

## UTILITIES SERVICE BOARD MEETING

April 11, 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 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, Jason Banach, John Whikehart and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Vickie Renfrow, Michael Horstman, Jane Fleig, Tom Axsom, Jon Callahan, Mike Hicks and Mike Bengtson. Others present: Sue Mayer.

### MINUTES

***Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the March 28<sup>th</sup> meeting. Motion carried, 7 ayes, 0 members absent.***

### CLAIMS

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

***Vendor invoices submitted to the controller's Office on April 6, 2011 included \$93,324.20 from the Water Utility; \$498,767.04 from the Wastewater Utility; and \$2,219.38 from the Wastewater/Storm water Utility. Total Claims approved, \$594,310.62.***

Board member Ehman asked about the claim for credits for the McCallister Machine Co. Inc. Utilities Director Murphy said he didn't know about this, it apparently escaped the staff's attention when going through the claims. He said he would get back to Mr. Ehman with information about this claim.

Board member Banach asked what a Duck Luck is. Assistant Director of Engineering Bengtson explained that it is a piece that is used to mechanically lock two pieces of pipe together. It is a mechanical joint restrain system to prevent the pipes from pulling apart.

Board President Swafford asked about lease payment #15 to B & C Bank for Dillman Road. He wanted to know how many payments are left.

Attorney Renfrow from the City Legal Department said this was a 10 year obligation lease/purchase agreement to pay for energy savings improvements at Dillman Road. Year six of the lease was completed in November of 2010. There are about four more years left. The last payment will be October of 2013. Mr. Swafford asked if the energy savings are being met. Ms. Renfrow said they are. The contract, for just under \$2.4 million, included guaranteed savings on energy costs of about \$1,542,970 a year. In the first six years there was guaranteed savings of \$925,782 but in actual fact \$1,144,263 was saved which makes it about \$200,000 ahead of schedule. Once the obligation to save that amount of money in the 10 year period is met the audits are no longer performed although the payments are still made. That will probably happen in year eight or nine.

This is the second contract of this kind the City has participated in. There was one in 1999 that included Parks & Recreation, Fire and Utilities. With that one they met their obligation about five years into the 10 year contract. Utilities, in particular, did very well.

Board member Ehman asked what has been learned in this process and would it be possible, at the end of the 10 years, to implement similar cost savings without having to pay someone for their services. Ms. Renfrow responded that the way the process is outlined and authorized by State statute, involves having what is called a qualified provider. This is an entity that does this kind of work; selling, installing, and monitoring energy savings equipment. They put together a plan of the things that can be done to save money. Once this is known competitive bidding is done to have a group called High Provider actually do the work. The kinds of things that can be done vary. It could be lighting, HVAC, or other things. At Dillman a big part of the savings came from the installation of Fine Bubble Aeration which is an upgraded technology. Ms Renfrow said it can be seen from both the original contract with many City Departments, a subsequent addition to that contract for a lot of work at Frank Southern, and the Dillman Road project, that it is worth having a entity come in and evaluate what the situation is so proposals can be made for how to save. The nice thing about the way the statute lays out these energy savings projects is that a lot of different things can be done and still do the financing over a period of time that makes sense, and at rates that are comparable to normal bond rates. It is tax exempt, lease/purchase financing. It shows that the City's experience in going to the trouble of doing this kind of project is paying off. It is not an easy process. It is similar to bond financing, but there are certain aspects about how the financing is done that are much better than selling bonds.

Mr. Renfrow said this project started in 2003 and is now eight year down the road. There could be new technological developments that could make a difference for a project of this sort.

Mr. Ehman asked if in another two years the USB could expect to see another proposal from this company. Ms Renfrow said it is possible. What usually happens is the City initiates these contacts. She said this company came in and outlined a number of things that would be beneficial, but when it came to the bidding anyone else could have bid on it as long as they are a qualified provider. In a couple of years it might be worthwhile to look into this again.

***Motion carried, 7 ayes, 0 members absent.***

**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 gave a report on the 45/46 bypass project. She said the contractor is in the process now of laying 4" ductile iron pipe from Walnut St. to Dunn St. About 1,550' is in place which represents about 88% of the total bid contract. There have been about 65' of 6" lines laid which is about 18% of the contract. One Hundred percent of the 12" line has been laid which comes to 114'. Of the 18" line 1,230' have been laid which represents 356% of the contract. The 18" line is at Dunn St. The plans called for replacement of the 18" line from the by-pass going North on Dunn. To the south the plans identify some potential conflicts that have been determined to be actual problems so

the south portion was added to the project. All of the Dunn St. 18" water line has been replaced. About 2,800' of 20" line has been laid which represents 90% of the total. The 24" line is 100% complete at 224'. Those are little run arounds being done in places where conflicts have been found.

Some additional issues have come up. Some of the reasons they haven't complete more of the work is because they are still waiting for information on the 12" line on 10<sup>th</sup> St. It is a line that runs along 10<sup>th</sup> St. and crosses the by-pass. It is in conflict with their designed storm sewers. They are still deciding what to do to avoid that conflict. On 3<sup>rd</sup> St. a 6" water line in front of Chili's that is planned for replacement is on hold. When they did their survey they picked up the water meter for Chili's but didn't realize it is their fire vault. This is a large 6' vault that sits right where the new water main needs to go. They are working with the property owner to get the vault relocated so there is free space to run the water line.

There are also a few sanitary sewer issues that aren't necessarily a part of the contract with INDOT but they do have to be dealt with. A couple of them are private, such as the sanitary lateral from the Indiana Motor Inn and the car wash just east of Walnut St. Those laterals are very shallow and the manhole they tie into is quite shallow as well. They have decided to replace those with ductile iron pipe which will sit up in the road sub-grade. It will be below about 18" of pavement. Because they are private lines that will be an expense for INDOT, not CBU.

As the contractor was laying the 4" line along the by-pass near Walnut St. they discovered a 1.25" force main that runs from the car rental lot on the north east corner of Walnut and the by-pass. It goes over the hill, down by the church, and goes into CBU's sanitary sewer line by the creek. In some locations it is only 6" to 8" below the ground. That will have to be replaced. Because it is a private force main INDOT will be responsible for the expense.

There are some sewer conflicts at 10<sup>th</sup> St., but they are in the process of doing revisions for 10<sup>th</sup> St. This is not only because of the sewer conflicts, but also because IU has talked to them about changing some of their drives. There are also some sewer conflicts near Eastgate Ln. One of those is a CBU main that crosses the by-pass and one is a private sewer that comes out of Park Dorral Apartments.

A few water meters have been found that there had been a plan to replace, but it has been discovered they have been abandoned. The meter pit is still there with the lid on it, but there is no meter in it and is no longer necessary. This has eliminated a few of the meters they had scheduled for replacement.

Board President Swafford asked Ms. Fleig to keep the USB updated.

Utilities Capital Projects Manager Hicks gave the USB an update on the Dillman Road Waste Water Treatment Plant effluent filter rehabilitation project. The contractor mobilized on February 1<sup>st</sup>, and began initially with the concrete and wall crack repairs. Once that was completed they began the installation of the new filter under-drains which are an HDPE product. On top of that they began the layers of media; 4 different gradients of gravel first, then 1' of sand, and then 1.5' of anthracite. All of that was in place last week. Today they will begin to train the treatment plant operators and maintenance people on the operation of the filters, which will go into service in the morning. That means the project is essentially 50% complete. If everything goes well with start up in the morning, the contractor will begin the demolition of filter #3 in the afternoon. Similar progress is expected as they continue with filters #3 and 4.

Some of the challenges have been with the existing valves and actuators. The bid had alternate pricing to replace the original 1980 valves and actuators. It wasn't possible to select any of them for

replacement. There have been challenges with getting them to open and close. Some of them need to close tightly. The old hydraulic types of actuators are very antiquated. When it is possible to replace them they will be electric which will make them more efficient.

Board President Swafford said it is good to see projects moving forward.

**PETITIONS AND COMMUNICATIONS:**

There were no petitions or communications.

**ADJOURNMENT:**

The meeting was adjourned at 5:17 p.m.

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**L. Thomas Swafford, President**