Doug Schulte – Secretary
Alex Emmons – Wastewater Commissioner
Ken Sendelweck – Electric Commissioner
Dave Hurst – Water Commissioner
Keith Masterson – Gas Commissioner

ALSO PRESENT:

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

PLEDGE OF ALLEGIANCE (DVD-00:36)

Chairman Wayne Schuetter led the Pledge of Allegiance.

APPROVAL OF MINUTES (DVD-01:02)

Chairman Wayne Schuetter presented the minutes of the September 15, 2014 Regular Meeting and the September 24, 2014 Special Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Rick Stradtner made a motion to approve the minutes of the meetings as presented. Doug Schulte seconded the motion. Motion approved, 7-0.

**ROOF REPLACEMENT AT OFFICE (MCCRILLUS ST) & SECTION OF
DISTRIBUTION WAREHOUSE (ANDERSON ST)** (DVD-01:30)

Jerry Schitter informed the Board that the roof in the Electric Distribution manager's office and a 20 foot by 150 foot section of the roof at the Distribution Warehouse, (the old Power Plant), need to be replaced. Schmidt Contracting found leaks in both buildings and felt that the roofs can't make it through another winter. The estimated cost to replace the roof at the manager's office at McCrillus Street is \$16,000, and the Distribution Warehouse on Anderson Street will cost an estimate of \$20,000.

Schitter asked for the Board's approval to get quotes for the roof replacement and present them at the next Utility Service Board meeting in November. Keith Masterson made a motion to give Schitter permission to seek quotes for the roof replacements at the Electric Distribution office on McCrillus Street, and the section of the Distribution Warehouse on Anderson Street. Dave Hurst seconded the motion. Motion approved, 7-0.

MINI DERRICK – (DVD-03:53)

Schitter informed the Board that the mini-derrick that was ordered six months ago came in this week from Altec Industries. An invoice for this purchase should be generated this month.

BOILER & MACHINE INSURANCE – (DVD-04:07)

Bud Hauersperger informed the Board that the boiler and machine insurance at the Power Plant costs \$83,677 annually. Hauersperger stated the insurance expires at the end of October and he is talking to the insurance agent to try and reduce this annual amount, since the plant is not operating.

Hauersperger stated that quotes on new policies should be ready for review tomorrow. Hauersperger asked for the Board's approval to obtain a new policy, after reviewing the new quotes from the insurance companies.

Ken Sendelweck made a motion to give Hauersperger permission to enter into a new insurance agreement for the boiler and machine insurance at the Power Plant, provided that all insurance coverage is the same and that the annual cost is lower than the City is currently paying. Alex Emmons seconded the motion. Motion approved, 7-0.

COAL BINS- (DVD-07:18)

Hauersperger informed the Board that Raymie Eckerle, Street Commissioner, asked permission to use the outside coal bins at the Power Plant to store salt this winter, if needed.

Doug Schulte made a motion to give the Street Department permission to use the outside coal bins at the Power Plant for salt storage this winter. Keith Masterson seconded the motion. Motion approved, 7-0.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-08:55)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated that the committee did not meet during the past month.

CLARIFY VALUE OF SCRAPPED WATER METERS & DEEM ADDITIONAL METERS AS SURPLUS FOR DISPOSAL (DVD-09:02)

Ernie Hinkle reminded the Board that last month he asked for the Board's permission to deem surplus seventy-five water meters. At the time Hinkle was told that the value of the meters were \$60 each. The actual values of the meters, listed on our books, are \$96.80 each, which is a total of \$7,260.08. Hinkle said that he still wants to get rid of the meters; they are obsolete.

Hinkle also has five 1 ½ inch meters listed at \$268 each, which is a total of \$1,340. Hinkle would like to deem these five meters surplus also.

Alex Emmons made a motion to give Hinkle permission to deem the seventy-five water meters and the five 1 ½” inch meters surplus for disposal, pending review by Attorney Kabrick. Rick Stradtner seconded the motion. Motion approved, 7-0.

WHODERVILLE GAS EXTENSION PROJECT (DVD-12:45)

Hinkle informed the Board that the pipe for the Whoderville project was delivered today and that he hopes to get started on the project very soon.

GAS PLANNING COMMITTEE REPORT (DVD-12:54)

Keith Masterson, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-13:00)

Dave Hurst, Chairman of the Water Planning Committee, stated the committee did meet on October 13, 2014. The Committee discussed funding options for the Water Department UV project. The UV project was mandated by the EPA and will cost approximately \$1.3 million.

Mr. Hurst reported the Committee discussed proceeding with a loan from the Electric Department to pay for the entire project. Hayersperger contacted Midwestern Engineers and they estimated a payment of \$160,000 per month during the eight month construction period. Such a loan would necessitate an Ordinance for a five year loan, the maximum term allowed by state statute. Interest will be charged at a rate of the average interest rate of Electric Distribution investments.

Hayersperger recommended that another water rate study be done at the end of the year. The last water rate increase was in 2009. The last water rate study was done in 2012 and no rate increase was implemented due to the Beaver Lake spillway.

UV PROJECT (DVD-15:01)

Dave Hurst then made a motion to approve the loan from the Electric Distribution Department for \$1.3 million for the Water Department’s UV project. Rick Stradtner seconded the motion. Motion approved, 7-0.

Hayersperger also informed the Committee that the Water Department would like to add a valve with a T and a pipe to run to the lagoon from the new UV building, to be able to quickly and easily drain water from the clear well in the future. This will be a change order from Midwestern Engineers to add the valve and piping to the UV project costs. Midwestern does not have an estimate for the change order at this time.

BOIL ORDER REPORT (DVD-17:22)

Hauersperger then read aloud the review of the City Wide Boil Order.

“Jasper Water Utilities Citywide Boil Order of September 17-September 21, 2014

Review of incident

On September 15, 2014, the Jasper Water Filtration Plant noticed that the chlorine residual in the treated water was dropping below the normal range. At the same time the plant was noticing the KMN04 (Potassium permanganate) level was dropping in the raw water. The plant immediately started to add more chlorine and KMN04 as protocol dictated. That evening at approximately 8 p.m. Tim Doersam, Filter Plant Foreman, returned to the plant and reevaluated the situation. The filter plant operators continued to monitor the chlorine and KMN04 and noticed the levels were returning to an acceptable range. On the morning of September 16th the filter plant operators noticed that the KMNO4 level was dropping again, so they increased the rate at which KMNO4 was being added. Again levels returned to an acceptable range. On the evening of Sept. 16th, the filter plant operators noticed high turbidity (cloudy water) in the filter clear well. The cause of the turbidity was not apparent. Operators continued to monitor all levels. In addition, Tim Doersam went to his residence and drew a water sample and brought it back to the plant for testing. At 2 a.m. on September 17, 2014, he determined that a city wide boil order was necessary. Mr. Doersam’s action went beyond protocol and resulted in discovery of below acceptable levels of chlorine in our distribution water.

Historical perspectives of water boil orders

The last time a city wide boil order was issued was during the demolition of the old water filtration plant in 2004. A main feeder line was ruptured during demolition. The pipe had to be shut completely off and a section had to be replaced, which facilitated a city wide boil order.

Internal response

When Tim Doersam decided that we needed to initiate a city wide boil order, he called Ernest Hinkle, manager of Gas & Water, Bud Hauersperger, General Utility Manager, and Terry Seitz, Mayor. After meeting at the plant and accessing the situation, it was decided to enact the boil order. Tim Doersam contacted I.D.E.M. and informed them of the situation. Midwestern Engineers was also called for assistance.

External response

Mayor Seitz and Jasper Utilities General Manager, Bud Hauersperger, were notified early in the morning of September 17 and both responded to the Gas & Water

Department. At approximately 3:30AM, each began calling government entities, schools, media, large employers and restaurants open for breakfast. The callouts continued until 7:00AM.

Mayor Seitz called an emergency meeting on the issue for 9:30AM. In addition to the mayor and Mr. Hauersperger, represented at the meeting were Gas & Water personnel, the Chairman of the Utility Service Board, Councilman Tom Schmidt, Jasper Police Department, Jasper Fire Department, the Personnel/Safety/Loss Control Department, Dubois County Health Department and the Dubois County Emergency Management Agency.

An outcome of this meeting was a news conference on the matter later that morning at Jasper City Hall. Following the news conference the City delivered media updates three times daily through Friday, September 19th and twice on Sunday, September 21 and these were also shared on the City's website, via Facebook and Twitter. The Jasper Police Department followed the same pattern with the cable interrupter and included Saturday, September 20 as well.

In review of our response the following has occurred or is occurring:

- A review of other new technologies for delivering urgent and/or time-sensitive messages
- Updating of internal City call lists
- Solicited input from media about our communication effort – to-date, we have received positive responses from the media concerning our efforts to keep them informed.

Feedback

I.D.E.M. has determined, that due to an inversion of the Patoka River, there was a higher than normal level of Manganese in the water supply. While Manganese is not a dangerous material in drinking water it does have an impact on chlorine levels. The filter plant operators could not add enough chlorine into the water to counteract the effect of higher Manganese levels. I.D.E.M. has made some suggestions that we have already implemented; including, use of an ultra-low level Manganese testing kit to get a finely tuned reading on the Manganese levels in the river and testing during every shift instead of once a day. Other suggestions, that we are researching, include adding Sodium Permanganate instead of the KMN04 which may have a better effect on the Manganese. The Water Department will continue to research options in order to make our water system as safe and reliable as possible.”

Hauersperger then presented an invoice from Midwestern Engineers for \$4,558.16 for their services during the Boil Order. Chairman Schuetter thanked Midwestern Engineers for being available and helping the City during the Boil Order.

Keith Masterson made a motion to approve paying Midwestern Engineers \$4,558.16 for their services during the Boil Order. Dave Hurst seconded the motion. Motion approved, 7-0.

Chairman Schuetter stated that City Wide Boil Orders are a rare occurrence for the City of Jasper. He commended the City of Jasper and all employees. Schuetter reminded the Board that IDEM stated that proper protocol was followed. Schuetter also stated that new software for City notifications is being researched.

(Rick Stradtner left @ 7:27PM.)

RESULTS OF ATOMIC ABSORPTION MACHINE QUOTES FOR LAB (DVD-27:26)

Ed Hollinden stated that the Atomic Absorption (AA) unit used at the Wastewater lab was purchased in 1999 and is now obsolete. This unit is used to measure metals in the water, which is required by the State and EPA. Hollinden received two quotes for the new AA unit. Agilent, the low quote, quoted the unit for \$53,648.21. The money for this purchase will come from the Industrial Pretreatment fund. Hollinden asked for the Board's permission to purchase the AA unit from Agilent for \$53,648.21. Attorney Kabrick reported that there is no documented restriction on use of the Industrial Pretreatment Fund. It appears these funds may be used for the suggested purchase.

Ken Sendelweck made a motion to give Hollinden permission to purchase the Atomic Absorption unit from Agilent for \$53,648.21, which will be funded by the Industrial Pretreatment funds. Keith Masterson seconded the motion. Motion approved, 6-0.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-29:21)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

(Rick Stradtner returned @ 7:30PM)

RESCHEDULE JANUARY & FEBRUARY 2015 MEETINGS DUE TO NEW CITY HOLIDAYS (DVD-29:27)

Ashley Kiefer informed the Board that starting in 2015 the City will be observing two new holidays, Martin Luther King Day in January, and President's Day in February. Both observed holidays fall on dates for the Regular Utility Service Board meetings. Kiefer stated that these two meetings will have to be rescheduled. Board members were polled prior to the meeting tonight and the consensus was to have the meetings on the Tuesday after the normal scheduled meetings dates. The January meeting will be held on January 20th, and the February meeting will be held on February 17th.

Dave Hurst made a motion to move the January 19, 2015 Utility Service Board meeting to January 20th and the February 16, 2015 Utility Service Board meeting to February 17th, due to the new City holidays. Rick Stradtner seconded the motion. Motion approved, 7-0.

RESOLUTION RECOMMENDING SALARIES & WAGES FOR 2015 (DVD-30:37)

Bud Hauersperger presented, to the Board, Resolution USB 2014-2, recommending salaries and wages for the Utility employees for the year 2015. Hauersperger stated that the City Council approved a 2% salary increase for full-time salaried and hourly positions, \$.15/hour for all permanent part-time positions, and \$.15/hour for temporary or seasonal part-time positions. Hauersperger stated the Resolution also included results from the wage study completed at the beginning of 2014.

Hauersperger explained that some position ranges were adjusted based on the recommended levels in the wage study. Gap adjustments were also made where wages between supervisors and the employees were below levels recommended in the study.

Chairman Schuetter stated that the range adjustments do not signify raises, only range changes. The 2% wage increase for full-time employees and \$.15/ hour increase for part-time employees is the only guaranteed wage increase. The range increase will only allow for merit increases throughout the year, which are approved by Department Managers, General Manager, Bud Hauersperger, and Mayor Seitz, after employee evaluations are performed.

Doug Schulte made a motion to approve Resolution USB 2014-2, recommending salaries and wages for the Utility employees for the year 2015. Rick Stradtner seconded the motion. Motion approved, 7-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-37:00)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Keith Masterson made a motion to approve the claims as presented. Dave Hurst seconded the motion. Motion approved, 7-0.

There being no further business to come before the Board, the meeting was adjourned at 7:39PM upon motion by Alex Emmons and second by Rick Stradtner. Motion approved, 7-0.

