

UTILITIES SERVICE BOARD MEETING

October 12, 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, Pedro Roman, Jason Banach, and Jeff Ehman. Staff members present: Patrick Murphy, Michael Horstman, Mike Bengtson, Phil Peden, Jane Fleig, Mike Hicks and Jon Callahan. Others present: Geoff Grodner representing Mallor, Clendening, Grodner and Bohrer.

MINUTES

Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the September 28th meeting. Motion carried, 5 ayes, 2 members absent, (Frank and Whikehart).

CLAIMS

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

Claims 1091106 through 1091165 including \$122,207.85 from the Water Operations & Maintenance fund for a total of \$122,207.85 from the Water Utility; Claims 1060679 through 1030721 including \$306,644.88 from the Wastewater Operations & Maintenance fund for a total of \$306,644.88 from the Wastewater Utility; and claims 1070050 through 1070056 for a total of \$7,710.62 from the Wastewater/Storm water Utility. Total claims approved – \$436,563.35.

Board President Swafford asked about a claim for Dave O'Mara Construction. Assistant Director of Engineering Bengtson said Utilities buys asphalt mix from them to use for projects.

Motion carried, 5 ayes, 2 members absent, (Frank and Whikehart).

FINAL REVISED SSO CORRECTIVE ACTION PROGRAM:

Geoff Grodner, outside Council for CBU on the Agreed Order with IDEM on the sanitary sewer system, said in 2002 discussions with IDEM were initiated on the resolution of wet weather overflows from the sewer system. In August, 2007, a draft of a corrective action plan was submitted to IDEM. About nine months later IDEM informed Utilities that the plan was approvable. At that time Utilities staff made a decision to withhold submitting the plan to the USB for final approval while they investigated new technologies and completed a \$1.7 million Central/East Collection System Improvement. This allowed them to evaluate what that project had accomplished in reducing SSO issues while considering new technologies. The original draft plan provided for approximately \$40 million in system improvements over 25 years. After evaluating the Central/East Basin collection system improvements and the newly available technologies a revised plan was developed that reduced the cost to \$29 million over 23 years. The USB approved that plan in August of 2009. However, the staff and consultants continued a discussion with IDEM about the SSO Compliance Plan. It became clear in those discussions that the staff was trying to evaluate the impacts of the

project 25 years out in the future. They predicted that the plan was really a worst case scenario. Earlier this year IDEM indicated that focusing on a five year plan that would allow the reduction of the six overflow points at that time to four and doing some additional system improvements that would reduce the SSO points and also the frequency of overflows at those points would be sufficient to satisfy the concerns about the system. Their policy seems to be moving away from trying to eliminate all SSOs through out the system because of the impossible cost for the systems to fund. In working with IDEM over the past six months a five year plan was submitted, a portion of which has already been completed. The staff believes this completed project will take care of one of those overflow points which brings the total down to five. Projects have been proposed for Gifford Rd. which should bring it down to four. There are additional system improvements including operational changes and some ordinary maintenance that staff and consultants think have a good chance of significantly reducing both the frequency and volume of the overflows. This revised plan has a projected cost of \$2 million and will run through 2014. At that time there will be an evaluation period of six months during which the effects of all the projects laid out in the plan will be evaluated. On September 23rd a letter was received from IDEM that said the plan had been approved and must now get final approval by the USB. This will potentially save Utilities \$27 million.

Board member Ehman asked if the language "substantially reduced" is a negotiated definition. He finds it rather ambiguous. Mr. Grodner said he can't give a clear definition of that because no one knows what will have been achieved in five years. There is at least a working sense with IDEM that they and EPA don't really believe that never having an SSO event is realistically achievable for dedicated systems such a CBU has, as opposed to combined systems. They would like to see significant reduction in the frequency and the flow. There is an expectation that the Utility will continue to make improvements. In particular work needs to be done on some of the older parts of the system to reduce the narrowing points and the places where the flow backs up.

Board member Roberts asked if the drop of the cost from \$40 million to \$29 million was due to the fact that some projects were done that made it look like it would be easier to resolve the situation that was initially believed. Mr. Grodner said it was a combination of factors. One was that the Central/East project accomplished more that had originally been expected, also over the intervening time Utilities staff and consultants went back and looked at other, recently developed ways to achieve the reduction needed. Ms. Roberts then asked about the drop from \$29 million to \$2 million. Mr. Grodner said that is based on a belief that it may be possible to achieve satisfactory compliance without undertaking some very expensive projects that were included in the revised plan. Those included re-routing the College Mall sewer line through a very populated area at great expense and through a lot of rock. The revised plan looks at ways to get more water through the older portion of the system to prevent things from backing up further up-channel. It is unlikely that at the end of four years everything will be taken care of. In the future some of these additional projects may still need to be done but they are no longer a part of the Agreed Order.

Ms. Roberts then asked Assistant Director of Engineering Bengtson if this could be because the EPA and IDEM have suddenly dropped their standards or is this money being saved by new techniques and doing things a different way?

Utilities Director Murphy said they had another meeting with IDEM where they re-packaged and presented Utilities' suggested solutions in a different format. Some additional consultants from Greeley and Hansen were brought in to help with this. In April the same information was presented with a different approach. The issues were presented in a concise fashion that showed just what the actions and implications were. It wasn't significantly different than what had been discussed previously but they were able to make the case with much more clarity and show the interconnections of everything being done. Mr. Grodner said one of the concerns that had driven the expensive part of the plan was IDEM's staff seemed to believe the only way reasonable compliance could be achieved

was by doing the big capital projects. After a number of discussions they asked the Assistant Commissioner if they could come in and explain to him what is has been done and what is currently being done to address the SSO's. He agreed and was very appreciative and said he had not understood the situation. Soon after this meeting IDEM asked for a five year plan summarizing the suggestions made by Utilities' staff and consultants. He believed this could bring things to a point where the Agreed Order could be resolved. They didn't really lower their standards. They just hadn't understood how good a job Utilities had already been doing in addressing the SSOs. Ms. Roberts said she was glad to hear this. The way she heard the original explanation it sounded to her like they had lowered their standards, however it seems they discovered Utilities has a creative solution that hadn't been thought of and they are going to allow the chance to implement it to see if it works.

Board President Swafford asked if at the end of the five year period the Agreed Order would be concluded. Mr. Grodner said IDEM has stated if the plan as proposed has the suggested impact it would fulfill CBU's obligations under the Agreed Order.

Board member Roberts moved and board member Roman seconded the motion to approve the final revised SSO Corrective Action Plan.

Board member Roman thanked everyone who had been involved it getting this solution approved.

Motion carried, 5 ayes, 2 members absent, (Frank and Whikehart).

WATER MAIN INSTALLATION CREDITS FOR RICHLAND CONSTRUCTION COMPANY:

Assistant Director of Engineering Bengtson said there are three different water main credit contracts for Richland Construction Company. Section 18 of the Rules and Regulations allows Utilities to grant water main installation credits once all the stated requirements have been met. Utilities' staff inspects to make sure the bedding, backfill and piping materials are correct. The pipeline gets inspected during construction to make sure everything is assembled correctly and then pressure and bacteria tests are done. This ensures that it is safe to open the water main to the rest of the system. When applying for these credits the developer must submit a plat with the addresses and the points of service for each lot. Verification of the costs of the materials and the amount of money the developer spent on the contractor to make the installations and the amount the water main that Utilities is taking over is worth must be submitted. There is a formula in the Rules and Regulations that determines the amount Utilities can offer as credit.

Mr. Bengtson then showed the USB the location of the projects on a map.

Board member Roberts moved and board member Roman seconded the motion to approve the three water main installation credits for Richland Construction Company. Motion carried, 5 ayes, 2 members absent, (Frank and Whikehart).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Board member Roberts asked how things are going at the water plant during this drought. Assistant Director of Engineering Bengtson said the numbers have been dropping since it has been cooler and a little less humid. Utilities Director Murphy said the average daily numbers have been in the range of 16 to 18 mgd and the maximum has been around 20 mgd.

Utilities Director Murphy said the staff is working on the grant application for Griffy Lake. The environmental study has been completed.

Mr. Murphy said the bid offer for the Dillman Road Filter Rehab project will be advertised in the paper on Sunday. The bids will be opened on November 25th.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:26 p.m

L. Thomas Swafford, President