

UTILITIES SERVICE BOARD MEETING

January 31, 2011

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 Vice President Roberts called the regular meeting of the Utilities Service Board to order at 5:04 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: Julie Roberts, Jason Banach, Jeff Ehman, Pedro Roman, Sam Frank, John Whikehart and ex-officio member Tom Micuda. Staff members present: Patrick Murphy, John Langley, Jane Fleig, Michael Horstman, Mike Bengtson, Phil Peden, Mike Hicks and Tom Axsom. Others present: Zac Wolf and Cindy Fort representing American Structure Point.

MINUTES

Board member Ehman moved and Board member Roman seconded the motion to approve the minutes of the January 18th meeting. Motion carried, 6 ayes, 1 member absent, (Swafford).

CLAIMS

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

Vendor invoices submitted to the controller's Office on January 26, 2011 included \$54,854.19 from the Water Utility; \$54,518.59 from the Wastewater Utility; and \$8,526.51 from the Wastewater/Storm water Utility. Total Claims approved, \$117,899.59.

Board member Ehman asked about a number of monthly water bills, some of which mention annual service connection fees. He wanted to know what that meant. Deputy Director Langley said about seven or eight years this fee was established by the State. It is one dollar per service connection that is paid directly to the State of Indiana. The State uses this fee to finance enforcement actions against water utilities in Indiana. They have never had to tap that fund for the City of Bloomington.

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

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

Vendor invoices submitted to the controller's Office on January 26, 2011 included \$144,304.72 from the Water Utility; \$25,229.64 from the Wastewater Utility; and \$3,225.00 from the Wastewater/Storm water Utility. Total Claims approved, \$172,759.36.

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

Wire transfers and fees for the month of December 2010:

Board member Ehman moved and Board member Roman seconded the motion to approve the wire transfers and fees for the month of December in the amount of \$398,244.09.

Motion carried, 6 Ayes, 1 member absent, (Swafford).

APPROVAL OF THE CONTRACT WITH M.E. SIMPSON FOR VALVE ASSESSMENT:

Assistant Director of Engineering Bengtson had brought a valve and accoutrements to the meeting to demonstrate for the USB how it works. He said there is a monthly publication put out by AWWA called Optiflow that recommends a valve assessment program. CBU has had a program in place since the mid 1990's. Prior to that crews were sent out when they were available to do valve assessments which was a rather disorganized approach. The program has been very successful. It isn't just turning valves; they also inspect the overall condition of the valve. Sometimes they get paved over or filled with sand, or the bottom can become dislocated so the key doesn't work. All of these things are checked in the course of the assessment program. The larger valves are very difficult to reactivate. The contractor has a hydraulic wrench they can use to free up the mechanism. Overall the contractor keeps the valves in readiness if there should be a main break.

Ex-officio board member Micuda asked if the reason for this contract is expertise or a time/labor issue. Mr. Bengtson said in the past attempts were made to dedicate crews for valve exercising but it never worked out. Workers would get stolen from that crew to fill in other crews. They were never, to Mr. Bengtson's knowledge, able to cover the entire system. Because of that in the mid-1990's a contractor was sought to perform this job. They are also experts and know how to open sticky valves without breaking them.

Mr. Bengtson went on to say, if a valve can't be accessed it can require going 3 or 4 branches back in the system to shut it off. That means many more people are without water than would be necessary if the valve were working. It also takes more time so more water is wasted, and it may even do more damage to the pavement which will have to be repaired.

Board member Ehman said the example Mr. Bengtson had used in the memo he sent to the USB brought up some more questions. The example was a private system that had a main break where the valve was full of sand and inaccessible. Mr. Ehman asked if the valves in that system were also private. Mr. Bengtson said they were. Mr. Ehman asked if the contract in question covers private valves. Mr. Bengtson said it does not. Mr. Ehman asked why CBU was called in this emergency. Mr. Bengtson replied that the crews just oversaw what the contractor was doing. If something were done wrong, for instance if they were to fail to dig a sump pit to vacate the water coming out of the main and keep it down below the pipeline they could introduce dirty water back into the main. It is a health issue more than anything else. CBU did not help them with the repair.

Mr. Ehman asked if M.E. Simpson were to find a problem and report it do they address it or does CBU. Mr. Bengtson said if they can't key a valve or, if a valve box needs to be cleaned CBU will address it. Mr. Ehman asked if the three year rotation is a workable time frame for identifying problems. Mr. Bengtson said the AWWA's recommendation is every two to five years. It has seemed to work out very well. In the early ninety's valves frequently could not be opened or were broken.

Board member Banach asked how confident Mr. Bengtson is in the number of services that are being looked at. The contract is for approximately 15,020 per year at \$46 each. Mr. Bengtson said that is just a rule of thumb number. The system gets added to each year so a little flexibility is needed. Mr. Banach said this is a \$350,000 commitment for five years. He wondered if that amount could go up unexpectedly. Mr. Bengtson said there are a little over 5,000 valves in the system. There are actually more than that but a few years ago the decision was made to not test the 2 inch valves. The

valves associated with fire hydrants are checked when the hydrant flushing is done. Utilities provides maps to the contractor and know where they are working.

Mr. Banach asked if this contract was bid. Mr. Bengtson said it was not. M.E. Simpson has a stand alone software they provide and enter all the data in. The per valve price has only gone up a couple dollars since CBU first hired them. Mr. Banach said he is very concerned that the contract wasn't bid. Mr. Bengtson said the prices were much better because it is a multi-year contract. It isn't likely there would be a better situation. Utilities Director Murphy said they are a unique entity that provides this service.

Board Vice President Roberts asked how long Utilities has been using this vendor. Mr. Bengtson said they were the original contractor from the mid 90's. She asked if the valves are in the ground which causes them to collect sand or shift in the ground. Mr. Bengtson said that are. Ms. Roberts asked if the hydrants are flushed to make sure the water can be turned on and the valves are checked to make sure it can be turned off. Mr. Bengtson agreed. Ms. Roberts said she didn't see a total price in the contract. She wanted to know if it covers all five years or just part of that time. Mr. Bengtson said he was asking for approval of all five years. Ms. Roberts asked if it is open ended, just x number of dollars per valve. Mr. Bengtson said it approximates what will be spent each year. It isn't open ended but if he were to find out there were valves they hadn't got to he would give them permission to do a few more, but not to double the amount in a year.

Mr. Banach said he would like to see the top end limited in some way. He wants the contract brought back to the USB if it goes over a certain amount. Utilities Director said it will not exceed the cost of the contract.

Board member Roman asked if the contract could be as much as \$350,000. Mr. Bengtson said it could if the whole system were to be served. Mr. Roman said he shared Mr. Banach's concerns about awarding a contract of this size without knowing the price. He said in the future he would be unwilling to consider any contract over \$100,000 without having at least another price from a different company that offers the same services. Just because Utilities has worked with a certain company for a long time that is not a reason to automatically award them the contract.

Board member Banach moved and board member Ehman seconded the motion to approve the contract with M.E. Simpson for valve assessment. Motion carried, 6 ayes, 1 member absent, (Swafford).

APPROVAL OF AN AGREEMENT WITH AMERICAN STRUCTURE POINT FOR CONSULTING SERVICES FOR THE ARLINGTON RD., 17TH ST. INTERSECTION IMPROVEMENTS:

Utilities Engineer Fleig said this contract is for a scoping report for utilities relocation at the proposed round about at 17 St. and Arlington Rd. Public Works is in the process of having this round about designed by American Structure Point. It is a very large foot print compared to the existing intersection. She has asked American Structure Point to put together a scope of services to determine the impacts to Utilities' infrastructure. There are very large water mains, sanitary sewer mains, a sanitary sewer lift station, and a water booster station all in this intersection that are likely to be heavily impacted by the proposed round about. The water and sewer lines will probably have to be re-located and potentially the buildings as well. The booster station is in the lower south east corner and the sanitary sewer lift station is in the upper south east corner. As well as the foot print being much larger there is discussion of there being 10 to 12 feet of fill on top of Utilities' infrastructure. Water and sewer lines are typically about four feet deep. The fill would make it impossible to use the valve keys to open and close valves because they are not long enough, which would make it extremely difficult to maintain the infrastructure.

This contract is for the consultant to look at the existing reports, the existing infrastructure, and to try to determine how seriously the infrastructure will be impacted. The contract is for a not-to-exceed amount of \$50,000, with \$26,000 on the water side and \$24,000 on the sewer side. That includes not only looking at the impact to the lines, but also the two buildings, in determining if retaining walls would be beneficial and what impact that would have on the infrastructure.

Ms. Fleig said the schedule for this is very tight. Public Works is using Federal Funds for this project which means it has to follow an INDOT bidding schedule. The location plans may have to be prepared by August, 2011, so construction can begin next year.

This contract is only to determine the impacts on the infrastructure and make a recommendation for potential relocations or whatever may be necessary. There will have to be an additional contract or an amendment to this contract, to do the relocation plan design. American Structure Point was chosen because they are the consultant working with the Public Works Department. It seemed better for communication if another consultant is not introduced into the project. American Structure Point has a strong road design crew and a strong utilities crew.

Board member Roman asked if American Structure Point is expected to be granted the contract for design if the contract for scoping is approved. Ms. Fleig said they are not expected to grant the design contract to American Structure Point, but that would be likely to be the Engineering Department's recommendation.

Mr. Roman asked if there was any conflict of interest between the Civil City and CBU using the same consultant. Ms. Fleig said she does not see that as a problem. Utilities works with the Civil City frequently, and much of the infrastructure is located in public right-of-way, so it is only there with the City's permission. She believes using this firm will provide better communication, and is the best solution for both parties.

Mr. Roman asked what the cost of the entire project would be. Ms. Fleig said part of what the scope of services in the project includes is determining an approximate cost for the Utility location to help decide what the best answer will be for both the City and Utilities to move forward with this project. The booster station and the lift station are both in easements which might allow for reimbursement. It is possible that some of the lines are also in easements. If they are impacted by this project there should be some reimbursement. She said there will be some serious expenses since there are 24", 20", and 16" lines and also the buildings. The water booster station is a limestone structure so it won't be cheap to relocate it. There are four pumps in the sewer booster station which would also be expensive to relocate. Mr. Roman asked if there was a ball park figure such as in the millions, hundreds of thousands, or tens of thousands. Assistant Director of Engineering Bengtson said at this point options are being considered. It would be difficult to answer that question at this point.

Board member Banach asked why Utilities is paying anything for the Civil Cities project. Ms. Fleig said it is because some of Utilities infrastructure is in the public right-of-way. Mr. Banach asked about her earlier mention of some of the lines being in easements that go north. Ms. Fleig showed on a map where the utilities, the easements and the right of ways are located. She said when Utilities infrastructure is located in public right-of-ways it is Utilities' responsibility to re-locate it. Mr. Banach asked if the Civil City will reimburse the expense for moving the lines in easements but not for lines in the public-right-of way.

Cindy Fort, representing American Structure Point, explained that typically on a Federal Aid project, which is how this one is being done, for infrastructure that is within an easement, there is a

direct reimbursement because it is not in the right-of-way. This is similar to the State Road 48 work being done west of Bloomington. In that case the facilities that were in easements were reimbursed. The state also asked for infrastructure in the public right-of-way to be moved. The Arlington project is a City street but because INDOT is doing it, INDOT treats it as if it is their right-of-way. The part of the facilities that are in easements would be direct reimbursements. If the cost to relocate the facilities in the right-of-way is high enough there is a possibility of a hardship case which allows at least some reimbursement. Her past experience is that Utilities would pay ten percent of their gross operating revenue and the State would pick up the rest. This will probably be a combination of reimbursement, if the reimbursable part is enough, and a direct replacement. Mr. Banach asked if the lines being moved out of easements would move into the right-of-way, or would it be necessary to seek new easements. Ms. Fort said she believes if infrastructure is in an easement presently the state would provide an easement. That would be part of the project cost.

Board Vice President Roberts asked if there is a number at which there would not be enough money in the pot to cover everything, would that mean the project wouldn't go forward. Ms. Fort said she didn't know the answer to that.

Board member Ehman said the contract puts forward five different alternatives. He said it looks like there would be a choice between 1,2, and 3 plus 4, or 5 that would be brought forward as a recommendation. Ms. Fort said that is most likely although there is a chance they will come up with something that hasn't been thought of yet.

Board member Roman said he is confused by the multiple names Utilities is identified by in the two contracts the USB considered this evening. He would like there to be consistency. Board member Ehman said he supports that request.

Board member Ehman moved and board member Roman seconded the motion to approve the contract with American Structure Point for consulting services for the Arlington Rd., 17th St. intersection improvements. Motion carried, 6 ayes, 1 member absent, (Swafford).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Utilities Director Murphy said board member Banach had enquired what would happen if there were a snow emergency. Mr. Murphy said Utilities Deputy Director Langley had consulted with each of the plants to be sure there were sufficient stores of diesel fuel to run the plants and the Service Center on generators if the power loss is as severe as has been suggested could be possible. All employees who are involved in emergency management will be at work as long as they are able to get there. The communications center will continue to be manned 24/7.

Board Vice President Roberts suggested that people keep their faucets dripping so their pipes won't freeze.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:46 p.m.

Julie Roberts, Vice President