

UTILITIES SERVICE BOARD MEETING

April 16, 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 5:05 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, Jason Banach, Pedro Roman, Julie Roberts, John Whikehart, Jeff Ehman and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Tom Staley, Mike Trexler, Adam Wason, Vickie Renfrow, Mike Bengtson, Jane Fleig, Phil Peden and Mike Hicks. Others present: Richard Martin representing the Monroe County Plan Commission, Jeff Baldwin representing the Boys & Girls Club, Joe Teusch representing Greeley & Hansen, Margaret Fetter representing the Libertarian Party, Bill Hayden and Sue Mayer.

MINUTES

Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the April 2, 2007 meeting. Motion carried. 5 Ayes, 2 members absent, (Henke, Ehman).

CLAIMS

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

Claims 0790542 through 0790607 including \$102,243.85 from the Water Operations & Maintenance fund and \$110,524.43 from the Water Construction fund for a total of \$212,768.28 from the Water Utility; Claims 0730300 through 0730340 including 129,296.72 from the Wastewater Operations & Maintenance fund and \$110,524.46 from the Wastewater Construction fund for a total of \$239,821.18 from the Wastewater Utility; and claim 0770034 through claim 0770036 for a total of \$49,432.58 from the Wastewater/Stormwater Utility. Total claims approved – \$502,022.04.

Board member Banach asked about a claim for delivery of fuel by White River Co-op. Utilities Deputy Director Langley explained that the co-op is used because they have a smaller delivery vehicle. Mr. Banach asked if Utilities is part of the Civil City's contract. Mr. Langley said that is the case.

Mr. Banach then asked about the purchase of a new service truck. He wanted to know if Utilities is a part of the State contract for vehicle purchases. Utilities Director Murphy said that we are and the amount for the truck was in the budget for 2007. The cost came in under the amount budgeted.

Board President Swafford asked about a customer refund to Blackwell Construction. Assistant Director of Finance Horstman said that these were the installation credits that the USB approved on March 5th.

Motion carried. 5 ayes. 2 members absent, (Henke, Ehman).

ADDENDUM TO THE LEASE WITH THE BLOOMINGTON BOY'S AND GIRL'S CLUB TO PERMIT JOINT ACTIVITY WITH THE RIDDLE POINT ROWING ASSOCIATION:

Attorney Renfrow from the City of Bloomington's Legal Department explained that the Director of the Boy's and Girl's Club asked for an addendum to the long term lease they have with Utilities for the use of some of the property at Riddle Point on Lake Lemon. This lease was initially executed in 1996 for 15 years and then was extended to 2045 a few years ago. The Boy's and Girl's Club has been approached by the Riddle Point Rowing Association with the suggestion that the Rowing Association build a boat house on the Boy's and Girl's Club's property at Riddle Point. In exchange the Rowing Association would provide 100 hours per year of volunteer services and activities for the Boy's & Girl's Club's day camp which is held at Riddle park. The USB and the Lake Lemon Conservancy District are required to sign off on an agreement of this sort. On March 21, 2007 the Conservancy District unanimously agreed to this addendum and it now needs the approval of the USB. The addendum just says that the USB authorizes and permits the Boy's and Girl's Club as lessees of this property to do the things that are articulated in a Memorandum of Understanding that they will be entering into with the Rowing Association. The Rowing Association will build a boat house, they will jointly build a dock, they will be responsible for maintenance of the area and they will share the costs of utilities.

Board member Banach asked who would own the improvements. Ms. Renfrow said that the improvements will become a part of the property so they will essentially belong to Utilities.

Ex-officio board member Mayer asked if this situation had come about because Indiana University is no longer sponsoring the Rowing Association. They agreed that was the case.

Board President Swafford asked if maintenance and upkeep didn't happen, for example if the boat house or dock fell into a state of disrepair, who would be responsible. Ms. Renfrow explained that all of that would go back to the terms in the original lease which would mean that the Boy's and Girl's Club would be responsible.

Utilities Director Murphy said that the staff felt that this is a win win situation.

Board member Roman moved and board member Ehman seconded the motion to approve the addendum to the lease with the Bloomington Boy's and Girl's Club to permit joint activity with the Riddle Point Rowing Association. Motion carried. 6 Ayes, 1 member absent (Henke).

AGREEMENT FOR EXTENSION OF SEWER MAIN AND FACILITIES FOR STONECHASE SUBDIVISION:

Attorney Renfrow with the City of Bloomington Legal Department reminded the USB that almost 2 years ago they had heard a request for a sewer extension for a Beazor Homes development on W. Third St. called Stonechase. It was actually an appeal of a denial because sewer extensions are not normally acted on by the USB unless a denial is being appealed. In this case the property for which the extension was being sought was surrounded by properties with sewer service. The USB agreed to this sewer extension. This new agreement explains the details of how this will work and makes sure that Beazor covers the costs of this project. They have been helpful in providing an easement for a force main relocation that the S.R. 48 widening project made necessary. Their sewer extension will be a combination of a force main, lift station and gravity sewer. It will be their responsibility to install it and they will dedicate the easement for it to Utilities. Because of the topography it didn't make sense to require them to

do all gravity sewers so they will be allowed to put in some force mains and a lift station that will belong to Utilities. They will pay the current value of 20 years of upkeep on the lift station. They will pay \$40,000 up front and the normal per unit hook on fee of \$1,000 for 191 units. They have also provided a waiver of protest of annexation. Two new pumps will be needed for the lift station that they will pay for.

Board President Swafford explained to the newer members of the USB that this had been handled under Rule 24 in 2005.

Ex-officio board member Mayer asked if this would have any impact on the properties to the north of Stonechase Subdivision. Assistant Director of Engineering Bengtson said that it would not.

Board member Roman confirmed that in accordance with Rule 24 Beazor had requested the extension from the City Administration. The City Administration had denied them. They then appealed the denial to the USB who approved the extension. Mr. Roman re-confirmed the amounts that Beazor will be paying for the extension. He asked if what is being considered today is the actual contract resulting from the decision the USB made in 2005 regarding Beazor Homes. Ms. Renfrow agreed that it lays out the specifics of exactly how the extension will be executed so that it serves Stonechase without being a cost for existing rate payers. Mr. Roman asked if it was common for the USB to get requests for sewer extensions for properties located outside the city limits. He wanted to know if there is a mechanism for cooperation with the County Plan Commission. Ms. Renfrow explained that there are on going discussions with the County planning officials to determine where it makes sense to have some flexibility with regard to sewer extensions outside the city. Board President Swafford said that soon an Engineering Subcommittee meeting will be scheduled to discuss this further.

Board member Banach asked for an explanation of the annexation waiver. Ms. Renfrow said that anytime a contract is entered into to extend sewer service outside of the city limits state law requires that the developer or owner sign a waiver of the right to protest of annexation. The thinking behind this is that if you are close enough to a city to be using their sewer system then you are probably using their roads, their parks, etc. and may be able to do that for a long period of time with out paying the taxes to support this infrastructure so when the time does come to annex it shouldn't be protested. Mr. Banach asked if this property is contiguous to the city boundaries at this time. Mr. Bengtson said it's very close but not quite contiguous. Mr. Banach asked if the waiver of right to protest extends in perpetuity. Ms. Renfrow agreed that is the case.

Board member Roman moved and board member Ehman seconded the motion to approve the agreement for extension of a sewer main and facilities for Stonechase subdivision. Motion carried. 6 Ayes, 1 member absent (Henke).

APPROVAL OF GREELEY AND HANSEN CONTRACT AMENDMENT #1 FOR THE DILLMAN ROAD WWTP DISINFECTION AND DECHLORINATION IMPROVEMENTS:

Assistant Director of Engineering Bengtson explained that the staff engineer who had been in charge of this project has resigned from his position with Utilities. That left no one with the right qualifications for this project. This amendment is to contract with Greeley and Hansen for those services.

Board member Roman asked how the amount for this amendment is calculated. Mr. Bengtson said that Greeley and Hansen will provide a spreadsheet of man hours in relation to the work

that has to be done. Mr. Roman asked about the 150 hours mentioned in Exhibit B. Joe Teusch of Greeley and Hansen explained that there are 4 different tasks. The 150 hours is for construction administration which is for shop drawings that are needed in response to contractor questions. The amount for construction and inspection is equivalent to 5 weeks or 200 hours. Mr. Roman asked if the 150 hours are for tasks that were not performed by the departed Utilities engineer. Mr. Teusch said that was correct.

Board member Ehman moved and board member Roberts seconded the motion to approve the Greeley and Hansen contract amendment #1 for the Dillman Road WWTP disinfection and dechlorination improvements. Motion carried. 6 Ayes. 1 member absent (Henke).

BID REPORT – CENTRAL EAST BASIN SANITARY SEWER IMPROVEMENTS, CONTRACT #2:

Joe Teusch of Greeley and Hansen said that there were 3 bidders on this project. The bids ranged from \$784,328 by Insituform Technologies to \$916,000. He pointed out that this is the second of two contracts to complete the sewer lining project for the central portion of the city. These contracts were required by the City's agreed order with the Indiana Department of Environmental Management. The bids for the first contract were received in November of 2006. That bid was \$766,410. The two contracts total \$1,483,590 which is considerably below the budgeted amount of \$3,000,000. This particular contract involves just under 4 miles of sewer to be rehabilitated by being relined. One hundred six man holes will also be rehabilitated. Indiana University will share a portion of the cost coming to \$67,144. Mr. Bengtson said that some time ago IU staff members asked that some work be done on campus. They will pay for that portion of the work but it is included under the Utilities' contract. SRF requires that the USB approve the resolution to award the contract.

Board member Roberts asked if this is the same Company that did the first section of re-lining. Mr. Teusch said it is not. The first portion was done by Reynolds.

Board President Swafford asked if more contracts be considered in the future given the fact that the bids came in way under budget. Mr. Bengtson said that they plan to approach SRF over the possibility of expanding the scope of the project. This will probably be done with change orders.

Board member Roberts moved and Board member Roman seconded the motion to approve the resolution to award contract #2 for the Central East Basin sanitary sewer improvements. Motion carried. 6 Ayes. 1 member absent (Henke).

OLD BUSINESS:

Attorney Renfrow reminded the USB that some time ago she had told the board that a Property and Planning meeting needed to be scheduled because of some questions that a couple of property owners had about some property at Lake Lemon. Scheduling this has been complicated by several different things but it is becoming important that this get taken care of.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings. Meetings for Property and Planning, Engineering and the Administrative Subcommittees will be scheduled in the near future.

STAFF REPORTS:

Capital Projects Manager Hicks gave an update on the construction of the new Administrative Building. He said that the roof is complete and about 80% of the wall framing has been done. The dry wall is being installed starting at the south end of the building. The painters should be getting started in the next week. There was a meeting with the contractor at which they said the building will be finished on schedule.

Board member Ehman asked if the lease for the temporary office space leased from IU is month by month. Utilities Director Murphy said that the lease expires at the end of July. Mr. Ehman asked about the estimated time frame for the move. Mr. Hicks said that he anticipates the move will begin during the third or fourth week of June. The staff in the temporary trailers on site will move in first. By the second week of July the staff presently at Showers will begin to move.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:45 p.m.

L. Thomas Swafford, President