

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
NOVEMBER 21, 2016**

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, November 21, 2016.

The meeting was called to order by Chairman Rick Stradtner.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Rick Stradtner – Chairman  
Adam Auffart – Secretary  
Wayne Schuetter – Electric Commissioner  
Roger Seng – Water Commissioner  
Alex Emmons – Wastewater Commissioner  
Michael Kern – Gas Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Tim Doersam – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger- General Manager  
Renee Kabrick – City Attorney

**ABSENT:**

Keith Masterson – Vice Chairman  
Ashley Kiefer – Office Manager

**PLEDGE OF ALLEGIANCE** (DVD-00:59)

Chairman Rick Stradtner led the Pledge of Allegiance.

**QUOTE OPENING: CHEMICALS FOR 2017 – WATER** (DVD-01:21)

Bud Hauersperger opened the quotes and read them aloud. Quotes for various items included in the request were received from the following companies:

1. Brenntag Mid South
2. Chemical Resources
3. Hawkins
4. Mississippi Lime

5. Sal Chemical
6. Univar USA, Inc.
7. USALCO – No bid received
8. Water Solutions

Not all companies submitted bids on every item included in the request.

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Tim Doersam asked for the Board’s permission to take the quotes under advisement and to report back to the Board at the December Utility Service Board meeting.

Michael Kern made a motion for Doersam to take the quotes under advisement and for action to be taken at the December Utility Service Board meeting. Adam Auffart seconded the motion. Motion approved 6-0.

**QUOTE OPENING: SEWER RELINING - WASTEWATER** (DVD-15:08)

Bud Hauersperger opened the quotes and read them aloud as follows:

- |  |             |
|--|-------------|
| 1. Insituform<br>Chesterfield, MO      | \$91,072.00 |
| 2. Miller Pipeline<br>Indianapolis, IN | \$77,038.00 |
| 3. Layne Inliner<br>Orleans, IN        | \$72,569.00 |

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Ed Hollinden asked for the Board’s permission to accept the low quote from Layne Inliner for \$72,569, pending review of all specifications and review by the City Engineer. Hollinden stated that the plan is to do as much relining as possible, not to exceed \$100,000.

Wayne Schuetter made a motion to give Hollinden permission to accept the low quote from Layne Inliner for \$72,569 for sewer relining, with the understanding that the total relining cost does not exceed \$100,000, and pending review of specifications and review by the City Engineer. Adam Auffart seconded the motion. Motion approved, 6-0.

**APPROVAL OF MINUTES** (DVD-24:34)

Chairman Rick Stradtner presented the minutes of the October 17, 2016 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Roger Seng made a motion to approve the minutes of the meetings as presented. Michael Kern seconded the motion. Motion approved, 6-0.

**PRESENTATION OF 2017 CAPITAL EXPENDITURE PLAN DRAFTS & COMMITTEE MEETING DATES** (DVD-25:06)

Chairman Stradtner stated that the 2017 Capital Expenditure Plans for all Utility Departments were passed out to the Board members for review. Hauerperger informed the Board of the upcoming meetings scheduled to discuss the 2017 Capital Expenditure Plans. The joint Electric and Wastewater Committee meeting will be held on Friday, December 9th at 8:00AM. The joint Water and Gas Committee meeting will be held on Tuesday, November 29<sup>th</sup> at 8:00AM. Both meetings will be held in the Pfaffenweiler Room.

Chairman Stradtner stated that action to approve the 2017 Capital Expenditure Plans will be taken at the December Utility Service Board meeting.

**ELECTRIC PLANNING COMMITTEE REPORT** (DVD-27:11)

Wayne Schuetter, Chairman of the Electric Planning Committee, stated the Committee did not meet on during the past month.

**RESULTS OF MINI EXCAVATOR QUOTE OPENING** (DVD-27:20)

Tim Doersam informed the Board that the low quote of \$50,659 from Whayne Supply for the mini excavator did meet all specifications. Doersam asked for the Board's permission to purchase the mini excavator.

Roger Seng made a motion to give Doersam permission to purchase the mini-excavator from Whayne Supply for the low quote of \$50,659, which includes a trade-in. Adam Auffart seconded the motion. Motion approved, 6-0.

**RESULTS OF LOADER BACKHOE QUOTE OPENING** (DVD-28:32)

Tim Doersam informed the Board that the low quote of \$13,613 from Hopf Equipment for the loader backhoe did meet all specifications. Doersam asked for the Board's permission to approve the purchase of the loader backhoe.

Michael Kern made a motion to give Doersam permission to purchase the loader backhoe from Hopf Equipment for the low quote of \$13,613, which includes a trade-in. Alex Emmons seconded the motion. Motion approved, 6-0.

**APPROVE CORRPRO CONTRACT FOR ANNUAL CATHODIC PROTECTION INSPECTION ON NEWTON & SOUTH TANKS** (DVD-29:32)

Doersam asked for the Board's approval to accept the Corrpro contract for the annual cathodic protection inspection on the Newton and South tanks. Doersam explained that the cathodic protection prevents rust from occurring in the tanks. The total cost for the annual cathodic protection for both tanks is \$1,680, plus \$125 for bulb replacement per bulb per tank.

Michael Kern made a motion to approve the contract with Corrpro for the annual cathodic protection inspection on the Newton and South tanks for a total of \$1,680, plus \$125 for bulb replacement per bulb. Wayne Schuetter seconded the motion. Motion approved, 6-0.

**BEAVER LAKE VALVE** (DVD-32:52)

Doersam informed the Board that they will be opening the Beaver Lake Spillway drain on December 1<sup>st</sup>.

**GAS PLANNING COMMITTEE REPORT** (DVD-34:06)

Michael Kern, Chairman of the Gas Planning Committee, stated the Committee did not meet during the past month.

**WATER PLANNING COMMITTEE REPORT** (DVD-34:10)

Roger Seng, Chairman of the Water Planning Committee, stated the Committee did not meet during the past month.

**RESULTS OF UTILITY VEHICLE QUOTE OPENING** (DVD-34:17)

Ed Hollinden informed the Board that the low quote of \$7,802.77 for the utility vehicle from Hopf Equipment did meet all specifications. Hollinden asked for the Board's permission to purchase the utility vehicle from Hopf Equipment for \$7,802.77.

Alex Emmons made a motion to give Hollinden permission to purchase the utility vehicle from Hopf Equipment for the low quote of \$7,802.77. Roger Seng seconded the motion. Motion approved, 6-0.

**WASTEWATER PLANNING COMMITTEE REPORT** (DVD-35:22)

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

**ASSET DISPOSAL AUTHORIZATIONS** (DVD-35:37)

Bud Hauersperger gave the Board a copy of the 2016 Annual Asset Disposal Authorization to review. A physical inventory is taken each year of all capital assets in all utility facilities. The items on the authorization need to be disposed of, per the Utility Managers. There being no

questions, Hauersperger asked for approval from the Board to dispose of the assets listed on the authorization.

Wayne Schuetter made a motion to approve the Annual Asset Disposal Authorizations. Alex Emmons seconded the motion. Motion approved, 6-0.

**US 231 WATER LINE PROJECT – CONTRACT WITH INDIANA 15 REGIONAL PLANNING COMMISSION FOR EDA GRANT ADMINISTRATION** (DVD-37:48)

Bud Hauersperger presented the Board with a contract from Indiana 15 Regional Planning Commission for the EDA Grant Administration for the US 231 Water Line project. Hauersperger explained that the sum of the contract is \$59,000 to be paid in installments over a two-year period. The first installment payment of \$14,000 begins in January 2017.

Michael Kern made a motion to approve the contract with Indiana 15 Regional Planning Commission for the EDA Grant Administration for the US 231 Water Line project in the amount of 59,000, to be paid in installments as listed on the contract as Exhibit C. Wayne Schuetter seconded the motion. Motion approved, 6-0.

Hauersperger also stated that Lisa Gehlhausen, with Indiana 15 Regional Planning Commission, sent out requests for qualifications for engineering for the US 231 Water Line project. Hauersperger stated that the deadline for the requests is December 28, 2016 at 11:00AM. Hauersperger also stated that a selection committee will be formed to review the requests once they are received. Hauersperger is hoping to have the committee selected by February. Hauersperger stated that once the engineering firm is selected, their fees can be negotiated.

**FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (DVD-44:55)

Adam Auffart reported that the Finance Committee had met tonight and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Roger Seng made a motion to approve the claims as presented. Wayne Schuetter seconded the motion. Motion approved, 6-0.

Adam Auffart also reported that a Finance Committee meeting was held on November 10, 2016. At the meeting the Committee discussed a proposal from Barnes and Thornburg and Umbaugh for a study to evaluate current practices and utility development and planning. He read the Committee meeting minutes as follows:

“At the Committee meeting, Rick Stradtner presented a proposal from Barnes and Thornburg and Umbaugh to do a study to evaluate current utility practices and utility development and planning. Stradtner said several issues have come up in the past few

months which have caused the need to determine if the Utilities are using best practices and to outline options available in planning and developing strategy to maximize benefits in the future.

For example, Stradtner mentioned the following issues. What can the City do about other utility companies providing services within the City limits? How can we protect the territory within the City limits? Are the Utilities paying enough to the Civil City for payment in lieu of taxes (PILOT)? Are the Utilities cost sharing effectively with other City departments? The new subdivisions of Trinity Crossing and Brookstone VI have asked the Utilities to contribute to the extension of utilities in these areas. Should the Utilities pass the cost along to the developers, charge the cost back to the residents who will be moving in to the subdivisions, or are there other options?

Stradtner stated that this study is meant to give the Utilities suggestions on best practices we may not be using, or to give the Utilities a “thumbs up” for doing well. The total cost of the study is \$50,000, and the Board of Public Works approved of paying \$25,000 of the cost. It is being asked that the Utilities pay for the other half of \$25,000.

Discussion was had as to how this study would affect the Wastewater rate study that is already underway, and the Electric Cost of Service study that is to start soon. Since Umbaugh is working on both the Wastewater rate study and will soon be working on the Electric cost of service study, they would be able to meld the findings together. The additional cost was a concern as \$11,750 is being spent on the Wastewater rate study and the Electric cost of service study is to not exceed \$75,000. The timeline for the study to be completed was also questioned. Renee Kabrick said the study is expected to be completed in 60 to 90 days.

Bud Hauersperger also expressed concerns about how this appeared to be about the Utilities not contributing enough to the Civil City. He said he has been compiling costs from all the utility departments about how much they provide to the City departments, and that the amount is more than most realize.

Stradtner and Kabrick clarified that the study is not to determine if the Utilities are paying enough to the Civil City. The Civil City and the Utilities are a team to provide services to the citizens of Jasper. Stradtner said the Utilities are not to be used to fill in budget shortfalls of the Civil City. What is being studied is the best practices that the Utilities may not be using.

Keith Masterson did not feel comfortable making a recommendation to the Utility Service Board to approve paying \$25,000 to pay for this study. He feels that the scope of service outlined in the proposal was not complete, included an item that is already being done, and there was no timeline in the proposal. The other Committee members agreed.

The Committee recommended that Kabrick have changes made to the proposal to include a full list of items to be studied and timelines for the study, and to present the new proposal to the full Utility Service Board at the November 21<sup>st</sup> meeting.

Ashley Kiefer then presented the draft of the Utility Business Office Capital Expenditure plan for 2017. There are only two items on the plan for 2017, totaling \$11,000. The first item is a new Drive-Thru Deal Drawer. The drawer is original to the building (1993) and needs to be upgraded. The estimate for this item is \$6,000.

The second item is the Tyler Technologies Miscellaneous Accounts Receivable software module. This item is a carry-over from last year's plan. This software module is not yet sophisticated enough to handle what the Business Office needs to use it for, but the module is constantly being upgraded. If the functionality becomes sufficient for our use, the Utility Business Office would like to purchase and implement this module for an estimate of \$5,000.

The Committee agreed to recommend approval of the Utility Business Office 2017 Capital Expenditure plan at the December 19<sup>th</sup> Utility Service Board meeting.”

At the Board meeting, Attorney Kabrick explained to the Board that the original proposal from Barnes and Thornburg and Umbaugh for the scope of services is based on an ongoing discussion over the past several months. In June of 2016 Barnes and Thornburg and Umbaugh worked together to create a scope of services which relates to the following issues: 1) The study of the current Jasper utility service areas as well as the service areas of competing utilities, and an analysis of options available to Jasper to secure its service areas. 2) An analysis of payment in lieu of taxes (PILOT), which we currently use, and to establish if the City is proceeding with best practices in regards to legal practices and in accordance to what other communities are practicing. 3) An analysis of an appropriate cost sharing strategy between the City of Jasper and the Jasper Utilities. 4) An analysis of the return on the value of the Utilities. 5) An analysis of outside City rate surcharges. Kabrick stated that after the analyses, Barnes and Thornburg and Umbaugh can provide us with a list of available options that can be utilized, if desired, regarding the scope of services listed.

Kabrick addressed the many questions the Committee had during the Committee meeting on November 10<sup>th</sup> regarding the scope of services that Barnes and Thornburg and Umbaugh would address in their proposal. She relayed the information to Barnes and Thornburg and Umbaugh and they felt that all the questions and concerns from the Committee would be addressed within the original scope of services and would be answered in the final report. The final report would be ready for review February 2017.

Mayor Seitz stated that the Utilities are a tremendous asset to the City of Jasper, with all four utilities, electric, water, gas, and wastewater serving our community. He stated that there are also non-investor owned utilities servicing our citizens within our corporate boundaries. Mayor Seitz stated that developers want to know if Jasper Utilities want to compete with the non-investor owned utilities for their business. Seitz feels we need to be able to compete with the

non-investor owned utilities and provide for our own citizens. Seitz stated that we seek guidance how to best handle the demands for utilities for those not within the City but seeking utilities, and how to handle new development within the City limits by our own utilities.

Mayor Seitz stated that the City Council will vote tomorrow night on the recommendations of the Planning Commission to adopt a New Unified Development Ordinance. Mayor Seitz feels this is the perfect time for the “twenty first century utilities” to align with City Zoning and Development and utilize the comprehensive plan. Mayor Seitz stated that the timing of the study has been moved up due to a request from a developer for gas service within the City. Mayor Seitz believes that this study will help clarify issues regarding new developers and services within the City.

Chairman Stradtner stated that he has some concerns and wants to make sure the utilities are following “best practices”. Stradtner also stated that he does feel that our utilities need to compete with the non-investor owned utilities for incoming developers. Stradtner feels it may be a good idea to know what other utilities are practicing throughout the State. Stradtner also stated that he does feel that the Utilities pay their fair share to the City, but the study may help set guidelines for cost share recommendations.

There was much discussion from the Board members regarding the urgency of the decision and the \$25,000 the utilities were being asked to contribute to the study. Board members questioned if any of the analysis could be completed in-house. Wayne Schuetter stated that there are lots of things to discuss and understand regarding the study and the outcome of the study. Schuetter recommended that more discussion regarding the study be scheduled during the upcoming Committee meetings set for November 29<sup>th</sup> and December 9<sup>th</sup>.

Chairman Stradtner agreed that more discussion could be had regarding the study and the many issues revolving around the study. Stradtner recommended tabling the recommendation for the Utility Development and Planning Proposal, pending further review at the scheduled Utility Committee meetings and to present a recommendation at the December Utility Service Board meeting.

Roger Seng made a motion to table the recommendation for the Utility Development and Planning Proposal, pending further review by the Committees by the December Utility Service Board meeting. Adam Auffart seconded the motion. Motion approved, 6-0.

Attorney Kabrick cautioned the Board regarding separating each section of the proposal and deciding on doing things internally. She said it would be very difficult to pull apart the proposal and give accurate information. Kabrick stated that the City will be assisting Barnes and Thornburg and Umbaugh with information requests.

There being no further business to come before the Board, the meeting was adjourned at 9:26PM upon motion by Alex Emmons and second by Roger Seng. Motion approved, 6-0.

The minutes were hereby approved \_\_\_\_\_ with \_\_\_X\_\_\_ without corrections this 19<sup>th</sup> day of December, 2016.

Attest: \_\_\_\_\_  
Secretary Chairman