UTILITIES SERVICE BOARD MEETING
May 25, 2010

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 5:00 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Department Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Julie Roberts, Sam Frank, Pedro Roman, Jeff Ehman and Jason Banach. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Jon Callahan, Tom Staley, Phil Peden, Jane Fleig and Mike Hicks. Others present: Jeff Baldwin representing the Boys and Girls Club.

MINUTES

Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the May 11th meeting. Motion carried, 6 ayes, 1 member absent, (Whikehart).

CLAIMS

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

Claims 1090563 through 1090618 including $274,349.22 from the Water Operations & Maintenance fund and $714.42 from the Water Construction fund for a total of $275,061.42 from the Water Utility; Claims 1030321 through 1030350 including $321,510.35 from the Wastewater Operations & Maintenance fund for a total of $321,510.35 from the Wastewater Utility; and claims 1070015 through 1070016 for a total of $2,145.39 from the Wastewater/Storm water Utility. Total claims approved – $598,717.16.

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

RESOLUTION WITH THE BOY'S AND GIRL'S CLUB FOR THEM TO BUILD A NATURE CENTER AT CAMP ROCK, LAKE LEMON:

Utilities Deputy Director Langley explained that this resolution says the USB approves of this construction on this property. He said the staff has watched the Boy's and Girl's club become more and more active over the past few years. Those activities have been highly encouraged by the Lake Lemon Conservancy District board and its executive director. Getting visitors to Lake Lemon in their youth means they will probably be life long patrons of the lake if they are in the area.

Mr. Langley introduced Jeff Baldwin who is the representative of the Boy's and Girl's club.

Mr. Baldwin said he walked the property in 2006 and was amazed and astounded by the jewel the club is in charge of. It was a diamond in the rough. It had been neglected for sometime and needed to have something done with it. A couple of years ago he had asked the USB for permission to build a boat house. The funds for that have almost been secured. It is 2,500 square feet that will be shared with Riddle Point Rowing Association. It will also be used by the Boy Scouts Troop 110. That is also where the Boy's and Girl's club will keep the dragon boats they hope to acquire in a couple of years. They would like to increase the number of kids they serve out there. At this time they serve

60 kids a day during the summer. Their desire is to serve twice that many and facilities will be a key part of that. That is why they are proposing an outdoor education and art facility be built. The funds have been secured through a couple of grants through First National Bank and the Ronald McDonald House. They are ready to break ground and move forward.

Board President Swafford asked who would be doing the construction. Mr. Baldwin said the general contractor will be Chris Hatfield. He has worked for Bender Lumber and Black Lumber, has many years of experience. Recently he has broken out on his own as a general contractor. He is willing to volunteer his time. Mr. Swafford asked if the plans and design had already been done and approved concerning meeting all codes. Mr. Baldwin said they had not yet done that but definitely would. The plans have been drawn but they haven't gone forward with the approvals until the USB approved the project.

Board member Roman said he supports the club very much. He asked if Mr. Baldwin knew if he would have to go to the County Plan Commission. Mr. Baldwin replied that he assumed so. That would be the next step. They want to make sure they do everything that is needed appropriately.

Board member Ehman said the City of Bloomington owns a lot of properties scattered around Lake Lemon that have no structural improvement and aren't used in any way currently. What would happen if the City of Bloomington decided to liquidate their properties or if it went bankrupt and had to liquidate. What would happen with the club's improvements on Utilities' property? Mr. Baldwin said that is understood as an inherent risk. It won't stop them from doing what they can for the kids they can serve on that property. Mr. Ehman said it is a larger question as to what would happen with the structures and how it would play out. Mr. Langley said he believes the lease states they would revert to the City of Bloomington.

Board member Banach asked how long is the existing lease with the Boy's and Girl's club. Mr. Baldwin said it has 43 years left. Mr. Banach said that answers board member Ehman's question. If the property changed owners the new owner would have to honor that lease. Mr. Banach asked if the lease has provisions for the owner of the structures at the end of the lease. Utilities Deputy Director Langley said he believes that technically the City of Bloomington would own the structures but he will double check on that. If things were to go bad the City would obviously try to be as cooperative with their assets as they possibly can. The club is a great cause. It has also been beneficial to the City to have them out there. Mr. Banach asked who has final design approval for the construction and if there will be some kind of control over what's being built. Mr. Langley said the design has been approved. Mr. Langley and Assistant Director of Finance Horstman went out to look at the site the building will be located at. They had no objections to it. It will be visible from the main road but not on it. There is nothing obtrusive about it. The structure is 600 square feet. Mr. Langley said he likes the plain, rustic look of the design and he feels it fits the environment it will be sitting in. Mr. Banach said this is a little out of the box from what the USB normally does. He just wondered if they had any kind of formal review process. He asked if any of the staff approves the design. Mr. Langley said it will probably be a shared vision but if they are doing anything that is similar to the design being presented he would not have any problems with it. Utilities Director Murphy said they will probably also seek input from the Lake Lemon Conservancy District. The neighbors are fine with it. Mr. Banach said he supports this project and thinks it is a great thing. Mr. Baldwin said when they sought permission from the USB to build the boat house the security of the lease was critical. It was a big part of them investing in the projects and making the improvements. They understand that the lease is the lease and they are willing to go forward and do what they need to do. They sought assurance that they would be on the property for some time to come.

Mr. Baldwin said the club takes great pride in being good stewards of the property and being neighbors to everyone around the property, knowing the visual quality of their facility needs to be in line with what else is being built or presented on the lake.

Board member Roberts asked if the dragon boats are related to the Chinese tradition of dragon boats. Mr. Baldwin said they are. The rowing club that currently uses the property with the club race sculls. They are not appropriate for young kids. They would need to be in their teens to be able to function well with them. They also won't accommodate very many kids. Dragon boats are paddle type boats with the kids on their knees side by side with a partner. They require a lot more team work so the concept allows them to do two things; get kids in boats early and build that team type mentality. The dragon boats are difficult to maneuver and require all the kids to be working together.

Board member Roman asked if this property is in the County. Mr. Baldwin said it is. Mr. Roman said the County could, depending on the zoning, require modifications of the design. Mr. Baldwin agreed that it may be necessary. They will cross that bridge when they come to it. Mr. Roman said he didn't think any changes would be such that the club would have to bring the design back to the USB.

Board member Banach asked if the property is titled to CBU is it still subject to County regulations. Mr. Roman said it is. Utilities Director Murphy said they will have to get a building permit from the County.

Board President Swafford told Mr. Baldwin to make sure the plans are stamped by a licensed architect and meets all codes. He asked Mr. Langley to make sure they are stamped.

Board member Roberts moved and board member Banach seconded the motion to approve the resolution with the Boy's and Girl's club for them to build a nature center at Camp Rock, Lake Lemon. Motion Carried, 6 ayes, 1 member absent, (Whikehart).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Utilities Engineer Fleig said she would give an update on the Spanker's branch project. She reminded the USB that an agreement with Donohue and Associates was signed in November of 2007 for the design of this project. It is moving along fairly well. In October of 2008 30% drawings were received. Then in 2009 the Public Works Department started planning a streetscape project in the exact same location. The project is on Walnut St. just north of 1st St., which is where the County project finished last year, all the way up to Smith Avenue. The two projects needed to be coordinated to work together so Donohue was asked to slow down. There are some other utilities issues that need to be dealt with in this project so Donohue has been doing some utility coordination work. In September of 2009 the Public Works Department consulted with Donohue and Associates and signed a contract with them to do the streetscape design. The two projects are being combined, the

culvert project under the street and the streetscape design above the street, into one set of plans. In January of 2010 the 60% design was received which is being reviewed and comments are being sent back to the consultant. The plans include the reconstruction of approximately 1,200 feet of box culvert that is primarily under the driving lane of Walnut St. It goes up to Smith Avenue and then has to turn down the Smith alley to connect back into its existing location. It removes box culvert from underneath an existing building which is always preferred. Currently the Spanker's Branch runs under the Player's Pub. The new alignment will take it out from underneath that building and up to Smith Avenue. This project also includes the reconstruction of about 370 feet of box culvert which is the Jordan River from the Arby's restaurant on Walnut St. on over to Washington St. where the Second and Washington project finished. The 4" water main along Walnut St. will also be replaced and the existing sanitary sewers. Most of them are 18" vitrified clay that have probably been in the ground for about 100 years. Storm inlets will also be replaced. A need has been identified for 11 permanent and 21 temporary easements on 21 separate parcels with 16 different owners. There will probably have to be an amendment to Donohue's contract because of the number of easements. Also, their title work was done by a company that is no longer in business so they need to re-contract for that work. The estimates for that are more than the original contract was but Donohue's contract was set up in 2007 so it is not unusual that there would be some changes. There will be a meeting with CBU and City staff on June 9th to discuss the right-of-way acquisition, project coordination, timing and available funding. It is expected that a 95% design will be submitted in the next 30 days. There is not an exact project construction schedule yet. That will depend on what is the best construction season once the right-of-way acquisition is finished, but it could be later this year or early next year. It will probably take a year to 18 months to finish the project.

Board President Swafford asked if Spanker's Branch and the Jordan River will be in the same project. Ms. Fleig said it is currently being designed as the same project. Mr. Swafford asked if one could be split off from the other if necessary. Ms. Fleig said where Spankers and Jordan come together a junction box will be constructed. Where the existing Jordan comes into Spankers is a little North of the proposed location for the junction box so Spankers would have to be constructed to where it can tie into the existing Jordan, leave it and continue up Walnut. Once the Spankers branch is started it can't be stopped because of the grade but it might be possible to not do the Jordan River portion at this time. Mr. Swafford pointed out that there is funding because of a bond. Ms. Fleig said this is in bond money that was put together in 2005.

Utilities Director Murphy informed the USB that he and Phil Peden will be meeting with the Bryan Park Neighborhood Association to discuss storm drain issues. In the past some neighborhood drainage issues had been identified by Donohue. The neighbors are interested in this project. He has told them that the initial bid on the Bryan Park project in 2003 was about $1.2 million.

PETITIONS AND COMMUNICATIONS:

Board member Ehman said he had two issues to bring up. The first one is an editorial by the Herald Times on Wednesday, May 19th from which he quoted. "The Bloomington City Council's approval of a 54% increase in our water bills will no doubt cause a little pain but we should make significant gain as a result. The increase, provided that the Indiana Utility Regulatory Commission gives its own approval, will pay for a much needed upgrade and expansion of our water plant, will build in a critically needed supply line redundancy and perhaps most important in the long run, legitimize our claim to more of Lake Monroe's water." Mr. Ehman said he takes issue with this statement. They go on to say, "The expansion would increase pumping capacity to 30 million gallons daily and eventually to 36 million gallons, giving us a strong claim to at least that much in the future. The additional money will go to protecting our water, keeping our supply safe and guaranteeing that supply for our children's generation." Mr. Ehman said when the USB discussed Bert Servas' scheme there was concern about the capacity of the lake and how much water CBU has a right to and whether or not

the plant expansion would give the City a claim to this water. It is his recollection that Attorney Renfrow said that the right to water now is set at 24 mgd, annual daily average. An increase in plant capacity would in no way guarantee that the number would be raised. At this time only 15 mgd are being used. He thinks it is disingenuous for the paper to say this. He believes it is the responsibility of the board to see that correct information is provided for the community. Mr. Ehman suggested that the board write a letter to correct these statements. These statements have been made before and he doesn't know if people know that what's being said isn't actually true. It is important that people recognize that just because the size of the plant is increased it doesn't necessarily give a claim to more water. Utilities Director Murphy said CBU would have to go to the DNR to apply for 30 mgd. Mr. Ehman asked if that isn't based on the communities' need. Mr. Murphy said it is based on the plants' capacity. Mr. Ehman said that was different than Ms. Renfrow had told the USB. She had said it was based on the communities' need, not the capacity of the plant. A plant that is 50 mgd per day could be built but there won't be more than 24 mgd until the community starts bumping up against an annual average of 24 mgd. Mr. Murphy said he has always had the assumption that it is based on the capacity of the plant but he will verify that. Mr. Ehman asked for a statement from Ms. Renfrow about this. If the information in the newspaper is wrong the board could write a letter about that.

Board member Roman said it is not a big deal, but he was the one who had originally asked the question about whether increasing the capacity of the plant would allow the City to claim more water. His exact question was, "Vickie do we have any rational expectation of increasing our allocation of water from the lake if we expand the plant?" In short, she said no. There was a meeting where the Mayor confirmed that. Regardless of the position taken on any issue, accurate information must be provided. In three or four years he does not want people accusing him of selling them a $41 million project and then having Indianapolis come in and taking up a lot of water. This could happen. Indianapolis needs water and the USB cannot tell them no. Mr. Roman said he had reviewed the minutes to confirm it. Board President Swafford asked Mr. Murphy to verify this. He said it was his understanding that when the capacity has been raised to 30 million the USB would request that capacity from the DNR. Mr. Ehman said if they do give an increase as a matter of course then no correction would be needed.

Mr. Roman said that sometimes he agrees with the USB and sometimes he doesn't but whatever the board does, the board does it for sound reasons. He has found himself, at times, supporting the USB's position with the City Council even if it is something he had not agreed with. The decision to expand the plant was made for reasons and those are the reasons the public should know about.

Board member Ehman said the other issue he has is regarding the Conservation Plan. He thinks the USB should have a specific recommendation to the City Council about the particular objectives that should be strived for and the measures that should be implemented since they are the ones who will have to implement some of the measures. He suggested that a subcommittee review the plan and decide what they support and what they don't and what the timetable is. Board member Roberts pointed out that until the rate increase is approved it won't be possible to pay for any of it.

Board President Swafford said the Lake Lemon Conservancy district has bought some equipment to do some dredging in the lake. He asked Utilities Deputy Director Langley if is there is some action the USB should take on this. Mr. Langley said they had requested to come to the USB on June 8th to talk about the details and seek the board's approval to put the dredging on Little Africa then rehabilitate it when they are finished. It is a property just across the Brown County line on the south shore of the lake. It has been used as a bird sanctuary and an observation post for watching shallow water birds on the east end of the lake. They are also requesting the use of a 12 acre site in Brown County for the same purpose. Currently they are using a disposal site on the West end of the lake very near the spillway which is a 45 minute trip by diesel powered barge to haul the material down

there, empty it and then return. From a staff perspective one of the merits of the proposal is not using the fuel for seven or eight trips per day and to maximize the efficiency of their political jurisdictions funding.

Mr. Swafford asked if there was any use for the dredging. Mr. Langley said that hasn't been explored. The staff has looked at the chemical profile such as hazardous waste, heavy metals etc. There is nothing objectionable or regulated there. Mr. Swafford asked if the soil would belong to CBU. Mr. Langley said a deal like that might be negotiated. The district does not have any current intentions of using it. As is the case with a lot of these projects, the bulk of the cost is in the transportation.

Board member Ehman asked if the USB will be fully informed about the positives, negatives and potential consequences. Mr. Langley said they the Conservancy has a consultant from the School of Public and Environmental Affairs, Bill Jones, who has been associated with both Griffy and Lemon for a long time. He will be a part of the presentation and will discuss the pros and cons. Mr. Langley said he would be happy to relate to them any issues the USB would like to have covered during that meeting.

ADJOURNMENT:

The meeting was adjourned at 5:39 p.m

L. Thomas Swafford, President