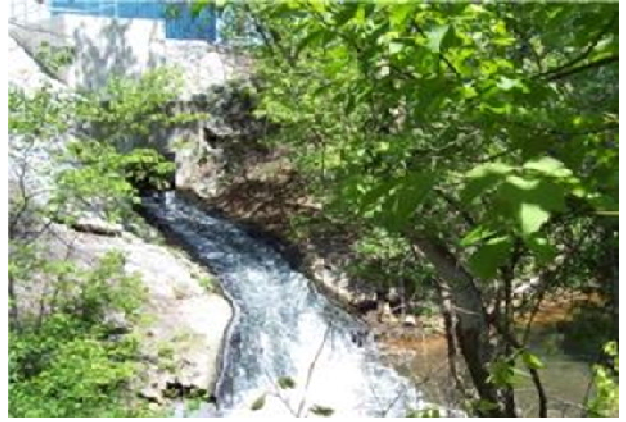


Valparaiso City Utilities



“Water is our most valuable resource”



VCU NEWS

2014 1st Quarter



Mayor Jon Costas
Sharon Swihart, Clerk Treasurer
Bill Oeding, City Administrator

Valparaiso City Utilities Board of Directors 2014

David Bengs, President
Mike Sur, Vice President
Lori Ferngren, Secretary
Mark Thiros, Treasurer
Kurt Minko, Assistant Secretary

VCU Leadership Team 2014

Steve Poulos, Utilities Director
Edward Pilarski, Environmental Compliance Administrator
Peggy Busse, Executive Administrative Assistant
Alina Hahn, Financial Controller
Mark Geskey, Collections & Distribution Manager
Mike Steege, Assistant C&D Manager
Mary Woodworth, Customer Service & Billing Manager
Shaun Shifflett, Metering & Backflow Administrator
Frank McGinley, VCU Maintenance Manager
Paul Scott, WRD Operations Manager
Shihua Chen, WD Operations Manager
Cathy Fejer, Administrative Assistant

Utilities Bond Issue (Water & Sewer)

In 2013 VCU performed a detailed rate analysis for the fiscal health of the Utilities. The phased increases as approved by the Board of Directors and subsequently by the City Common Council on November 25, 2013 will allow the VCU to improve service, invest in a new well field, expand and improve water and wastewater facilities, stabilize cash flows, invest in aging infrastructure and accommodate future economic development for the City.

The Utilities will propose a resolution in the near future to proceed with the bond ordinances sometime this summer.

Public Works & Utilities Campus

The integration of the Sewer Collections and Distribution divisions is now complete and has proven successful. 20 VCU employees now have the ability to work on both sides of the field divisions for the utilities. This allows the sharing of equipment and rolling stock which has and will continue to result in future capital savings. Through creative coordination, the construction of the new Public Works & Utilities Campus will house all major field divisions under one roof thus providing savings and future opportunities for integration and improved city services.

The anticipated date of completion for this project is in the fall of 2014.

Guaranteed Savings Contract Process

Both the water and water reclamation utilities continue to finalize plans for infrastructure improvements. The utilities are utilizing the guaranteed savings contract process (GSC) that became available to water and sewer utilities in 2008. The GSC process allows a municipality to select a “provider” at the front end of a project where the engineer, owner and contractor work together to value engineer the project which provides up front savings. A guaranteed maximum price (GMP) will be submitted to the utility by the provider at 60% design. As part of this process, open book pricing will be provided with a predetermined fixed fee and contingency within the GMP. If agreed, a contract will be provided to the provider once all parties agree to the terms and fees.

Request for Proposals (RFPs) were advertised for qualified GSC providers. A GSC committee was developed to review the RFPs. Interviews were conducted by the committee to select the most qualified provider for the project. The GSC committee recommended Bowen Construction as the provider.

Stormwater Reclassification

Upon the City of Valparaiso’s engineering department study, it was determined that there were a number of incorrectly classified storm water utility accounts. The purpose of the reclassification of property was based upon the City obtaining updated aerial topography and geographic information that provides more precise measuring methods versus the 1998 methodology which utilized less accurate aerial data and measurement tools.

The reclassification was approved and took effect in February of 2014. The reclassification will generate an additional \$100,000 per year in storm water revenue.

Chautauqua Park Storm Water Project B

The city continues to invest in improving drainage and strategically separating combined sewers. This project is the second phase of the Chautauqua Park project that is located in the west sub-basin. DLZ is the engineering firm on this project. BIDS were received at the February 25, 2014 board meeting. The BIDs ranged from \$1.26 million to 1.748 million. The project has been awarded to GE Marshall of Valparaiso for \$1.26 million. The project is expected to be completed by the end of this year.

Valparaiso City Utilities Financial Performance as of March 2014		
1st Quarter Water Revenue:	1.70%	\$30,520
1st Quarter Water Expenses:	-35.7%	(\$491,125)
1st Quarter WRD Revenue:	-0.10%	(\$ 1,960)
1st Quarter WRD Expenses:	-34.6%	(\$ 408,027)

Water, Sewer & Storm Water Projects Status as of March 31, 2014

- **Chautauqua Park Project B** - Notice to Proceed
- **Horseprarie Pump Station Upgrade** - Design complete
- **WRD Treatment Plant Lift Station Study**— Complete/ Engineer to be selected
- **Test Well for Blake Well Field**— 80% Complete
- **Village Station Storm Sewer**— Design 50% Complete
- **Water Preliminary Engineering Design**— 35% Complete
- **Ultraviolet Disinfection PED** - Scope being prepared.

Safety & Security Committee

Work Loss Injuries (479 days and Counting)

The charge of the Utilities Safety & Security Committee provides the oversight and necessary safety education and training for all utilities staff. The committee meets once a month to discuss planned training, hazard assessments and to assure that any reported accidents are investigated to assure there is no repeat of a specific incident. The repetitive training and education keeps our employees safe and significantly reduces work loss time and workers compensation premium costs.

As of March 31, 2014 the VCU has had 479 consecutive days of no work loss injuries. Great job team!