

# Valparaiso City Utilities



“Water is our most valuable resource”

## 2010—2015 VCU Strategic Plan aligns priorities with new vision

In 2010, the VCU leadership team, developed a plan to chart the organization’s direction for the next five years. The 2010-2015 Strategic Plan focuses the organization on greater service to our customers, efficiencies, compliance and environmental stewardship in conjunction with our City’s goals and values.

The full five year plan can be downloaded online at [www.valparaiso.in.us](http://www.valparaiso.in.us)

### VCU NEWS

## 2013 3rd Quarter Report (July—September)



**Mayor Jon Costas**

**Bill Oeding, City Administrator**

### Valparaiso City Utilities Board of Directors 2013

David Bengs

Mike Sur

Lori Ferngren

Mark Thiros

Kurt Minko

### VCU Leadership Team 2013

Steve Poulos, Utilities Director

Edward Pilarski, Environmental Compliance Administrator

Alina Hahn, Financial Controller

Peggy Busse, Executive Administrative Assistant

Chuck McIntire, Collections & Distribution Manager

Mary Woodworth, Customer Service & Billing Manager

Shaun Shifflett, Metering & Backflow Administrator

Frank McGinley, VCU Maintenance Manager

Paul Scott, WRD Operations Manager

Cathy Fejer, Administrative Assistant

Shihua Chen, WD Operations Manager

Mark Geskey, Assistant Distribution Manager

Mike Steege, Assistant Sewer Superintendent

Adam McAlpine, Deputy City Engineer

### Water Source Study— Water & Sewer Rates

The Water Source Study and ground water recommendation was presented to the City Council on September 30, 2013. A phased in approach for rates will be presented at the 10/22/2013 Board meeting with first reading by the Common Council on 10/28/2013 and vote on 11/11/2013 regarding cash flow and capital needs.

### Water, Sewer & Storm Water Projects Status

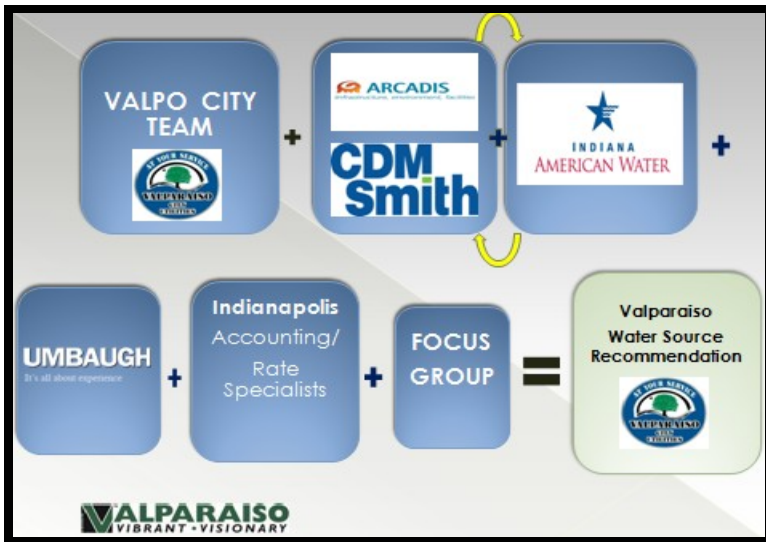
- Chautauqua Park—90% Complete (Restoration)
- Village Station Storm Sewer— Design 50% Complete
- **Harrington & Willows Storm Sewer—Completed**
- **Bicentennial Park Pond Outlet-Completed**
- Vale Park Roundabout Water Main— 75% Complete
- **LaPorte Avenue Water Main—Completed**
- Axe Avenue Sewer Main Repair—Under Construction
- WRD Treatment Plant Lift Station Study— 80% Complete
- Sturdy & Horseparrie Lift Station Study—90% Complete
- CoDigestion Study—70% Complete
- **Water Source Study— Completed & Presented**
- Test Well for Well Field— Mobilization in 2 weeks
- Water Preliminary Engineering Design— Draft Contract
- Refunding of Water Bonds - 10/14/2013 Council

### Valparaiso City Utilities Business Office Reorganization

Per succession planning Alina Hahn was promoted to the Controllers role on August 1, 2013. Alina will be supported by Lori Schroeder who currently is the accounts payable and payroll coordinator.

Mary Woodworth was promoted as the Customer Service and Billing Manager. Shaun Shifflett will serve as the Metering and Backflow Prevention Administrator and will work in conjunction with Customer Service. The Water Distribution team has relocated to the WRD sewer building as a result to the Sewer and Distribution teams having become cross-trained through a year long effort that was led by Chuck McIntire, Mark Geskey and Mike Steege.

## Water Source Recommendation



Utilities leadership along with a variety of experts spent one year to reach the final recommendation. ARCADIS from Indianapolis developed the initial study and CDM Smith from Chicago value engineered the ARCADIS engineering analysis for both the ground water and lake water evaluations. This information was shared with Indiana American (IA) as we worked closely with the IA business development team, engineers and operations specialists. The rate model was developed by the financial consultant (Umbaugh & Associates) based upon the engineering studies and capital estimates as provided by ARCADIS and the rates from the IA Water team. This was a collaboration of many professionals to reach the final recommendation for our community.

## Ground Water vs. Lake Water Cost Comparisons

Financial Analysis Summary – Water Estimates				
Preliminary Evaluation of Financial Position ESTIMATES	Invest in Wells and Current System Pierce Well Sites 1Aii	Indiana American Water 100% Financing By Valparaiso 3C	Indiana American Water Financing Split between Indiana American & Valparaiso 3C w/IAW	Invest in New Wells Field and Current System Consolidation 4A
Bond Size	\$11.8 Million	\$25.8 Million	\$10.8 Million	\$16.7 Million
% Rate Increase Required	25%	98%	75 %	34%
Current Monthly Bill 5000 gal/month	\$25.05	\$25.05	\$25.05	\$25.05
Rate Increase Required	\$6.22	\$24.64	\$18.83	\$9.00
New Monthly Bill 5000 gal/month	\$31.27	\$49.69	\$43.88	\$34.00

The chart above illustrates the financial comparison of the selected ground water and lake water alternatives and net effect to the rate payer. The green column illustrates the recommended option which will consolidate our major well fields at the Flint Lake Water Treatment Facility and utilize the Airport Water Facility as a supplemental water source and for redundancy.

## Valparaiso City Utilities

### Financial Performance as of September 30, 2013

Total Year to Date Water Revenue: -4.40 % (\$217,033)

Total Year to Date Water Expenses: -7.61 % (\$263,120)

Total Year to Date WRD Revenue: +3.84 % \$194,233

Total Year to Date WRD Expenses: -5.10 % (\$184,044)

“Water revenues lower due to cool summer”

## Economic Development—Pratt Industries

Valparaiso City Utilities worked in conjunction with the Economic Development and the Redevelopment Commissions to foster a deal that would bring a paper recycling facility to the City of Valparaiso. As of September 17, 2013 a memorandum of understating was executed between the City of Valparaiso and Pratt Industries. Pratt has committed in locating their paper recycling facility in the City of Valparaiso and starting their operations sometime in July of 2015. The total investment to the City would be \$260 million dollars in building and equipment and 120 direct jobs. Pratt is a major user of water at 1 million gallons per day and wastewater discharger at 600,000 gallons per day. Sewer and water revenues would be estimated at 1.5 million per year. Due to this major investment, sewer and water rates will directly benefit our rate payers as a matter of cost of service to our community.

## Valparaiso Water Usage—Pumping Data 2013

Average Daily Rate: 3.8 Million Gallons per Day

Peak Pumping Rate: 6.0 Million Gallons per Day

Total Water Pumped as of 9/30/2013 —1,051,721,000 gal

## Valparaiso Wastewater —Flow Data 2013

Average Daily Flow: 4.74 Million Gallons Per Day

Total Flow as of 9/30/2013: 1,292,000,000 gal

Total CSO Events: 3

Total CSO\* Volume Overflowed: 32.5 Million Gallons

\*ALL CSOs have been successfully disinfected as of April 1, 2012\*