

UTILITIES SERVICE BOARD MEETING

March 5, 2007

Utilities Service Board meetings are recorded electronically or stenographically and are available during regular business hours in the office of the Director of Utilities.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:04 p.m. The meeting was held in Conference Room 100B at the Indiana University Research Park at 501 North Morton Street in Bloomington, Indiana.

Board members present: Tom Swafford, Pedro Roman, Jeff Ehman, Julie Roberts, Jason Banach and John Whitehart. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Mike Bengtson, Mike Hicks, Mike Trexler, Gavin Merriman, Adam Wason, Joe Perry and Jane Fleig. Others present: Ben Beard representing Gentry Estates, Mark Menefee representing Indiana University, Margaret Fette representing the Libertarian Party, Brady Gillhan representing the Herald Times and Sue Mayer.

MINUTES

There were no minutes ready for approval.

CLAIMS

Board member Ehman moved and Board member Roberts seconded the motion to approve the claims as follows:

Claims 0790302 through 0790381 including \$118,788.60 from the Water Operations & Maintenance fund, \$18,696.46 from the Water Construction fund and \$1,400.00 for water hydrant meter rental for a total of \$138,885.06 from the Water Utility; Claims 0730166 through 0730201 including \$268,482.96 from the Wastewater Operations & Maintenance fund and \$12,006.29 from the Wastewater Construction fund for a total of \$280,489.25 from the Wastewater Utility; and claim 0770020 through claim 0770023 for a total of \$502.60 from the Wastewater/Stormwater Utility. Total claims approved – \$419,876.91.

Board member Ehman asked about claim 0790349 for Underwriter's Lab which does cryptosporidium testing. He wanted to know why the testing takes place throughout the year.

Utilities Deputy Director Langley explained that recently some legislation had been passed requiring year round tests to help develop protocols for the treatment of cryptosporidium. He said that this is probably the most significant safe drinking water legislation that has been passed in the last 20 years. He assured the USB that there is no situation at Lake Monroe that is driving this testing. It is only a regulatory requirement. Over the next two years 24 samples will be tested which will establish a pattern that will allow the EPA to determine if cryptosporidium is a problem for the City of Bloomington Utilities Department. The data at this time seems to show it will not be a problem that requires any specific treatment technology.

Mr. Langley also informed the USB that last year a decision was made to internally develop a protocol for selecting sampling locations for disinfection by-products. This is another part of the recently passed safe drinking water legislation. Water Quality Controller Atz decided to create this protocol herself rather than going to a consultant. She had to supply technical justification to both the State and the EPA for each sampling site she chose. On Thursday the State approved the plan which was one of the first approved. This probably saved about \$50,000 in consulting fees.

Board member Banach asked about the Cingular charges. He wanted to know what the policy is for who gets cell phones and how the charges are handled.

Utilities Director Murphy explained that the cell phones are made available as work phones for employees who are in the field or on call. One hundred percent of their charges are paid by Utilities. The usage of cell phones is closely monitored.

Mr. Banach also asked about three charges for the renewal of Direct TV. Deputy Director Langley explained that these are used for monitoring the weather at the plants where there is no cable access. They are not used for entertainment. Mr. Banach asked if a weather radio wouldn't work as well and be cheaper if weather is the only concern. Mr. Langley said that he would take Mr. Banach's suggestion into consideration. He went on to say that weather information is of greater significance at the Wastewater Treatment Plants than at the Water Treatment plant. At the Wastewater Treatment Plants there is a need to prepare for the high flows that may be caused by rain and storm events. Preparations for a storm often start a day to a day and a half before a storm arrives. The use of Direct TV would also be one of the best ways to become and stay informed about a regional or statewide emergency situation if one should occur.

Board President Swafford asked about a claim for Dunhill Apartments for an over payment. Utilities Director Murphy explained that it was due to a billing error.

Motion carried. 6 ayes. 1 member absent, (Henke).

APPROVAL OF CONTRACT FOR WATER MAIN INSTALLATION CREDIT AT SHADOW CREEK:

Assistant Director of Engineering Bengtson showed the location of Shadow Creek. He explained that section 18 in the Rules and Regulations allows the Utilities to offer a water main installation credit to single family developments. The developer must apply for the credits and provide information about the water main improvements. At the end of the project Utilities performs a final inspection to determine if there are any deficiencies. If there are the developer is required to rectify them before the credit may be offered. All the rights, title and interest of the water improvements must be dedicated to Utilities. The credit offered may not exceed the certified value of the improvement. The certified value of the Shadow Creek improvement is \$44,312.40. The rebate for the 45 houses in the development is \$15,488.57. If the improvements are outside the City limits they must also sign a waiver of protest of annexation. Mr. Bengtson pointed out that one additional statement had been added to the contract by the legal department that says that payment made on this contract may be reduced by any amount past due and owed by the developer to the Board. Such offsets may be reduced by the amount paid to the developer in whole or in part. That allows Utilities to take advantage of the credit to recoup some of the money owed to them.

Board President Swafford asked if all the pipes and equipment that are used is to the specifications of Utilities. Mr. Bengtson said that is the case.

Board member Banach moved and board member Roberts seconded the motion to approve the contract for water main installation credit at Shadow Creek. Motion carried. 6 ayes. 1 member absent, (Henke).

APPROVAL OF CONTRACT FOR WATER MAIN INSTALLATION CREDIT AT REGENTS PARK, PHASE I & II:

Assistant Director of Engineering Bengtson showed the USB the location of Regents Park. The certified value of this project is \$63,321.20 and the water installation credit is \$19,865.77. There are 59 lots in this subdivision.

Ex-officio board member Mayer asked about an amount of \$561,180.00 that is mentioned in the contract. Mr. Bengtson explained that it comes from a formula used by the finance department to determine the average revenue that will come from the average residential customer in three years.

Board member Roman moved and board member Roberts seconded the motion to approve the contract for water main installation credit at Regent's Park, Phase I & II. Motion carried. 6 ayes. 1 member absent (Henke).

APPROVAL OF INDUSTRIAL PRETREATMENT PERMIT FOR CIRCLE PROSCO, INC.

Pretreatment coordinator Gavin Merriman said that this is just a matter of re-newing the industrial pretreatment permit for Circle Proscos, Inc. This update was prompted by the revision of the sewer use ordinance last year which required new effluent limits. The permit was not changed in any other significant way and the processes used by Circle Proscos are unchanged. Mr. Merriman said that Circle Proscos has always had a good record of compliance. The permit will be protective of the Wastewater Treatment Plant, the environment and Utilities' employees.

Board member Roberts moved and board member Banach seconded the motion to approve the industrial pretreatment permit for Circle Proscos, Inc. Motion carried. 6 ayes. 1 member absent (Henke).

Approval of license to lease property to the City of Bloomington for public safety:

Deputy Director Langley reminded the USB that over the past few years there has been talk of investing more money in training for public safety officials. This license to use the Winston Thomas property will help to accomplish that goal and will reaffirm Utilities partnership with the Civil City over public safety issues and planning. Where to locate such a facility has been very problematic. Land in close proximity of the downtown is very expensive and difficult to come by. Using a part of the Winston Thomas property for training facilities is a good solution. The location that has been chosen is just to the west of the white storage building. It is a clean and safe area. The lease has no beginning and no end and is for 99 years. If the USB approves the agreement it will begin immediately and end 99 years later.

Board member Roberts asked how many acres comprise the entire site and how many will be leased to the city. Mr. Langley said that there are a total of 66 acres and the public safety training area will be about 6 acres. Ms. Roberts asked how many of the remaining acres are in need of PCB clean up. Mr. Langley replied that he doesn't know the exact square footage. The units that the State deed does not permit use of are the south birm of the existing lagoon, the digester units and an abandoned lagoon. Ms. Roberts asked if all of this is being mowed. Mr. Langley said that in the area of the creek it is pretty densely overgrown and is flood plain. The lease agreement under discussion requires the city to maintain the property they will have while Utilities continues to maintain the rest. There is a policy that most of it is kept at less than a foot to control woody growth. Ms. Roberts explained that she is more interested in seeing the

area reforested. She also stated that she is very pleased that the USB will be able to allow the Civil City to use this property to do this kind of training.

Mr. Langley said that one of the benefits of this agreement is that two agencies are working together for the same goal. It will allow training at the same time that they can respond to conditions as they come up rather than taking them away from their jurisdiction so there would be travel time for them to respond to any emergencies.

Ms. Roberts asked if there would be any opportunity for the public to use the indoor range. Mr. Langley said the planning is not yet complete and he doesn't know all the details.

Board member Banach said that if this agreement were with an outside agency he would be rather uncomfortable with it but since everyone is more or less under the same umbrella he is alright with it. He wanted to clarify that what is being discussed is a license rather than a lease agreement. One of his concerns is the last point of the agreement which states that the license will terminate if the Bloomington Police Department and Fire Department discontinue use of the property for public safety purposes. In particular he is concerned that the city rate payers not be stuck with the cost of any kind of clean up. The way it is written the civil city could say that since it is no longer being used for public safety purposes it could just be given back to Utilities to take care of any clean up.

Deputy Director Langley suggested that a memorandum of understanding could be written to cover that issue. Utilities does retain ownership of the property which means they also retain responsibility for it. Because the city does have the best interests of the Utilities rate payers in mind he feels there is not a great risk. Mr. Banach said that he also is comfortable with all the parties involved but when the lease comes up for renewal in 2006 he wants these minutes to reflect that this issue was raised. Board President Swafford said that he believed this issue is covered by the preceding point in the license which states that the property must be kept in a clean and safe condition.

Board member Ehman said that his understanding is that at this time there are two particular uses in mind; a shooting range and a fire training structure. He asked if any other uses have been discussed. Mr. Langley said that these are the only uses that have been talked about. There has been much more detailed discussion of the fire training facility than the shooting range. At this point in time the shooting range is much less definite.

Board member Banach asked about indemnification. He wanted to know if the Utilities Department has a different insurance carrier than the Civil City. Utilities Director Murphy said that the Risk department handles all of Utilities insurance needs along with the Civil Cities'.

Board member Mayer made a comment at this time that was not audible.

Board member Roman stated that he is pleased to see the different departments of the city working together.

Board member Roman moved and board member Ehman seconded the motion to approve the license to lease property to the City of Bloomington for public safety. Motion carried. 6 ayes. 1 member absent, (Henke).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

Board President Swafford reported that a couple of weeks ago Black & Veatch gave a presentation on a water supply evaluation they had prepared for the City of Bloomington Utilities Department. He asked that the USB approve directing the staff to develop a long range water plan using Lake Monroe as the primary water source. They should proceed to develop a route for a new water line from Lake Monroe to Bloomington and continue to review the need to expand the Monroe Water Treatment Plant in a time frame that will allow the Utilities to meet the future water needs of the community. He also asked that the staff develop a set of measures to control the water in the storage towers in the case of a disaster. He suggested that this process start with an update of the Y2K plan that was developed since it covers many of the issues that would need to be addressed.

Board member Ehman moved and board member Roberts seconded the motion to approve directing the Utilities staff to develop a long range water plan.

Ex-Officio board member Mayer said that he would have preferred a plan for the next 50 years rather than the proposed 20 year plan.

Board President Swafford said that it is also important to start negotiating with the DNR for additional water rights.

Motion carried. 6 ayes. 1 member absent (Henke).

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Budget Analyst Trexler pointed out that the December, 2006 Financial Statements had been supplied in the packet. There are two separate documents, one for water and one for waste and storm water. He said that the January statements have been prepared and will be available at the next meeting. The net income is considerable mostly due to projects that have not yet been started. The accounts receivable went down through out the year. A lot of "cleaning up" of the records has been done. Mr. Trexler said that he has confidence in everything in these documents which he couldn't have said a year ago. Utilities Director Murphy said that confidence in the records is the most important thing.

Assistant Director of Engineering Bengtson gave an update on the sewer lining project. He said that ultimately 7,500 linear feet of sewer will be lined in the first part of this project. At this time 1,300 feet have been completed. This has been accomplished with no significant problems.

Capital Projects Manager Hicks reported that good progress is being made on the new administration building at this time. The general contractor has increased the work force significantly since the weather broke. The underslab and the rough in of the shell are nearly complete. Everything is on schedule.

Utilities Director Murphy said that the engineering staff has been continuing to meet with INDOT on the 45/46 by-pass. Another Beam, Longest and Neff contract for this project will be brought

to the USB soon. There is still discussion about where to locate the water main and at this time they are investigating the possibility of putting it in the right of way.

Mr. Murphy also informed the USB that a new engineer has been hired who will be starting on March 12th.

PETITIONS AND COMMUNICATIONS:

Margaret Fette representing the Libertarian Party said that she hopes that the possible development of a firing range at Winston Thomas would include an inter-local agreement with the County that would allow their public safety officials to use it also.

She also said that she had been confused by some radio reports she had heard during the week. It sounded to her like there was already a plan, budgeting and a time line developed for the long range water plan whereas now it sounds like this plan is just beginning.

Board President Swafford said that a long range water plan has been developed and the USB is now asking the staff to begin implementing it. This plan has been available on the web page for several years. Ms. Fette said that she had attended the meeting with Black & Veatch where this plan was discussed. At that time she asked what the cost of this plan would be and was told that there are no specifics yet but the reports on the radio and in the Herald Times seemed to indicate that these specifics had been decided on. Mr. Swafford said that the costs contained in the Long Range plans are estimates that are three to four years old. The costs are never firmly set until the project has been bid. Utilities Director Murphy said that the costs are still being fine tuned and he believes they may be reduced significantly. Black & Veatch will continue their study and will flesh out the plan in more detail with more concrete numbers.

Ex-officio board member Mayer said that all law enforcement agencies in the County, including Indiana University's, are likely to be allowed to use the training facilities.

ADJOURNMENT:

The meeting was adjourned at 5:55 p.m.

L. Thomas Swafford, President