

City of West Lafayette, Indiana  
Board of Public Works and Safety  
MINUTES

MARCH 31, 2009  
11:00 a.m.  
City Hall Lower Level Conference Room

Members present were Susan K. Goldman, Bradley W. Marley, and Mayor John R. Dennis, who presided.

I. APPROVAL OF MINUTES

A. March 24, 2009, Meeting

Ms. Goldman moved to accept the minutes of the March 24, 2009, Board of Works meeting. Mr. Marley seconded the motion. The motion was adopted.

II. New Business

A. Quote Opening: 2009 Spring Operation Releaf Tree Project – Development

Director of Development Poole explained that the quotes are for 114 trees, 39 of which are funded by the City, and of that, \$1,000 will be repaid by the Tree Fund. The remaining 75 trees will also be paid by the Tree Fund.

Clerk-Treasurer Rhodes read the quotes aloud:

<b>Quoter</b>	<b>Base Bid</b>
Exterior View	\$14,267.80
GardenArt, Inc.	22,423.00
Bennett's Greenhouses, Inc.	18,514.00
Freedom Lawns	17,999.20

Ms. Goldman moved that the quotes be taken under advisement. Mr. Marley seconded the motion. The motion was adopted.

B. Escrow Contract: Atlas Excavating, Inc. and Huntington Investment Company – Western Sanitary Sewer Interceptor Project-Division III – WWTU

Wastewater Utility Director Henderson stated that, like all the City's large construction projects, an escrow account must be established for the retainage.

City Attorney Burns reported that the contract is in acceptable legal format.

Ms. Goldman moved that the escrow contract be approved. Mr. Marley seconded the motion.

Mr. Marley asked if the City earns interest on the escrow account. Clerk-Treasurer Rhodes responded that interest earnings go to the owner, as well as the cost of the account. The owner receives a 1099 Form from the bank.

The motion was adopted.

C. Grant XP-97560501, Amendment No. 3: U.S. Environmental Protection Agency – Barberry Heights and Green Meadows Lift Station Replacements Time Extension – WWTU  
Wastewater Utility Director Henderson reported that, due to the extra time needed to finish the Green Meadows Lift Station Project, an extension to the EPA Grant had to be requested.

Mayor Dennis asked if this were a common practice. Mr. Henderson said it was not common, because typically lift station projects do not run over so much. This one is unusual, from Mr. Henderson's experience, but he added that the EPA is very agreeable to give an extension.

Ms. Goldman moved that the item be approved. Mr. Marley seconded the motion.

Ms. Goldman questioned why the project ran over in time. Wastewater Utility Director Henderson answered that there have been contractor delays. Final startup was completed last Thursday. He hopes that the permanent power connection will be made today, depending on Duke Energy's schedule. The week following, the demolition of the old lift station will occur. Mr. Henderson said that he and the project engineers Greeley and Hansen are discussing liquidated damages, looking to recover some of the City's costs due to the delay. City Attorney Burns asked if there were a statement regarding liquidated damages in the contract. Mr. Henderson confirmed that there is such a statement.

City Attorney Burns asked if it were customary to have the Mayor as the Project Manager. Clerk-Treasurer Rhodes responded that it was a requirement of the EPA. She added that these grants require the Mayor to sign for accountability. The process of coming to the Board for authorization for the Mayor to sign is part of the corrective action on this process. This is the first time this grant has been handled in this manner; the earlier two amendments did not follow procedure to make the amendments part of the public record.

The motion was adopted.

D. Contract – Professional Services for Food Waste Co-digestion Pilot Study and Feasibility – Kennedy/Jenks Consultants – WWTU

Wastewater Utility Director Henderson presented the contract with Kennedy/Jenks Consultants for a sum not to exceed \$19,900.00, noting that West Lafayette would be one of fewer than a dozen plants that use food waste for energy, and the others are in California and Oregon. At Mayor Dennis' request, Mr. Henderson explained that he has been in discussions with Terry Cegielski, the Assistant Sustainability Director at Purdue University, about taking pulp matter from food waste from Purdue's five dining courts and putting that into the grease receiving station, mixing that with the digester contents, and digesting the pulp matter. The University was set up to do this as part of a composting project that was not completed. The pulp matter is food scrapings from trays, free of trash or items that will not break down. This material should process easily, creating a lot of methane, which will be harnessed to create electricity with the microturbines. Mayor Dennis added that this would save about \$75,000 per year in electricity costs. This project would be groundbreaking in the Midwest. This would enable Purdue to divert at least 20 tons of food waste per month from the landfill. WWTU has capacity in the digesters and room for more microturbines if the program is successful and the City needs other sources of food waste. Mayor Dennis asked about the capacity of the digester to process food waste per day. Mr. Henderson said that estimates are about 15 tons of food waste per day. Purdue is asking to provide 20 tons per month for the pilot project. There would be capital costs involved, and that will be analyzed as part of the feasibility study.

Ms. Goldman moved that the contract for the feasibility study be approved. Mr. Marley seconded the motion. The motion was adopted.

E. Contract: Annual Maintenance Agreement – Komputrol – Clerk-Treasurer

Clerk-Treasurer Rhodes requested approval for the annual maintenance agreement with Komputrol, the accounting system in the Clerk-Treasurer's Office, for the budgetary, payroll, banking and fixed asset systems. The cost is \$3,570. There has been no increase since 2007, when it was \$3,300.

Ms. Goldman moved that the item be approved. Mr. Marley seconded the motion. The motion was adopted.

F. Elevation in Rank: John Keller to Firefighter First Class – Fire

Fire Chief Drew presented a request to elevate John Keller from Second Class Firefighter to First Class Firefighter, effective April 3. Mr. Keller has met his training and certification requirements, and has exceeded the minimum requirements. The new biweekly salary would be \$1,947.28.

Ms. Goldman moved that the elevation in rank be approved. Mr. Marley seconded the motion.

Mayor Dennis asked who monitors progress of new firefighters. Chief Drew answered that overall, the Chief does, but each shift has a training instructor and an assistant training instructor who provide training and monitor each individual.

The motion was adopted.

G. Claims

1.	AP Docket	\$ 79,525.83
2.	AP Docket	283.43
3.	AP Docket	293,693.56
4.	AP Docket	414.25
5.	PR Docket	313,877.11

Ms. Goldman moved that the claims be approved. Mr. Marley seconded the motion.

► Mr. Marley asked about the \$97,489.70 Wastewater payment to BFS for GIS services. Wastewater Utility Director Henderson answered that BFS is finishing the GIS mapping of the sanitary and storm sewer infrastructure. They are finished with the fieldwork and are integrating the results into the existing system. Mr. Marley questioned whether the payment could be taken from bond proceeds. Mr. Henderson replied that there is no SRF loan for this work. Mr. Marley stated that there was sufficient money in the Improvement Fund, as he learned last week.

► Ms. Goldman requested information about the payments to Clayton Photography [\$1,975.00 and \$300.00] for the Police Department. Police Chief Dombkowski responded that the \$300.00 is for rework of the Department composite. The rest of the money was an unspent balance from 2008. The new composite is the first since 2002 and will hang in the Department lobby.

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▶ Ms. Goldman questioned the payment of \$7,084.28 to Jack Doheny Supplies, Inc. for Wastewater. Wastewater Utility Director Henderson responded that the expense was for Planet Breeze for odor control.

▶ Mr. Marley asked about the disbursement of \$4,140.00 to Custom Tees for Farmers Market produce bags. Parks Superintendent Payne responded that those are being paid by the USDA grant. Mr. Marley asked whether they were reusable. Mr. Payne said that they are reusable.

▶ Ms. Goldman requested information about the payment to the Indiana Department of Environmental Management for the NPDES Permit [\$11,500.00]. Wastewater Utility Director Henderson answered that this is an annual fee for having a permit to discharge. Mayor Dennis asked if the fee increased often. Mr. Henderson said that in 2008, there was a push in the Legislature to increase fees for permits, including NPDES Permits, that failed, but he expects it to be resurrected again.

▶ Ms. Goldman questioned the disbursements to O.W. Krohn & Associates, LLP [\$1,100.0 and \$6,400.00]. Clerk-Treasurer Rhodes answered that the \$1,100.00 is for work with the Redevelopment Commission on TIF matters, and the other is a progress payment on the cost of doing the WWTU annual review, reconfiguring WWTU accounting to conform to standards.

▶ Mr. Marley asked about the \$22,000.00 payment to Crowe Horwath LLP for Wastewater. Clerk-Treasurer Rhodes answered that that was for the prior year report.

▶ Mr. Marley asked for information about the \$3,479.00 payment to Indiana Recreation Equipment for trails and playground surfacing. Parks Superintendent Payne answered that this was for the sterilized engineered hardwood mulch that Parks buys by the semi load. This material is used for both footpaths and playgrounds, and much of this specific mulch was actually spread on the Celery Bog footpath.

▶ Ms. Goldman questioned the expense of \$490.00 to Stanley Convergent Security for repair services for the Police Department. Police Chief Dombkowski answered that the Department does not have a contract with the company, due to the cost. This is for the security system.

▶ Ms. Goldman requested information about the payments [five payments totaling \$2,485.00] to Swan Consulting. Director of Development Poole replied that Swan Consulting works with Development on CityView and other server and networking issues, as a supplement to Gran-IT. City Engineer Buck added that Engineering used Swan to resolve some server connection issues.

The motion was adopted.

H. For Information Only

WWTU Projects Payments Listing – WWTU

There were no questions or comments on the listing.

I. Annual Wastewater Utility Review – O.W. Krohn & Associates/ WWTU

Mr. Jim Treat of O.W. Krohn & Associates, LLP reviewed the 2008 Annual Financial Management Report with the Board. The Report contains Historical Financial Statements, as required by the auditors, and historical comparative statements for 2007 and 2008; Historical Supplemental Information, including cash balances and reserves, line item expenditure detail, detailed debt service obligations and payment requirements, as well as charts and tables with billing statistics; and Projected Financial Information.

Historical Financial Information

Mr. Marley asked why this was a compilation rather than an audit. Mr. Treat responded that the Utility will be audited, but all the audits of municipals are done by the State Board of Accounts, and it is part of the CAFR that is issued every year. The SBA will take the compilation numbers and use them, as the basis to audit.

Mr. Marley questioned whether there is testing behind the data, like rates. Mr. Treat answered that it is not audit testing, it is a compilation. The benefit is that this provides the basis for monthly accounting assistance and reports. With the ongoing review and the ledger and transactions during the year, the firm will be cumulatively doing a lot more work than what the auditors do. The Board will get the assurance, but it will not be in terms of an audit report.

Mr. Marley stated that his experience is in the business sector, not public, but a business the size of the Utility would warrant a full audit. Clerk-Treasurer Rhodes answered that it will receive one; the auditors should be on site in several weeks. Most businesses would have internal controls and internal audit functions. This report is approximating that function, in the basis for making the conclusions in the financial statements, in assuring conformance to accounting standards on a monthly basis, and that the information is accurate and reflects the activities in the Utility.

Mr. Marley asked about Construction in Progress, how far back is work in process being captured, before it becomes part of the Plant. Mr. Treat answered that the counting begins on day one when a project starts and does not move to an asset category until it is in service. A good example is Western Sanitary Sewer Interceptor, where a phase is complete and in the ground, but not hooked up. Even though the work is technically completed, it will stay in work in process until it is hooked up and product is flowing.

Mr. Marley questioned the \$378,624 amount for Contributions in 2008 and why there was a dramatic decrease [\$1,437,900 in 2007]. Mr. Treat answered that most of that is due to the assets, the sewer lines that are built by developers and are contributed to the City. That timing varies by when projects are complete and deeded over. It is not a steady revenue stream.

Historical Supplemental Information

Mr. Marley asked about the Land Application costs in 2008 of \$386,979, while the budget was \$200,000. Wastewater Utility Director Henderson responded that more was hauled than was planned, due to the digester project.

Mr. Marley asked if there were comparable data, how West Lafayette compares cost-wise. Mr. Treat replied that he would gather some information in summary form for comparison. Mr. Marley questioned whether our cost per 1,000 gallons of \$2.1216 is a good ratio. Mr. Treat answered that it was a good ratio for an overall cost, including all the overhead costs.

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During discussion of Plant capacity, Mr. Marley said that the City needs an idea of Purdue University's vision of the future, items such as projected enrollments and building plans, to analyze future capacity of the Utility. Wastewater Utility Director Henderson reported that, in 2006, IDEM alerted the City to their concern about capacity of the City's Plant. Mr. Henderson said he has discussed a capacity evaluation of the Plant with engineers, looking where the money would be best spent to increase capacity. Ms. Goldman suggested that porous roads would be one consideration. Mr. Henderson said that taking out some of the stormwater would increase capacity without building anything at the Plant. City Attorney Burns asked how realistic that was. Mr. Henderson responded that it is always easier to control one point, in this case, the Plant, rather than everything else in the system and what contributes to it.

Summary

By way of summary, Mr. Treat said the Utility has a very strong financial profile with good cash balances and reserves, high current projected bond coverage ratios, and stable net revenues from operations.

Mayor Dennis thanked Mr. Treat for the excellent presentation and the report, which will be an excellent tool.

Councilor Hunt suggested that Councilors need the report before the presentation at Thursday's Pre-Council meeting. Clerk-Treasurer Rhodes said the report has been in the public box for the Board of Works meeting since last Friday. Bound copies will be provided in each Councilor's folder.

Clerk-Treasurer Rhodes said the annual review report is generally released in April or May, and she commended Mr. Treat and O. W. Krohn & Associates for getting it done by the end of the first quarter. She also commented that, for management purposes and oversight, this report content and format is a major step forward for the Utility.

Wastewater Utility Director Henderson thanked Mr. Treat for his work.

Mr. Marley and Ms. Goldman stated that the report is excellent and will allow the Board to manage and provide oversight for the Utility.

III. ADJOURNMENT

There being no further business to come before the Board, Ms. Goldman moved that the meeting be adjourned. Mayor Dennis adjourned the meeting.