

CITY OF WEST LAFAYETTE
COMMON COUNCIL
MINUTES
MAY 7, 2007

The Common Council of the City of West Lafayette, Indiana, met in the Council Chambers at City Hall on May 7, 2007, at the hour of 7:30 p.m.

Mayor Mills called the meeting to order and presided.

The Pledge of Allegiance was repeated.

Present: Griffin, Hunt, Keen, O'Callaghan, Satterly.

Absent: Plomin, Truitt.

Also present were City Attorney Bauman, Clerk-Treasurer Rhodes, Director of Development Andrew, City Engineer Buck, Public Works Director Downey, Fire Chief Drew, Police Chief Marvin, and Parks Superintendent Payne.

MINUTES: Councilor Griffin moved for acceptance of the minutes of the April 5, 2007, Pre-Council Meeting, and the April 9, 2007, Common Council Meeting. Councilor Satterly seconded the motion, and the motion passed *viva voce*.

COMMITTEE STANDING REPORTS:

STREET AND SANITATION: Councilor Satterly presented this report.

Thank you, Madam Mayor. The construction of Tapawingo South is due to be finished sometime this spring.

Mayor Mills said June, I think.

Councilor Satterly said the Salisbury Street Safety Improvements Project is about to wrap up, paving from Robinson to, roughly, Riley. I think the paving's all done, and all they have to do is do the pavement markings.

Mayor Mills said that's right, yes.

Councilor Satterly said concerning yard waste, loose material—leaves and so forth—must be in a rigid container with handles. Sod, gravel, stone, brick, rock, and concrete will not be picked up by the Sanitation Department. To comply with Stormwater II regulations, garbage and trash must be in a bag or container, so that water won't be contaminated and litter won't travel to a stormwater basin. That concludes the report.

WASTEWATER TREATMENT UTILITY: Councilor Satterly presented this report.

Thank you, Madam Mayor. On the wastewater, total flow for the month of April was 364.287 million gallons, average flow a little over 11 million gallons a day. Combined sewer overflow was 17.29 million gallons. Percent treated at the plant was 95.25%. As far as the overflow was concerned, there were four events at the Wet Weather Facility for a total of 19 hours, 12 events at Dehart Street for a total of 63.8 hours, and there were three events for a total of 2.25 hours at the Quincy Street overflow point. That concludes the report.

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PUBLIC SAFETY: Councilor Keen presented this report.

Thank you, Madam Mayor. For the month of April, the West Lafayette Fire Department handled over 1,600 calls, which was actually up about 18% from the month previous. They also participated in a variety of training exercises at a various different places and included a lot of different things. The first Citizens Police Academy for 2007 has started and is about halfway through. Also, for the Fire Department, Rick Rouse was a firefighter; he retired on April 2, after serving on the Fire Department for 30 years. Those of us who knew him and know him have already seen Rick enjoying his retirement while riding upwards of 100 miles per day on his bicycle. John Keller was hired on April 3 as his replacement, and he's very enthusiastic and doing quite well in his short time there, so far. Also, I wanted to just note that two of the three town hall meetings for the new fire station have already been completed, and a lot of information has been disseminated to the public through these meetings. I would certainly encourage you to come to the third one—there's only one more, scheduled for May 9, I believe that's this—

Mayor Mills said Wednesday.

Councilor Keen said Wednesday at 7:00 p.m. at City Hall. That completes my report.

PURDUE RELATIONS:

Mayor Mills said Councilor Plomin is not here, so I guess we don't have a report—

Councilor Hunt said Madam Mayor, may I just take a minute?

Mayor Mills said certainly.

Councilor Hunt said there's a new president of Student Government. Eric Van Houten is the president, and vice president is Amy McManama, and they invited me to a Student Senate meeting the other day, and so I learned a lot attending Student Senate. I was very impressed with their structure and their knowledge. So I just thought I'd add that.

Mayor Mills said and we look forward to working with them in the fall.

Councilor Hunt said yes. They're going to come to a meeting in the fall.

Mayor Mills said thank you.

PARKS AND RECREATION: Councilor Hunt presented this report.

Thank you. The West Lafayette Junior High Student Council joined the City of West Lafayette in celebrating Arbor Day. I have pictures of these wonderful kids planting these trees. They're going to try to focus in on. It's a Chinquapin oak, and it was planted at the corner of Grant and Meridian, right at the edge of the old football field at the High School. It was donated by GardenArt, and it was really quite impressive. They did work to dig these holes and put the mulch and water. Also some other activities for Arbor Day were 250 seedlings were planted, a gift of Frito Lay Foundation on the south side of the Harrison Bridge. Sixty-two hybrid cedar trees were planted along the boundary between the Celery Bog and nearby commercial sites, and C.P. Morgan donated and planted 10 trees at the east side of Salisbury and Kalberer. It's always nice to celebrate Arbor Day with tree planting. The annual Morton Community Center dance recital was held April 28. Sagamore West Farmers' Market opened May 2. The weather was nice, and the turnout was very good. The market will be open every Wednesday from 3:00 p.m. to 6:30 p.m. Finally, the Lincoln Park concrete work has been finished, and we're very

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excited about the Lincoln Park. The playground shelter and site furnishing are planned for installation later this month. The next Park Board meeting will be May 21 at 4:30 at Lilly Nature Center. Thank you.

Mayor Mills said thank you, Councilor Hunt. The C.P. Morgan tree planting was this morning. If you get a chance, if you'll look on the east side of Salisbury, just beyond Kalberer Road, there's a nice long stretch of 10 trees now. It's quite a nice addition. It was a beautiful morning for that, compared to the day we did the Arbor Day tree planting there by the High School. It was one of those cold, 50-degree, a little bit rainy days, and those junior high kids came out regardless, but they were cold while they were planting. They weren't dressed very warmly. Today we had a much nicer day for it. Thank you, Ann [Councilor Hunt].

DEPARTMENT OF DEVELOPMENT: Councilor O'Callaghan presented this report.

Thank you, Mayor. The Director of Development sent a notice to the Economic Development Commission that Endocyte is in compliance with their original abatement numbers for new equipment, salaries, and employees. We have another abatement on the agenda later tonight. The Redevelopment Commission met on April 13 and received an update on the temporary fire station. There was also a meeting about that here in City Hall on April 15 with the Amberleigh Village residents. That was quite well attended, and lots of information disseminated. Councilor Keen mentioned the town hall meetings that are continuing. I guess I just wanted to mention about West Lafayette businesses continue to be in the news. Three Research Park businesses, Endocyte and Quadraspec, and the Chao Center, met with delegates from Australia and New Zealand, and West Lafayette businesses—the Village Coffee Shop, Café Royale, and Capp and Gino's—were featured in the *Journal and Courier*, so there's lots of exciting things going on in the Department of Development.

PERSONNEL: no report.

BUDGET AND FINANCE: no report.

REPORT OF APC REPRESENTATIVE: no report.

REPORTS OF SPECIAL COMMITTEES:

West Lafayette Youth Council

Councilor O'Callaghan said the West Lafayette Youth Council will be doing a youth carnival at Cumberland School this weekend, on Saturday from 3:00 to 5:00 p.m. They've been working pretty hard on that. They did have their elections last Tuesday for the coming year. We had a very large group this year, and for the first time this year, had some junior high students. So I'm hopeful for good continuation. We have some students that have been in it for several years now and will still be back next year. The president and the vice president both have been involved for two years, so I'm looking forward to good continuity there.

PUBLIC RELATIONS:

Employee Service Anniversaries

Mayor Mills said we have two employees that are celebrating their anniversaries in May. Brian Claxton from the Street Department who has been with the City for 15 years, and Nicole Stocks in the Clerk-Treasurer's Office who has been with the City now for five years. We thank both of them for their great service, and congratulate them. We're very lucky to have dedicated people who work very hard.

West Lafayette Community Beautification Award

Councilor O'Callaghan said tonight we're very pleased to have Ken Ritchey from Tipmont. Tipmont is a great community partner, are sponsors of lots of community events—the Hunger Hike is one—and this award, though, is for their EnviroWatts program. Many people know about the Round-up, where patrons can round up their utility bills and then that money is in a special fund for grants. Well, this EnviroWatt program is just for environmental-type things. Bev Shaw [Redevelopment and Neighborhood Planner] from the Department of Development submitted a grant request and \$2,000 was awarded for daffodils on the Sagamore West medians. We've been working very hard on Sagamore West, to improve the looks of that, and have the banner poles, and last week, these daffodils just looked beautiful. We're very appreciative of the money donated by the EnviroWatts program to purchase that. Part of the funding came from the West Lafayette Tree Fund. But, in recognition of this, we would like to present to Ken Ritchey a West Lafayette Community Beautification Award.

Mr. Ken Ritchey [General Manager, Tipmont] said thanks so much. We really appreciate it. First of all, we are proud of our EnviroWatts program. It does two things, actually. It's our greenpower renewable program, but in addition to that, those funds—we actually have a separate board actually set up. They take applications, and so the money really serves a dual purpose, renewable energy—we have just under 5% of our customers participate in our program, which makes it actually, in terms of customer signups, one of the more successful greenpower programs in the country. In addition to that, though, those funds, right now, are being used for these kind of community projects. So, yes, we're very pleased and delighted we can be part of the community. Thank you so much.

Mayor Mills said it provides cities and towns and other community organizations with a very regular source of grant funding, and we appreciate it very much. Thank you.

Mr. Ritchey said we always encourage more applications.

Mayor Mills said yes, I know you do. Thank you.

Proclamation: Housing America 2007

Mayor Mills said one final item under Public Relations tonight. This is National Housing America Month for our country and locally, and so we have a proclamation that we'd like to read tonight:

**HOUSING AMERICA 2007
PROCLAMATION**

- WHEREAS,** for more than 70 years it has been the policy of this nation, under the US Housing Act, to promote the general welfare of the nation by employing its funds and credit to assist the several states and their political subdivisions to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe and sanitary dwellings for families of lower income; and
- WHEREAS,** according to the "State of the Nation's Housing" report, 15.6 million households now pay more than half of their income for housing; and
- WHEREAS,** according to current estimates, on any given night, there are nearly 775,000 homeless nationwide and up

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to 3.5 million persons who experience homelessness at some point throughout the year; and

WHEREAS, according to the National Low-Income Housing Coalition's "Out of Reach" report, minimum wage earners are unable to afford even a one-bedroom home anywhere in the country, and 88% of renters in cities live in areas where the fair market rent for a two-bedroom rental is not affordable even with two minimum wage jobs; and

WHEREAS, according to the National Housing Conference, health care workers and many other working professionals are priced out of home-ownership in the majority of U.S. metropolitan areas nationwide; and

WHEREAS, according to the Housing Assistance Council, 1.7 million (6.3 percent) of rural homes were considered substandard in 2005; and

WHEREAS, public housing is home to over 2 million people, over 40 percent of whom are children, and currently receives federal funding at less than 83 percent of need; and

WHEREAS, Section 8 rental assistance also helps over 2 million households, of which the majority have extremely low incomes; and

WHEREAS, the National Association of Housing and Redevelopment Officials; American Federation of State, County and Municipal Employees; Housing Assistance Council; Local Initiatives Support Corporation; Mortgage Bankers Association; National Association of Counties; National Association of Home Builders; National Association of Realtors; National Council of State Housing Agencies; National Housing Conference; National League of Cities; National Low-Income Housing Coalition; and U.S. Conference of Mayors are united in an effort to raise public awareness of the importance of affordable housing and community development programs and resources; and

WHEREAS, during the period March – October, 2007, the aforementioned groups launched Housing America 2007, a national campaign to educate and inform the public and decision makers of the critical need to address the nation's housing and community development concerns;

THEREFORE, be it resolved that the City of West Lafayette and the Lafayette Housing Authority, which has, over a period of many years, endeavored to address affordable housing and community development needs and has been successful in doing so using a combination of local, state and federal resources hereby endorses the Housing American 2007 Campaign, its goals, objectives and purposes and in so doing recommits itself to meeting the affordable housing and

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community development needs of the community by
declaring the month of May, 2007, as

HOUSING AMERICA 2007 MONTH

Jan H. Mills
Mayor
West Lafayette, Indiana

I think it's amazing that we are such an advanced country, and we enjoy so many benefits, and yet we still have so many people who are members of our country, members of our society who are not able to own a home or not even able to afford a home to rent. Edie Thomas [Executive Director, Lafayette Housing Authority] is here. Edie, do you want to say anything? Edie is here from the Lafayette Housing Authority and has worked on this issue for many years.

Ms. Edie Thomas said thank you, Mayor. I want to just to emphasize in the proclamation, it talks about the number of people in our own community as well that find it difficult to afford housing in our community. We're assisting about 1,100 families at any given time. We have 650 households currently on our waiting list. So the need is great, and it's here. It's not out in some other state or city, it's right here in our backyard, and so to support this proclamation, I think, is a step in the right direction, and I appreciate it very much. I also want to point out that Terry Bordenet, the chair of our commission, is also here tonight. Thank you.

Mayor Mills said would you [Mr. Bordenet] like to say anything? Please.

Mr. Terry Bordenet said I think Edie's covered it all.

Mayor Mills said okay.

Mr. Bordenet said we appreciate the opportunity to come over here.

Mayor Mills said thank you very much.

Mr. Bordenet said thank you.

FINANCIAL REPORT:

Clerk-Treasurer Rhodes said you've received your ledger reports as well as the cash report. We have, I've learned, a series of presentations tonight, so I'll be very brief. There was a question regarding when residents may expect to receive their property tax bills. My understanding is that there has been a recomputation of the tax rates; those will need to be advertised before the bills can then be sent out. So I think the original estimate was that the due date for property tax would be about mid-June, so we therefore expect to receive the bills toward the end of this month. However, I know the Treasurer of the County has an announcement right on the County homepage. When you pull up Tippecanoe County's home website, there's a little news item from the Treasurer to keep everyone updated in terms of property tax billing and collection. Thank you.

ORDER OF BUSINESS

Mayor Mills said we were going to move into a special presentation, but I was reminded that we didn't put that on the agenda, and we have people here to do business for tax abatement, and so we will instead just go quickly into the agenda. It's a short agenda, and then we will hear the

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wastewater presentation, if that's all right, so we don't keep the other people waiting who thought they were going to be early on the agenda.

UNFINISHED BUSINESS:

Resolution No. 8-07 A Resolution To Confirm A Revised Written Fiscal Plan For The Annexation Of Certain Lands Into The City Of West Lafayette (Grace Baptist Church and Dorothea A. Hoadley) (Prepared by the City Attorney) Councilor Griffin read Resolution No. 8-07 by title and moved that it be passed on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said all right. Mr. [City Attorney] Bauman, anything to say new on this for us?

City Attorney Bauman said we have updated the fiscal plan with the new assessment information, which was not available in the previous iteration.

Mayor Mills said okay, any questions?

Clerk-Treasurer Rhodes said I also believe a map that was missing in the first plan has now been prepared and attached.

Mayor Mills said thank you.

City Attorney Bauman said you'll recall this annexation is a very small piece which is an island already within the City.

Councilor O'Callaghan said the upshot of the fiscal plan is that it's not going to be a major cost to the City at all.

City Attorney Bauman said no, because it is so small and we're already furnishing all the services to all the property around it.

Mayor Mills said any other comments or questions?

There was no further discussion.

Mayor Mills said will you call the roll, please.

Resolution No. 8-07 passed on first and only reading, 5-0

Ordinance No. 8-07 An Ordinance To Annex Certain Lands To The City Of West Lafayette (Grace Baptist Church and Dorothea A. Hoadley) (Prepared by the City Attorney) Councilor Griffin read Ordinance No. 8-07 by title and moved that it be passed on second and final reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said is there anyone here tonight for the annexed party? All right. This is the second reading of this. We had this last month, and, again, it is the property that we just talked about for the fiscal plan, already basically surrounded—a little parcel, a little triangular parcel surrounded by the current City. It was the old Grace Baptist Church property. Are there any questions or comments from the Council?

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City Attorney Bauman said for old timers, it was the old State Police Post.

Mayor Mills said old State Police Post. Thank you.

Councilor Satterly said and the Grace Baptist Church isn't there any more.

Mayor Mills said no, that's right. Any questions? Yes, Councilor O'Callaghan.

Councilor O'Callaghan said just that we actually heard this two months ago for first reading and a public hearing last month, so that people don't think that we're rushing through anything. And had extensive discussion about the developer working with the City staff, even though it was in the County when it was developed. And everything is to the City standards with the landscaping ordinance and everything.

Mayor Mills said right.

Councilor O'Callaghan said so I just wanted to reiterate that.

Mayor Mills said good. Anything else?

There was no further discussion.

Mayor Mills said all right, will you call the roll, please.

Ordinance No. 8-07 passed on final reading, 5-0.

NEW BUSINESS:

Resolution No. 11-07 A Resolution Confirming The Designation Of An Economic Revitalization Area For Property Tax Abatement For Medical Engineering and Development Institute, Inc. (Prepared by the City Attorney) **PUBLIC HEARING** Councilor Griffin read Resolution No. 11-07 by title and moved that it be passed on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said thank you. I know Ms. Tennyson is here from MED Institute. We have discussed this. We also will need to have the public hearing tonight on this. But is there discussion of this ahead of time? We talked about this last month, and there are going to be 130 new positions at MED Institute, with their move to this new property, which we are very fortunate to keep in the City, happy to have that development moving just across the street, really. Councilor Griffin.

Councilor Griffin said average salary per employee?

Ms. Colleen Tennyson [Treasurer, MED Institute] said 65 to 70.

Councilor Griffin said \$65,000 to \$70,000.

Councilor O'Callaghan said \$72,000 was on the—

Mayor Mills said Mr. [Director of Development] Andrew, do you have anything you want to add about this? And if you do, come to the microphone, please.

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Director of Development Andrew said not now.

Mayor Mills said okay. All right, are there any other questions? All right, we're going to open the public hearing, so I will now open the public hearing for tax abatement for MED Institute. Are there any comments or any questions from the public? Hearing none, we'll close the public hearing. All right, is there any further discussion from the Council?

Councilor O'Callaghan said might just note what Mr. [City Attorney] Bauman noted at Pre-Council, that the \$3 million worth of renovations are on the building permits in our packet this evening, and that part's not part of the abatement. So it really is a lot of investment in our community that we appreciate.

There was no further discussion.

Mayor Mills said all right, will you call the roll, please.

Resolution No. 11-07 passed on first and only reading, 5-0.

Resolution No. 12-07 A Resolution Approving The Designation Of An Economic Revitalization Area For Property Tax Abatement For Endocyte, Inc. (Prepared by the City Attorney) Councilor Griffin read Resolution No. 12-07 by title and moved that it be passed on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said thank you. Mr. Andrew, will you give us a little bit of background.

Director of Development Andrew said thank you very much. Cindy Sigurdson [Accountant, Endocyte] is also here from Endocyte. I'd like to point out that this is a seven-year abatement on equipment, 17 new jobs, and we're looking at an average salary of \$79,640. So I think this is a rather sizable investment, along with the previous investment. If there any questions, between Cindy [Sigurdson] and myself—

Mayor Mills said and Mr. Hornett talked about Endocyte as one of the--

Director of Development Andrew said premiere—

Mayor Mills said great success stories in the Research Park and the huge growth they've had and the wonderful science that they're doing, so—

Director of Development Andrew said they keep growing.

Mayor Mills said they keep growing. It's great for us, great for the Park, great for Endocyte. Are there questions for Josh [Director of Development Andrew] or Ms. Sigurdson?

There was no further discussion.

Director of Development Andrew said thank you.

Mayor Mills said thank you, Josh [Director of Development Andrew]. All right, will you call the roll, please.

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Resolution No. 12-07 passed on first and only reading, 5-0.

Resolution No. 13-07 A Resolution Requesting The Transfer Of Funds (Police) (Prepared by the Clerk-Treasurer) Councilor Griffin read Resolution No. 13-07 by title and moved that it be passed on first and only reading, and that the vote be by roll call. The motion was seconded by Councilor Satterly.

Mayor Mills said all right, thank you. This is a transfer from Salaries – Full-time, \$24,000, to Training, \$9,000, Motor Equipment, \$12,000, and Other Equipment, \$3,000. The Chief is here, but you have a small explanation. This is to help implement the Rape Aggression Defense Training and Program that we are starting. It's also to purchase a new Police unit that was totaled in a crash when one of our officers was responding to a call and someone didn't stop in the intersection of Yeager and US 52. And it's to replace equipment in that unit itself. Are their questions for the Chief?

Councilor Hunt said Madam Mayor.

Mayor Mills said Councilor Hunt.

Councilor Hunt said Chief Marvin, I know you said that we have a grant for the Rape Aggression Defense Program. Would you talk a little bit about that and, hopefully, we'll be reimbursed for some of it.

Police Chief Marvin said the grant is a reimbursement grant through the Indiana Criminal Justice Institute. So we need to have the money up front, to spend for the training which includes the equipment, and then we will submit that to the State and then we'll get reimbursed.

Councilor Hunt said okay. Thank you. And, I'm sorry, one more question. I believe you said that we have insurance coverage that we got for a part of this vehicle that we're replacing, but this is—

Police Chief Marvin said that's correct. This makes up the difference to purchase a new vehicle. It was an older vehicle and it will not cover the complete cost to purchase a new unit.

Councilor Hunt said okay, thank you.

Police Chief Marvin said thanks.

Mayor Mills said any other questions?

There was no further discussion.

Mayor Mills said all right, will you call the roll, please.

Resolution No. 13-07 passed on first and only reading, 5-0.

SPECIAL PRESENTATIONS

Mayor Mills said now, Mr. [Public Works Director] Downey, we are getting to your part of the agenda. Mr. Downey is going to give us an update on wastewater utility projects, and then we will talk about the wastewater rate study for 2007.

Public Works Director Downey said well, I've got an interesting topic for you tonight, and that's combined sewer overflows. A combined sewer overflow basically is when we have a system where there's sewage and stormwater running together, and during a high rain or a big rain event, that will overflow and discharge to the rivers or someplace else and contaminate the streams and cause problems for you. I think Mr. Moore [WWTU Instrumentation/Data Processing Administrator] is with us tonight, who is the chief operator of the wastewater plant. We also have Andre Riley and Deen Rogers from Umbaugh, who will give us a little bit. I'm going to name a lot of projects tonight, and you're going to say, "How are we doing financially?" So they're going to give us a little idea of where we are financially with these projects. We also have Tom Poehls with us from Greeley and Hansen who is an engineer, and he keeps the numbers straight and the projects going for us, which I don't. Mark [Mr. Moore], do you want to turn the— All right. Some of you will recognize some of these slides. Basically, they are a lot of the same slides as we had a year ago. Things in wastewater don't move very fast. It takes a lot of time to plan, develop, and find the money to do these, to keep your NPDES permit, which is your permit from IDEM and EPA to run your wastewater plant, it takes a lot of time to get these projects up to date and get them running. Back in '93, we cooperated with IDEM and started our CSO Control Program for West Lafayette, and, as you can see, '93, and here it is 2007. We submitted our Long-term Control Plan to IDEM back in 2001. We proceeded with that plan, even though it was not approved by IDEM. We are getting close to a date that we either have to have it completed, which we do not—part of the Long-term Control Plan was the Western Interceptor, to remove several lift stations and remove part of the separated system completely away from the CSO areas.

Mayor Mills said can I interrupt, Mr. Downey?

Public Works Director Downey said yes.

Mayor Mills said just to say that it wasn't approved, not because we were negligent, but because IDEM wasn't approving anybody's at that point. So there were many, many cities, until this year, who were sitting there with long-term plans that had been submitted but hadn't been acted on by IDEM. So don't get the impression that we were negligent, because we were ahead of the ballgame.

Public Works Director Downey said another problem with our Long-term Control Plan and IDEM and the EPA is that they're continually modifying the CSO rules. Right now, they want our collection system to be able to handle a one-year, one-hour event, which is 1.24 inches of rain in that time period, and also handle a ten-year, one-hour, or about 2.10 inch of rain. And that's a big challenge. We've got a Wet Weather System in and some other things, but we'll see what happens. This basically tells you what a CSO is. The important thing about this is that, when we do have a rain event, the receiving streams, the ditches, etc., we want to be cautious about entering those streams, etc., because they could be contaminated. Not all of them will be contaminated, but some of them could, and so you want to be careful. We had Communications 353 class did a project for us this semester, and one of the things that was pointed out there was a lot of people don't know that much about the wastewater plant and CSOs, combined sewer overflows, so it's important that we keep expressing this and educating

the people. Typical CSO solutions: Each time Mr. Poehls and Greeley and Hansen look, every time we need a project to eliminate something, they look at all these solutions. They try to spend your dollars wisely, to get the best bang for the buck, so to speak. It may be store the CSO and then bring it to the wastewater plant. I believe Lafayette's doing that, and I'm not sure, but I believe that's about \$27 million, just to put a large tank in the ground, so that we can store it and then bring it in. The Wet Weather Facility, which we did do that, is a similar type situation, only it's not in the ground, it's outside the ground. This is our CSO map. There's four points that you need to be aware of—one at Dehart, right at the end of Dehart, there's a pipe that goes straight out to the river; Quincy Street, there's actually two pipes, so there's two CSO locations at the end of Quincy Street; Wood Street, which has been closed off and it's storm only now; and then, of course, we have one at the plant. Those are all permitted, so that we're not in violation of any of our permits. Long-term Control Plan Projects, we started back in '97 with an upgrade of the treatment plant, and we're going to do some more upgrade of that plant, and we'll probably do more later. At this time, we're in pretty good shape. We went from 12 million gallons per day to 22 million gallons, and I believe we're above 30 million gallons per day going through that plant. And that's due to a rain event. So we're pretty efficient. I think the staff does a great job of making sure that we're treating everything possible, and the lab people wanted me to tell you that they're doing a better job than ever. So I'll make sure I get that in there for them. We have a plant schematic, which basically shows how it goes through the system or through the plant and back to the river. We had an old plant superintendent who said he could drink the water at the end of that, but I don't think I would. But he said he could. I believe if you have a handout, that schematic's in there, and it's an interesting schematic for people that want to know a little bit more about this topic. Back in '99, we upgraded—this is the primary lift station, and a lift station basically is when we're below grade and we've got to get it up to a higher grade, and then it can flow on to the plant without pumps. This is one of the main lift stations we have, handles, at the present time, all the wastewater comes down to this lift station and to the plant. So once we get the Western Interceptor in, six lift stations will go out around towards the airport and then come in to the plant. But right now, that's a very important lift station for us. It's one of 14. River Road Interceptor, of course, when the State Highway INDOT came through and redid the River Road down through there, it gave us an opportunity to upgrade the collection system through there to a new 78-inch. That's one of the biggest problems we have with the CSO, is getting all the flow to the plant, so that we can treat it. This helped us out tremendously, which reduced our combined sewer overflow to the river. It even eliminated Wood Street [lift station], which was very beneficial to us. We still have, of course, Quincy, Dehart, and the plant. Part of the Long-term Control Plan is basically treating the stormwater also, or even removing the stormwater, so that it doesn't get into the system. In the Levee, when we did the River Road Improvement Project, all of the Levee area except for the old—I'm thinking of the shopping area. Shopper's Fair? That's going way back—that area right there is the only that has a storm sewer going through the parking lot that goes straight out to the river. The rest of the Levee area used to be a combined sewer area. That was separated during that time, and all the stormwater comes through two pipes in Tapawingo Park. At the end of those stormwater pipes, we put in what we call storm separators, and they basically take out the floatables and any rocks and solids. That separates that out, and so only stormwater is going out into the river. No paper cups, no straws, no rocks, none of that. Of course two to four times a year, we have to go down and suck those two separators out, clean them out, and then haul that off to the landfill. That was about—what did it say, \$160,000? Money well spent. Barbary Heights back in '99, they had a lot of footer drains that were tapped straight into the sanitary. It was causing backups into the houses. It was also causing the lift station at Barbary Heights to overwork. At a cost of \$2.3 million, we disconnected all the footer drains in Barbary—it was one of the first things that the Long-term Control Plan mentioned that we

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needed to do. That has been done, and it was very effective. We reduced the flow going through that lift station by about 48%. I'd have to go back and look at the calculations, but 48% sticks in my mind. This is the Wet Weather Treatment Facility. Like I said, Lafayette's putting in a tank in the ground. Ours is sitting up on top of the ground—it's in the ground, but I mean it's open. Lafayette's, you won't be able to see it at all; it will be totally under the street, similar to Indianapolis who's doing one, too. We can take this in, and we capture most of it. What we can't run through the plant, we capture the rest of it and then we can pump it back in through the plant. If it's too much of a rain, we can also treat it, partially treat it, in this Wet Weather Facility. We can, again, take out the floatables and the solids and catch those in there and hit it with chlorine on the front end, up there by the building sticking up on top. We hit it with chlorine there, and it goes through three chambers there, and then at the end, the gravel is settled out, the floatables have been trapped, and then we hit it with sulfate and take the chlorine out, and then we let it go to the river. It's not a complete treatment, but it is a partial treatment, and it's better than nothing. This has been approved by IDEM to keep our permit up and running. Happy Hollow, what that part was, again, we're trying to keep out any rainwater or any groundwater from getting in to our sanitary system. And the pipes going up through Happy Hollow Park—and there's a lot of tributaries that move in there, too—all of those were sealed, and so that we eliminated quite a bit of clear water getting in to the stormwater. This is what I consider the final phase of our Long-term Control Plan that we submitted back in 2001. It basically is taking—I thought we had a map in there but we didn't—but it's basically taking six of the 14 lift stations and moving those out of the combined sewer points along the river and taking it out around the airport and bringing it in from the south half of the City into the plant. And so therefore it will have no rainwater in it. By the time it moves around there, what we're hoping is that that first flush of the rain comes in, we can treat it, and by the time the regular sanitary comes in, we'll be ready to handle it. It's a long project, about six miles of pipe. We're starting at Windsor and Northwestern. The first phase of this will be completed in three weeks. Atlas Excavating did a very good job of getting this project done in really some nasty weather, so that we didn't interfere with the golf season at Purdue University. I do not believe there will be any penalties asked by Purdue, as far as lost revenue. I don't believe we held them up at all on any revenue in the golf course, but we'll see what they have to say about it. The pipe is in the ground. There's three sections that did not pass; there's 800 feet along the soccer fields that's over by McCormick and Lindberg, and that's it. Grass seed has been planted, not on this bank, but it has been planted in the golf course. The golf course has been compensated to put the tee boxes back, which they have not done yet; I think they're waiting for the proper weather, but they have some big tournaments coming up this fall, and I don't believe that they will be bothered or hampered in any way. After this section is done in three weeks, hopefully Greeley and Hansen will have Phase II. We've had a meeting with PRF—I'm trying to think of his name—

Mayor Mills said Dave Hodde.

Public Works Director Downey said Dave Hodde, thank you. Mr. Hodde of PRF, I've had a meeting with him. We walked 2.2 miles the other day, up and down the ravines from the soccer fields over by McCormick all the way to the airport, and where the path's going to go, so that we can confirm where Purdue has promised to give us easements to put in the next section. We have not walked from the airport through the old gravel pit down to River Road and to the plant yet. I'm trying to build up my strength. But we're going to go from the plant on this next phase, all the way through the gravel pit, and up to the railroad tracks. We will stop there. From the railroad tracks up to Airport Road, that phase, INDOT is coming in there with the 231 road. We want to go through there the same time 231 with our pipe, so we can save some money.

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They're going to dig that down almost 20 feet to put that road, so that it goes underneath Airport Road, goes underneath the railroad tracks and underneath Intramural Drive. So if we put the pipe in now, we're looking at digging 35 feet to 36 feet deep, so if we wait, they'll take over 15 to 18 feet of overburden, and we don't have to dig that deep and we only have to dig 15 feet. So we're going to wait on that. But we will bring it out of the plant, hopefully, starting in August up to the railroad tracks, then we would jump over to the other side of Airport Road, start there and take it up to the soccer fields. So the only thing we would have left to do is go through there with INDOT, make the connection at Blackbird, make the connection at Windsor and Northwestern, and we're moving and running about three million gallons of flow around the airport. Hopefully, that will help us out. One of the projects that we need money for is the North River Road Interceptor. From Catherwood all the way up to 52 overpass basically. You can see here, the manholes are basically sitting on the river bank. And the bottom picture there, the manhole is down, way below the road. All of that gets flooded, and we're taking in a lot of river water. This fall, we hope to take and seal those manholes, raise them up above the flood stage, or seal them tightly, so that we don't take in river water. Again, if we can keep the river out, then we can process more. Another reason IDEM and EPA don't think that we're going to get done with our long-term control plan is their asking for post-construction compliance and monitoring. They don't feel that the monitoring we're doing right now is enough, and so we'll look into— It'll be quite costly, a preliminary estimate to put in more monitors just for two months, and during that two months, we're hoping that we will get a lot of rain, and so it may not happen until next year, but we're thinking that this fall we will try to schedule this monitoring program for \$80,000 to get accurate flows, etc., to present to IDEM and EPA, to show them where we're at. I would like to wait until we get the Western Interceptor done, but I don't think IDEM is going to allow me to do so. They want a commitment by September. Collection System Master Plan, of course, IDEM needs that so we know where we're at at all times with our projects. Stormwater Phase II, we have completed our impervious surface study and plan that was done by Greeley and Hansen, which basically takes everybody's house and shows me how much rooftops, driveways, etc. that won't absorb rainwater and how much area that you do have. That's important for us to know. Stormwater Phase II is going to cost quite a bit of money, and we're looking at ways to be fair and equitable, as far as what we charge you. And one of those fair and equitable ways is to charge you by how much area you have, as far as that's impervious. We're into an interlocal agreement to try to save money in meeting our compliance with Stormwater Phase II. We're in an interlocal agreement with Lafayette, Dayton, Battle Ground, Purdue, and Tippecanoe County. As a matter of fact, we have published and sent our first annual report to IDEM on our stormwater compliance, what we've got done, and we've saved quite a bit of money by being cooperative with these other departments. Lift stations—what was I going to say about lift stations? As you can tell, wastewater's very busy. The Western Interceptor, as I said, will remove three, and that will take us from 14 down to 11. Camelback, Windsor, and Blackbird will be removed. That will save us money; we don't have to run pumps. This is the important part, I guess. Green Meadows and Barberry are two lift stations that do not have backup power and basically they won't handle the inflow of stormwater, especially at Green Meadows. We're getting a lot of clear water into that system, and it's causing us, not a CSO, but an SSO, which is a sanitary sewer overflow. And when we have those, IDEM looks at us very poorly. Mr. Adam Downey [WWTU Operations Supervisor] has been working on a grant, and we should get \$995,000 back, after we expend it and ask for our grant money back. It's a 60-40%. Green Meadows, Greeley and Hansen should have those plans out for bid—well, I'm saying in August. We should be out for bid with those plans. I'm meeting with the property owners this week, probably Wednesday. We have to get temporary right-of-way. We do have right-of-way for our force main. There's an 8-inch force main there now, but it's not big enough. We will be putting in a 12-inch force main. We do have right-of-way to do that, but we need

temporary right-of-way from property owners, so that we can dig and put the pipe in. We also have to go under the railroad tracks, and we need right-of-way to do that. This should be about, I'm going to guess, about \$1.5 million. This lift station will tie in to the Western Interceptor, so it will not be coming by our CSO points along the river. Barberry lift station, one that a lot of people are worried about. That lift station, again, has no power. It's 47 years old. The estimate cost was \$750,000, but we're also enlarging the force main from an 8-inch to a 12-inch, to make sure that we have plenty of flow. That bid did come in at \$900,000, roughly. That construction has been awarded; that contract shall start in June, and should be completed by September. Lift stations that need to be reviewed: Soldiers Home, 33 years old; Sheridan; and Fairway Knolls. Fairway Knolls is out behind Palmer Street; Sheridan is out by Wal-Mart. So those three are our last three. They have suction pumps—not suction pumps, but—some kind of pump. I apologize. But anyway, we want to go with suction pumps, so that they're above ground; we don't have to send people down into a confined space to service them, and also have backup power, which is required by IDEM. Lift stations that we have done since 1999 and up to date, those lift stations will be good for 35 to 55 years. We've made a lot of progress, but we've got somewhere to go yet. And now I'll turn this over to Mr. Mark Moore, Chief Operator of the wastewater plant.

Mr. Mark Moore [WWTU Instrumentation/Data Processing Administrator] said this will just be an update on our digester and renovation and alternate power at the plant. Currently, we don't have standby power at the plant, and we need to have that, to meet our NPDES permit. Quickly, actually, the picture that was just up there, just for information, the renovation project, we're also looking closely at energy and conservation. This is a thermal image of one of our digester covers. You can see that we lose a lot of heat out of the top of those. The new ones will be insulated. We've completed the preliminary engineering reports; they've been approved by IDEM and SRF. The construction cost, the last I knew was \$9.1 million. I would guess that's going to be increasing with the cost of fuel, but as far as I know, it's \$9.1 million. The design phase is finished now. We anticipate bidding the project in June, and hope to start construction in August. Along with the start, you would want to know when the finish is, and we hope that it will be finished sometime in 2009. The project consists of influent monitoring; screenings, washers, and grinders—that's a place that we have some problems, it really doesn't have anything to do with the digesters, but we've had some problems so we picked that up and wrapped that into the project and hopefully that will help us in wet weather. We also are going to improve our grit equipment, and then primary sludge pumping, we're going to automate that and hopefully get better removal rates that will require less energy use to heat it and mix it, and also reduce labor. And then we'll have the digester renovations, and that will include mixing the digester covers and equipment related to that. Other parts of the project are cogeneration. In a digester, that takes the organics out of the wastewater, and those are digested, broken down, and one of the byproducts is methane gas, and we're going to use that to generate electricity and heat. It's pretty progressive for a wastewater treatment plant, but we believe it's going to save us money, and it's also going to do some good things for the environment. Along those lines, we're adding a grease receiving station for restaurant grease, waste grease that no one really wants. There's no one in the area that takes it or disposes of it, and, from what we understand, it will be a good source of energy, and it will produce lots of methane gas in those digesters, so we can generate more heat and electricity than we could without it. Along with that, we're going to do some small improvements to our storage lagoon in the back, where we store biosolids before it's land-applied. I guess the last two are we're going to add our permanent generator. The cogeneration units will only generate maybe 25% of the power used by the plant, so we're going to have to have a much larger generator unit to provide power for the plant if we have an outage from an ice storm or some other problem. We're also going to

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update out SCADA system, which is a monitoring program. It monitors all of our equipment in the plant and it will give us alarms, so that we have operators that watch the SCADA system and they can kind of tell what's going on in the plant. They'll go around and make their hourly rounds, make sure things are running also, but it's there, if anything goes down, they should get an alarm and be notified that there's a problem. So this will be an update, and we're going to also look into some security upgrades. Part of the cogen is the grease receiving or FOG, which is fats, oils, and greases. I think the next slide actually shows the models we were looking at. We looked at three options, and I think this has been presented here before, that we would just do the upgrades that we needed. That would save us \$2.1 million over a 20-year period. Or, if we added cogen, that would save us about \$3 million over 20 years. And then once we added the FOG or grease receiving, that would give us a savings or a return of \$9.3 million over 20 years. So we believe that's the best route to go. And I think this is the last slide, thankfully. The engineering, the way we selected our engineers for the digester renovation and alternate power, we did win an award in April of 2006 from the American Council of Engineering Companies. I just wanted to go over that again. Thank you very much.

Mayor Mills said thank you. I'll also add that we won a national EPA award for the FOG—

Mr. Moore said yes, we did.

Mayor Mills said program. So one of only seven in the country. We're thrilled about that. Thank you, Mark [Mr. Moore]. Mr. [Public Works Director] Downey.

Public Works Director Downey said as you can tell, we're doing a lot, just to keep the environment clean and the wastewater safe for everybody. We didn't even touch on what other things that we do for Stormwater Phase II, such as mapping and testing of the 33 ponds that are inside the City limits that we are starting to do, just to make sure that the ponds are safe. We didn't even get into what we're doing on Salisbury Street, for example, as far as stormwater. You think it's just a repaving job, but it's not a repaving job to us. When we went through Salisbury Street, we put in a two-foot slump at the bottom of the catchbasin, so we could catch the gravel and stuff before it gets to the wastewater plant, so that it doesn't have to go through the plant, so that we can save it. We put in islands in the middle of Salisbury Street, in a grass strip along the edge of the curb line. That is a stormwater BMP, best management practice. So that when the water's running off the sidewalk, the contaminants and stuff are trapped in the grass and the stormwater goes straight down into the ground. The islands out in the middle of the street, that's impervious surface. And so therefore, the water can get in that and recharge the groundwater. We're also looking down on the end of Salisbury Street, the fact that we're going to put impervious concrete along the curb line, basically the parking lane of Salisbury, so that when the stormwater runs down the street, it hits that eight-foot strip, the stormwater goes straight down into the ground, never comes into the system. Also, on that part of the project, we're separating the stormwater from the sanitary. Down along River Road when the State came through, they separated the storm and the sanitary. So up on Salisbury, we can do that and then take and connect that into there. So every project that [City Engineer] Dave Buck says, "We're going to redo this street or that street," we look for these ideas to cut down stormwater from getting into the system. The less stormwater that goes in there, the less we have to treat, the less cost. More importantly, we don't have to build a bigger plant, because we don't have that water. So, with that, Mr. Riley and Mr. Rogers from Umbaugh will give you an idea how we're going to pay for this.

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Councilor O'Callaghan said could I have one quick question, David [Public Works Director Downey]? On the typical CSO solutions, POTW stands for?

Public Works Director Downey said public owned treatment plant.

Councilor O'Callaghan said something W.

Public Works Director Downey said works. Whew. Thank you.

Councilor O'Callaghan said thank you.

Mayor Mills said Mr. Rogers [Deen Rogers, Manager, H.J. Umbaugh & Associates].

Mr. Rogers said Andre [Mr. Riley] is going to pass out a copy of our presentation that we're going to have here on the PowerPoint. This is our annual rate review that we do annually, of course. Just to kind of give you the final answer first is that we are not proposing a rate increase. We'll go behind some of the details of the report here shortly.

Mayor Mills said and I'll just add that the Council has had this for three weeks or so now. It was sent out email the report analysis that you gave us, so they had time to look at it.

Mr. Rogers said I'm going to start with page 2. This comes from page 3 of the presentation that I hope you all have. It shows your operating revenues and expenses over the past three-year period. As you can see, revenues are continuing to go up, as, you know, since you implemented the final phase of the three-year rate increase of 10% that was effective July 1 of '06. You might typically expect to see a larger increase in revenues because of that rate increase. However, in this case, there was a decrease in flows from Purdue and, as I've seen pretty common throughout the State is that your normal collections were lower in '06 than what was projected. We're seeing that across the board throughout the State. Just a wet year. So that's been common. On the following page, our year-end cash balances—I know this has kind of been an issue, you know, "Why are we increasing rates when we have these nice cash balances on hand?" We'll be touching on that, and that's where David [Public Works Director Downey] is going to get his money to fund some of these projects that we've been talking about. For '06, you can see that the total cash balance went up about \$2.4 million. A large part of these increases are just due to delays in some of this capital spending, which is about—the pace of the capital spending on some of these projects is going to pick up. And also debt service has been a little bit lower than anticipated, again, due to some slowdown of these projects and the drawdown of SRF money. On page 4, it shows the fund balances that you currently have. As mentioned on the previous schedule, you had over \$12 million of cash and investments on hand. A little over \$7 million of that is required or recommended to be on hand, per your bond ordinances. So available balances are a little over \$5 million. Now, there's an issue that we'll see on the following page that is still being addressed. When you look at the total account balances, your operation and maintenance is funded right on. Your bond and interest account is appropriately funded. The debt service reserve account is a question that we're trying to work out with Judy [Clerk-Treasurer Rhodes]. She's done everything correct that, you know, we've said, "Here's what you need to fund," and she's funding it. There's a question between us and the bond counsel of what's correct between what's in the arbitrage certificate for the bonds and what has been showing up in the bond ordinance. It's been a slow process, and we're still working with Ice Miller to finalize that. So, while we show that you're

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currently overfunded by \$303,000 in that fund, that question is still remaining. I'm not sure that I would necessarily look at it as being overfunded at this point.

Mayor Mills said okay.

Mr. Rogers said the equipment replacement fund is funded appropriately, and all remaining net revenues go to the improvement fund, where we recommend a minimum balance of just over \$1 million. Page 6 shows a comparison of your actual-to-budgeted revenues. This kind of speaks to a little bit of what I just mentioned. Purdue collections were under what we anticipated by \$305,000, a pretty significant number. A large part of the reasoning is that we were told by Purdue that their flows were going to increase 7.5%, so that's what we used in the budget. In actuality, their flows decreased by 18%. A chunk of that decrease is due to the 10% flow credit that has been allowed to Purdue, but there's still a significant difference there of what their actual usage was, compared to what was projected by Purdue. All other collections were \$118,000 below budget. As I mentioned before, this is, you know, I've probably reviewed 70 management reports over the past three months, and I've seen this in almost every report, that their collections were below what was budgeted for the year.

Mayor Mills said and just let me interrupt, and correct me if I'm wrong here, but when it rains and we have a wet year, people don't use as much water to water their lawns, etc., and so we don't treat as much, we don't charge as much. You know, their rate is lower than normal, because they're not using the water, so we're not treating it.

Mr. Rogers said correct. [To Clerk-Treasurer Rhodes] Maybe you're confused look is that the rate is lower than normal. Is that—?

Clerk-Treasurer Rhodes said when people water their lawns, we don't have to treat anything. It's pure profit—

Mayor Mills said well, of course—

Clerk-Treasurer Rhodes said because it's based on the water flow—

Mayor Mills said but I'm saying—

Clerk-Treasurer Rhodes said so why does a wet year result in lower revenues, because we're collecting revenue on water we're not treating?

Mayor Mills said because we base our treatment costs on the number of gallons of water people use.

Mr. Rogers said people are just using less water during a wet year. They're not out watering their lawn as much—

Mayor Mills said right, they don't have to use so much.

Clerk-Treasurer Rhodes said but our treatment costs should be lower.

Mayor Mills said yes, lower.

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Mr. Rogers said true.

Mayor Mills said agreed. Tom is shaking his head no.

Mr. Tom Poehls [Associate, Greeley and Hansen] said but in a wet year [unintelligible]—

Mr. Rogers said yes, I guess that's not true—

Mayor Mills said we're treating more.

Mr. Poehls said we're treating more [unintelligible].

Mr. Rogers said right.

Mayor Mills said people may be using less to water their lawns, but we're also treating more with combined sewers. That makes sense.

Mr. Rogers said right.

Mayor Mills said thank you.

Mr. Rogers said the following schedule shows the expenditure side of what happened. Operating expenses were \$205,000 below the budget. Debt service was about \$462,000 below budget. That is because of what I mentioned before, some of the money being drawn down through SRF hasn't happened as quickly as anticipated, so therefore you're not paying as high of an interest cost. The appropriate transfers were made to the replacement fund and the debt service reserve, and improvements were well under budget. However, they are on their way, as we'll see here shortly. Page 8 shows the budgeted operating expenses over the next four-year period. It's based on the 2007 budget with an inflation factor of 3%. Also calculated in here may be why you see the big jump from '07 to '08 is more than 3% is because of an additional calculation. We make some assumptions on when we think some of these projects will be complete, which get factored in to a payment in lieu of tax. Just for comparison purposes, the 2006 actual operation and maintenance expense was \$3,014,000. The following schedule on page 9 reflects the money that is being set aside for equipment replacements each year. This is an allowance to replace equipment that was previously funded through the SRF Program. On the following schedule of capital improvements, we've done our best to work with David [Public Works Director Downey] to identify those upcoming capital projects, particularly in 2007 and 2008. On a normal basis, we're budgeting \$1,430,000 per year, and, as you can see, it's significantly higher in calendar year 2007 and 2008. The reasons for those are some of the detail of those capital improvements are shown in the presentation that was distributed, and there are many other things that David [Public Works Director Downey] has just mentioned. And you're probably wondering, you know, how are we going to pay for all of that, which we will hit here in a couple of schedules. One of your other revenue requirements, besides your O & M, your annual improvements, are your debt service payments. This schedule reflects the anticipated debt service over the next four-year period, from your currently-outstanding bonds, of which there are five, and some proposed 2008 bonds. If you remember back in 2004, when we issued those bonds, there was a bond ordinance adopted that authorized approximately \$27 million. We've issued Series A and Series B of what was authorized through that bond issue, with the 2004 bonds and the 2006 bonds. We still anticipate issuing Series C from that ordinance to finance the North River Road Interceptor Project that David [Public Works Director

Downey] mentioned. I think that is a little bit less now than what was originally anticipated. However, I think some of the other projects that are currently ongoing and being financed with the 2004 and 2006 bonds are going to be a little bit more than what was anticipated at that time. The good news is that there is some flexibility there with the 2008 bonds to pay for any, I guess for lack of a better term, any cost—

Clerk-Treasurer Rhodes said overruns.

Mr. Rogers said overruns—

City Attorney Bauman said and part of that is not really so much an overrun as the projects have been so long in the planning phase that the escalations in construction costs have made the original estimates out of date.

Mr. Rogers said right. So, you know, at this point we're talking about approximately a \$4.2 million bond issue that could happen in the summer of '08. I think that is still below the total amount that was authorized in the original bond ordinance from 2004. The other revenue requirement that you have is your debt service reserve. This debt service reserve reflects the reserve that is indicated in the arbitrage certificate. As I mentioned, that's still up in the air. Your reserve for all outstanding bonds should be funded by the end of 2009—no, that's not true. Your reserve—that does not include your 2006 bonds; they would still be being funded—but the schedule that you see here also reflects the requirements for a reserve for the proposed bonds in 2008. So those last few schedules we just looked through showed all of the projected revenue requirements of the wastewater utility. Page 13 shows the projected annual revenues. As you can see, the revenues are projected to be flat throughout this four-year period, because we are not proposing a rate increase at this time. One of the questions or things we had to consider when doing this was what assumptions do we make for Purdue. You know, we've kind of gone up and down, sometimes we're projecting that their flow is going to go up and it goes down or *vice versa*. In this case, we've assumed that Purdue's flows would remain level. I believe they're currently in the process of putting in meters—

Mayor Mills said that's correct.

Mr. Rogers said so—

Mayor Mills said which they say they will have completed this year.

Mr. Rogers said so at that time, once that project is fully implemented, we should, you know, some of this guessing game and estimating should hopefully go away and we could have a more accurate picture of what it's going to be from year to year. The following schedule on page 14 shows the comparison of revenues and the revenue requirements. I was mentioning to Andre [Mr. Riley] on the way up that this graph looks kind of scary, because of the scale on the left side. You know, it almost looks like your requirements are twice what your revenues are, but that's not the case. As you can see, though, your projected revenue requirements are higher than your annual revenues. A large part of this is going to be a spend-down of cash. The cash that you've been accumulating over the past several years that's kind of resulted from, you know, some capital projects being delayed, it's going to start catching up here in the next several years. 2007 and 2008, as we mentioned, we were talking about over \$3 million worth of projects in 2007, and nearly as much in 2008. And then in 2009 and 2010, getting back down to the normal budgeted level of just over \$1.4 million. The differences there in 2009 and 2010 are

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approximately about \$300,000 more revenue requirements, just on average between those two years. More revenue requirements than revenues being generated during those years. You know, you're probably asking yourself, "Well, geez, you know, looks like we need a rate increase if our revenue requirements are that much more than our revenues," but I think these next couple schedules kind of demonstrate why that won't be necessary at this time. This shows what your projected available funds would be, if those cash flows happen as projected. And just note that this is the projected available funds in excess of required reserves. You would still have all of your reserves funded as required, per the bond ordinance, and this would be, I guess what would be considered available cash. So, as we show in 2006, you had a little over \$5 million of available cash. Throughout this next four-year period, as I mentioned, if things go as just described, this is what would happen to that available cash balance over that time. You know, I think that it's really what's been planned for. We knew the cash balances have been building up, and there was a reason for that. And the reason is because David [Public Works Director Downey] has a lot of projects to get done. So—

Mayor Mills said that's right. And now we're going to use it.

Mr. Rogers said the final page of this presentation shows your debt service coverage. I think we've probably gone through this enough times that most of you are familiar with what the debt service coverage is about and how it's calculated. Typically, you want a minimum of 125% bond coverage. As you can see, over this period that we're looking at here, your bond coverage is going down. However, it is still remaining well above the required minimum of 125%. I think there in 2009, we're looking at approximately 143%.

Mayor Mills said okay.

Mr. Rogers said that's all of the schedules. I'd be happy to take any questions.

Mayor Mills said thank you, Deen [Mr. Rogers]. Questions? Councilor Griffin.

Councilor Griffin said the minimum balance, just kind of explain for the public's edification and to fill in some details for us—

Mr. Rogers said sure.

Councilor Griffin said the minimum balance here of \$7 million. At what point does that minimum balance go away? When do those funds—

Mr. Rogers said every time you issue new bonds, you know, there's the bond ordinance attached with that. The legal documents states where your money needs to go. First, you need to have two months' worth of operation and maintenance funds on hand in your operation and maintenance fund. Then you want to fund your sinking fund, which consists of your bond and interest and your debt service reserve. The bond and interest, you're just making monthly transfers into that account, so that when your principal and interest payments are coming due, the money's available in the bond and interest account to make that payment. The debt service reserve typically is—I won't get into some of the in-depth about it—but, in most cases, it's going to be equal to your maximum combined debt service. You normally have from the date of bond issue, five years to fund the reserve related to that bond issue. That reserve is required to be kept on hand as long as those bonds are in existence.

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Councilor Griffin said so then when the bonds are no longer in existence, what happens with the minimum balance?

Mr. Rogers said the minimum balance for that reserve would free up and become available cash. Typically, you're going to make your last bond and interest payment from your reserve.

Councilor Griffin said okay.

Mr. Rogers said and then—

City Attorney Bauman said some of those are in the equipment replacement fund.

Mr. Rogers said right. Another piece of your guys' reserve is the equipment replacement fund. You saw a scheduled that you're required to transfer a rough number of \$245,000 a year, to make sure that—basically, the SRF wanted to make sure that you're setting aside enough money each year, so that the equipment that they funded with their bonds isn't just being depreciated and is going to waste away, that you're spending money to keep this equipment up-to-date and, you know, usable. So that's another portion that's being accumulated. Approximately \$245,000 a year, and there are qualified expenditures, I guess. If you're expending money on some of those items that SRF funded, then that's a qualified expenditure and you don't have to keep that money on hand. However, if you're not making qualified expenditures, that fund will accumulate and be available to spend on that equipment.

City Attorney Bauman said Deen [Mr. Rogers], let me indicate, we have spent some money from that fund on items that were paid for by SRF. As the equipment, particularly that in the plant renovation, which is the oldest, ages, we'll start to spend considerably more money out of that replacement fund as that equipment starts to reach its statistical lifespan.

Mr. Rogers said and the last fund is your improvement fund. Basically, a bond ordinance will say, "After you have properly funded all of the other funds, any net revenues will go to your improvement fund," which is used for capital-type of expenditures, replacements and improvements. So, just to kind of sum it all up, all of that money is going to be required to be on hand, except, like we mentioned, the debt service reserve. Pieces of that can, I guess, go away or fall off or be freed up, as your bonds are paid off.

Councilor Griffin said thanks.

Mr. Rogers said sure.

Mayor Mills said other questions for Deen [Mr. Rogers]? Or Mr. [Public Works Director] Downey? Judy [Clerk-Treasurer Rhodes].

Clerk-Treasurer Rhodes said I just want to reiterate my expectation that we will be able to resolve this somewhat perplexing situation, in which our bond ordinance, the provisions of our arbitrage certificate, and our financial advisor's letter don't line up.

Mr. Rogers said absolutely.

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Clerk-Treasurer Rhodes said and work on the process, so that can't happen again. Because the longer this situation goes on, the more expense we're going to incur when we undertake the rebate calculations. And so it's a meter that's running—

Mr. Rogers said okay.

Clerk-Treasurer Rhodes said whatever help you need, I'm sure the City Attorney or whoever needs to help would be more than willing to help resolve that rather speedily, and understand the cause, so that we don't have a recurrence in the future. But I needed to make sure you took that message back.

Mr. Rogers said yes, absolutely—

Clerk-Treasurer Rhodes said as you know, we've had several conversations and emails about this—

Mr. Rogers said right.

Clerk-Treasurer Rhodes said since the end of last year.

Mr. Rogers said yes.

Clerk-Treasurer Rhodes said thank you.

Mayor Mills said I was unaware that that was still going on. I will talk to the people at Ice Miller.

Mr. Rogers said okay.

Clerk-Treasurer Rhodes said thank you.

Mr. Rogers said thank you.

Mayor Mills said all right. Other questions?

Councilor Hunt said may I ask Mr. [Public Works Director] Downey a question, please?

Mayor Mills said yes.

Councilor Hunt said thank you, Deen [Mr. Rogers]. I know that delaying 231 is going to cost us, because we were going to put all of our big drainage pipes there, and now they're not doing it, and so— The State's not doing 231—

Public Works Director Downey said if the State delays any longer and we can't wait longer, it will cost us more because we'll have to dig 15 to 18 feet deeper. There's still opportunity, time, here yet.

Councilor Hunt said okay.

Public Works Director Downey said and I'd just like to remind the Council that, you know, what we're spending these projects on is to keep your permits valid, your wastewater permit and your

stormwater permit. We're not spending any more than that. Where the problem comes is that IDEM and the EPA keep changing the thing, so that basically they want all water treated before it goes to the groundwater, and Mr. Poehls from Greeley and Hansen is going to express a little bit of that for you.

Mayor Mills said Tom [Mr. Poehls].

Mr. Tom Poehls [Associate, Greeley and Hansen] said good evening.

Mayor Mills said good evening. Thank you.

Mr. Poehls said as David [Public Works Director Downey] indicated in his earlier presentation, he had the IDEM and EPA continually modifying CSO rules. And that is certainly the case. Your Long-Term Control Plan that was prepared and submitted a number of years ago and was really not reviewed nor approved therefore, was based on the rules of 10 years ago. And now they're saying, David [Public Works Director Downey] indicated, we have to plan for the one year, one hour storm has to be full treatment, and the ten year, one hour storm must receive at least partial treatment. And so part of what the monitoring and the performance test of your collection system that David [Public Works Director Downey] was proposing, basically the performance monitoring of the system, will tell us where we are. Things always perform better, once they're in the ground than what you had expected. We try to be conservative in our projections, but we don't know how conservative until it's all done. We'd like to wait until the Western Sanitary is done; they may not let us do that. But one of the things we can do is test the current system and see what we can handle. Will that be enough for IDEM? We don't know. So I just wanted to let you know that there will be, perhaps, more things coming. IDEM will require—they'll be changing the rules periodically. You know, the current rules are the one year, one hour storm, ten year, one hour. Five or ten years from now, it may be, "Sorry, everything has to be treated." So we kind of have to be proactive and be ready for this, and just recognize there will be an ongoing expense related to combined sewers until you finally completely separate it or receive full treatment. It's a moving target.

Councilor Satterly said what happens if we don't meet IDEM's requirements? Can they pull our operating certificate?

Mr. Poehls said they have their means of penalizing.

Councilor Satterly said and what are the penalties?

Mr. Poehls said it will vary, depending on level of violation.

City Attorney Bauman said it could be \$25,000 a day, and obviously our money's going to be better spent to protect the environment and comply than to pay those kind of fines. So that's what we're endeavoring to do. But as Tom says, it's sort of like shooting skeet, you've got to track it a little bit and lead it sometimes.

Mayor Mills said and just a reminder that, you know, these are federal clean water regulations. Every community in the country is facing the same dilemmas. Some states are further along in the process than Indiana. That's one reason we're getting so much pressure from U.S. EPA, because Indiana's a little behind in dealing with some of the CSO issues, and there are other states that have already addressed this and we are getting pressure from EPA to catch up.

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Mr. Poehls said and looking out in the future, it's not just CSO. Your treatment plant itself may require much more strict standards. The upgrade that was done in the '90s was to provide for ammonia removal. Someday, they may say, "Remove all nitrogen; it's a nutrient." "Remove all phosphorus." Things like this will be developing over the years. The east coast is way ahead of us on this. They already have nutrient limits on their wastewater effluent. We don't have that yet, but it's coming.

Mayor Mills said and the bottom line is we're trying to protect the planet.

Mr. Poehls said but you are in great shape. In 2006, you treated over 99% of your total wastewater flow. Many cities with combined sewers would be thrilled to have a number that high. So what you have to do, perhaps to get up to the next step that IDEM wants to see isn't going to be near as great as what many cities have.

Councilor Satterly said has IDEM penalized any cities in Indiana yet, given them fines?

Mr. Poehls said they are forcing agreed orders on a number of cities and saying, "This is what you have to agree to spend on your system over a 20-year period. We will work out a plan of either 10 year or 20 years." Frequently 20 year. Because the numbers in some cities are huge—\$1 billion.

Councilor Satterly said what percent does Lafayette treat right now?

Mr. Poehls said I don't know. Like I said, every city is different. It depend on—

Councilor Satterly said Lafayette has about 14 combined sewer overflow points at this point.

Mr. Poehls said see, you were lucky. You started with only four or five. And they were grouped right downtown. So you had that advantage. Other cities like Indianapolis, they are scattered all over the whole city. And so trying—you can't necessarily have treatment at each one those. You try to convey it, and now you're talking huge tunnels.

Mayor Mills said and the old cities where everything is combined, of course, those are the people that are facing the greatest difficulties and the greatest expenses.

Mr. Poehls said part of it was how big was the city when collection and treatment started. West Lafayette was fairly small, so you were compact, so your sewers were right downtown. But a larger city, they were already spread over the hillsides with development, and they were just dumping everything into one sewer.

Mayor Mills said thank you, Mr. Poehls.

Mr. Poehls said thank you.

Mayor Mills said I think we had a question. Will you come to the microphone, please.

Mr. John Blignaut [325 Jefferson Drive] said thank you, Madam Mayor. I have a question about the financials. My question is as a person who pays monthly for the wastewater treatment and happy to pay a little to treat our water better. All the numbers really are in aggregate. And I

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wondered if you could just in a general sense, give folks who pay individual bills every month an idea of the projection of what the trend may be other payments. Let me give you an example. Five years ago, I think individuals—I'm just going to ball park—paid \$20 or \$25 dollars, I don't know. And it has stepped up a little bit to about \$39 a month, roughly. And then I can tell from your projections, you know, we're going to spend a little bit more. Right now, you're saying not a rate increase, but then it looked like it went flat generally. So would that generally mean for us—could we translate to mean the rates would—given other factors—things could change, IDEM could change rules, etc., but would we anticipate that the rate would be flat going out for some years? Or—? Can you give the individual an idea of what we may be looking at?

Mayor Mills said I think you're putting Deen [Mr. Rogers] on the spot there.

Mr. Rogers said well, I mean, you know, currently we're looking out over a four-year period, and—

Mayor Mills said Deen [Mr. Rogers], could you please come up, so we could hear you.

Mr. Blignaut said then I'd also like to add this aggregate number is carried by each of the residents, businesses, etc. if we continue to expand our population, then isn't the burden spread out amongst more users and therefore wouldn't that also affect rates? How could it generally affect the rate? If you could help with that. I think that'd be helpful to most residents. Thank you.

Mr. Rogers said you know, so far, at this point, we're looking out over a four-year period and not projecting a rate increase during that time. As you mentioned, there's a lot of variables, particularly here where there's a lot of projects going on. And, also, with having such a large user in Purdue, that also creates another variable. As you can see, you know, their revenues kind of fluctuate each year, like we were \$305,000 off the projections, because of those fluctuations. So, I mean, I can't stand here and give you any guarantees, you know, that your rates aren't going to go up. But you're absolutely right. In these areas, a lot of the, say suburbs of Indianapolis, like the Carmels, the Fishers, the Noblesvilles, it's great to have that population base to spread your rates across. The downside of that is, you're growing, and that requires some large projects. That requires some serious extensions of sewer lines, some treatment plant expansions to treat all of that new flow that will be coming in. So it's kind of a delicate balance there of growth, you know. Oftentimes, rate increases can last quite a while, particularly where there is growth. Other times, you know, we see, you know, increases happen. I think it's great practice were a community to slightly increase their rates every few years, just so that they're not really surprising their customers with large increases at one time. Not letting them sit and get way behind, and then all of a sudden a huge project springs up on you and just shocks your customers. So I think it's good policy that the Council here does look at these rates annually. That way we avoid any surprises, we avoid, you know, 25% or 50% rate increases. And when rate increases are necessary, we try, we're kind of ahead of the game and able to kind of keep them lower and phase them in, so that there isn't any shock. I know I don't completely answer your question, but does that help?

Mr. Blignaut said yes. I'm not trying to put you on the spot, but just, with all things being said today, what we know, roughly, the rate should be about steady. We shouldn't see continuing escalation like we have in the past five years. You don't see that kind of trend.

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Mr. Rogers said right. I mean, what we're estimating today, we're showing that you don't need a rate increase for the next four-year period. That's kind of as far as I could say.

Mayor Mills said but, again, there are so many unknowns. We're hoping that it's going to be static for a while.

Mr. Blignaut said thank you.

Mr. Rogers said you're welcome.

Mayor Mills said thank you. Other questions? Thank you, Mr. Rogers, so much for being here. Mr. Riley, we appreciate it.

COMMUNICATIONS:

◆ Councilor O'Callaghan said I just have one. The Smoke-free West Lafayette Campaign that we've been seeing go on since the last Council meeting, I did just want to reiterate that that isn't any City funds, that that was a grant from the Indiana Tobacco Prevention and Cessation. There were t-shirts and these business packets, and we did the announcement on April 15, and the ads started, but the business packets have not actually gone out yet; there was a little bit of a delay getting the money from the agency to pay for the mailing, so they should be out this next week.

◆ Councilor Hunt said there is a primary tomorrow—

Mayor Mills said absolutely. Thank you, Councilor Hunt. We, of course, are one of the two vote centers in the State of Indiana, a new means to vote, and we hope it's going to make voter turnout larger. People can vote anywhere in the County that is close to them, or will be able to this fall. But we are urging everyone to go out tomorrow and test the system. We'll have two vote centers that will be active tomorrow, at the Fairgrounds and at the West Lafayette Public Library. So, as opposed to the normal, we are encouraging you to vote early and vote often, because we want to see if people can vote at both places. We want to make sure that they get bumped out the second time they go to try to vote. We'd like to make sure it's working before the elections this fall. So, please, we don't have contested primaries, but don't let that keep you at home. Get out and try the system, and make sure those vote centers are going to work for us. Thank you, Councilor Hunt, for reminding us.

Councilor O'Callaghan said that's just between 10 and 2.

Mayor Mills said absolutely. Sorry. Very abbreviated hours tomorrow. Between 10 and 2, which I wish it were a normal day, so that we could really catch all the people in their normal routine of voting before and after work. But we'll have to just do it over lunch and all get out there and give it a test. So please do that.

CITIZEN COMMENTS:

Mayor Mills said Mr. Haynes?

Mr. Sam Haynes [713 Avondale St.] said why'd you ask for that?

Mayor Mills said because you like to comment every month. We don't want you to pass up an opportunity.

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Mr. Haynes said thanks for thinking of me.

Mayor Mills said you're welcome. Anyone else?

ADJOURNMENT:

There being no further business at this time, Councilor Griffin moved for adjournment. Motion was seconded by Councilor Hunt and passed by voice vote, the time being 9:15 p.m.

Respectfully submitted,

Judith C. Rhodes, Clerk-Treasurer
Secretary of the Common Council