

UTILITIES SERVICE BOARD MEETING

March 19, 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 5:03 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, Tim Henke, Pedro Roman, Jason Banach, Jeff Ehman, Julie Roberts and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Mike Trexler, Tom Staley, Adam Wason, Mike Hicks, Phil Peden, Mike Bengtson and Adrian Reid. Others present: Rick Coppock representing Bynum Fanyo Associates, Inc., Ben Beard representing Gentry Estates, Margaret Fette representing the Libertarian Party and Sue Mayer.

MINUTES

Board member Roman moved and Board member Banach seconded the motion to approve the minutes of the February 19, 2007 and March 5th, 2007 meetings. Motion carried. 4 Ayes. 3 members absent, (Roberts, Henke and Whikehart).

CLAIMS

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

Claims 0790382 through 0790454 including \$109,901.06 from the Water Operations & Maintenance fund, \$162,008.29 from the Water Construction fund for a total of \$271,909.35 from the Water Utility; Claims 0730203 through 0730253 including \$119,086.42 from the Wastewater Operations & Maintenance fund and \$162,008.30 from the Wastewater Construction fund and \$145,569.13 from the Wastewater Sinking fund for a total of \$426,663.85 from the Wastewater Utility; and claim 0770025 through claim 0770027 for a total of \$909.89 from the Wastewater/Storm water Utility. Total claims approved – \$699,483.09.

Board member Roberts asked about the Dillman Road WWTP energy savings contract. Deputy Director Langley explained that the Utilities Department entered into an energy savings agreement with Citimortgage, Inc. to take measures at Dillman Road to save energy wherever possible. Citimortgage loans the money to make changes and are then paid back from the money saved through the energy savings.

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

Wire transfers and fees for the month of February 2007:

Board member Ehman moved and Board member Roman seconded the motion to approve the wire transfers and fees for the month of February, 2007 in the amount of \$575,179.67.

Motion carried. 5 Ayes. 2 members absent, (Henke and Whikehart).

APPROVAL OF CONTRACT WITH BYNUM FANYO FOR CONSULTING SERVICES FOR THE WIDENING OF STATE ROAD 48:

Assistant Director of Engineering Bengtson explained that there are several road widening projects taking place that will require the re-location of Utilities' mains. In this case State Road 48 is being widened from Curry Pike through Highland Village and on west to Hartstrait Road. The State coordinates the corridor that all the different Utilities use. They require that a plan, certified by an engineer, be submitted to them that show the location of the Utilities and that the design was coordinated with the State road plan.

Board President Swafford asked if there was a timetable for when this work would take place. Mr. Bengtson said that it will be bid sometime this summer. The construction cost has been in the budget for several years.

Board member Roman asked where the widening would take place. Mr. Bengtson said it would be from the Speedway located at Curry Pike and W. 48 going west past the Ivy Tech campus to the next major intersection which is Kirby Road to the south and Hartstrait Road to the north. The water and wastewater lines will have to be relocated for the entire length of the project.

Board member Banach asked if there is a deadline for this contract. Mr. Bengtson explained that this project is on such a fast track that the work is almost complete at this time.

Board member Roman pointed out that the contract had been pre-dated with the wrong date. Mr. Bengtson said this would be fixed.

Director of Utilities Murphy mentioned that the State had retained Bynum Fanyo to do the work on this widening for them. Mr. Coppock of Bynum Fanyo explained that they had originally done the sanitary sewer design for Mid State Engineering because the widening was going to cut through the sanitary sewers for some of the residents along S.R. 48. That company has gone out of business but the design was forwarded to the state. It made sense for Bynum Fanyo to continue on with the work.

Board member Henke asked that the USB be kept updated about projects that are pending financially. He also commented that he was pleased to see that the work is going to a local firm.

Board member Banach asked if the USB would be required approve any increases in the not to exceed amount in the contract. Mr. Bengtson said that any change order would have to be brought before the USB.

Board member Roman moved and board member Roberts seconded the motion to approve the contract with Bynum Fanyo for consulting services for the widening of State Road 48. Motion carried. 6 ayes. 1 member absent (Whikehart).

APPROVAL OF CONTRACT WITH BEAM, LONGEST AND NEFF FOR CONSULTING SERVICES FOR THE REPLACEMENT OF WATER AND SANITARY SEWER MAINS ON WEST THIRD STREET:

Assistant Director of Engineering Bengtson said that the Civil City Engineering Department has already started acquiring easements to widen West Third Street from Landmark Avenue to Franklin Drive. This will make it necessary for the water and sanitary sewer lines be relocated. Beam,

Longest and Neff will design these changes since they are the contractor for the road design. The not to exceed amount is \$36,600.

Board member Ehman pointed out that the contract says Cory Lane. Ex-officio board member Micuda confirmed that the work will be starting a Landmark Avenue which is a little east of Cory Lane.

Board member Roberts moved and board member Henke seconded that motion to approve the contract with Beam, Longest and Neff for consulting services for the replacement of water and sanitary sewer mains on West Third Street. Motion carried. 6 ayes. 1 member absent, (Whikehart).

APPROVAL OF CONTRACT WITH BUTLER, FAIRMAN AND SEUFERT, INC. FOR CONSULTING SERVICES FOR WATER MAIN IMPROVEMENTS AT COUNTRY CLUB DRIVE AND ROGERS STREET:

Assistant Director of Engineering Bengtson explained that the Civil City Engineering Department has a side path project on Country Club Drive extending a little east of Rogers Street to the trailhead. The water main will start at the trailhead and extend to Rockport Road where it will hook in to an existing 24" main. This will be a portion of the new water main from Lake Monroe. This project will enhance fire protection for people to the south of Country Club Avenue.

Utilities Director Murphy pointed out that this is another case where Utilities will be using the same firm that was engaged by the Civil City, Butler, Fairman and Seufert, Inc. Mr. Bengtson said that the contract is for a lump sum fee of \$18,960.

Board member Roman commented that he is pleased to see Utilities partnering with the Civil City.

Board member Roberts asked that the record reflect that not everyone is in favor of widening traffic capacity east/west. She said that widening traffic capacity is like loosening your belt to loose weight. She asked if property owners receive any compensation for having their mature trees removed. Mr. Bengtson said he had not been involved in that part of the project but typically an opportunity to negotiate these kinds of issues is provided.

Board member Banach moved and board member Roberts seconded the motion to approve the contract with Butler, Fairman and Seufert, Inc. for consulting services for water main improvements at Country Club Drive and Rogers Street. Motion carried. 6 ayes. 1 member absent, (Whikehart).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

Board President Swafford announced that there would be a Property and Planning Subcommittee meeting on March 28th at 2:30 p.m.

STAFF REPORTS:

Assistant Director of Engineering Bengtson introduced Phil Peden who recently was hired to join the Engineering Department. He graduated from Purdue University with a double major in Civil Engineering and Land Surveying and has passed the first half of both tests which will lead to him being licensed.

Mr. Bengtson announced that the sewer lining project is going very well. At this time about 3,000 feet have been lined with no significant problems. Utilities Director Murphy mentioned that the second part of this project will be bid on the 20th of March.

Capital Projects Manager Hicks reported that things are going well with the new Administration Building. Today they got the final approval to finish the roof construction. When that is done it will be possible to move ahead with more of the inside work. The steel studs for wall framing are being put in place.

Public Affairs Specialist Adam Wason showed the USB a Power Point presentation he had made about the Rental Services online feature. This feature will allow property owners and rental agents to check to make sure their tenants have paid their Utilities bill before they return the deposit. If wastewater bills remain unpaid it can result in a lien being put on the property. On Wednesday, March 28th Mr. Wason will give this presentation to the Apartment Association.

Board member Roberts asked if this service will be just for wastewater or if it will be for delinquent water bills. Mr. Wason explained that the State requires that liens be filed for unpaid wastewater bills whereas unpaid water bills may be sent to a collection agency. The storm water fee is included with wastewater.

Board member Ehman said that he had noticed that a part of the program allows Utilities staff to check the address entered by the property owner against the address in the Utilities data base. He asked if that would require very much staff time. Mr. Wason said that it might take some time initially but once the beginning rush is over it should not consume very much time.

Board member Banach said that he thinks this is a great idea. It's a much bigger problem than most people think and the Apartment Association is a good venue for launching this project.

Board member Roberts mentioned that she had heard that the fact that people can not change their Utilities service on line has been a source of frustration. Other Utilities do allow for this.

Budget Analyst Trexler pointed out a small change in the Financial Statements for January, 2007. The statement of operating expenses no longer separates supervisory wages from labor wages. That was needlessly complex. He also reported that the State Board of Accounts Auditor had arrived on Monday to begin the annual audit.

Mr. Trexler informed the USB that as of the end of 2006 the net income for the Utilities Department was about \$3.8 million between water and wastewater. The majority of that is already earmarked for projects. He also explained that some of the bonds held by Utilities require the maintenance of a debt reserve. These reserves may be held in trust by another organization. JP Morgan holds a number of the reserves for the SRF funds. Some are also invested in long-term CD's that are held by the Utilities Department. There is a requirement to maintain a 60 day reserve in Operations and Maintenance.

Board member Banach asked if there were any criteria that govern Utilities' investments. Mr. Trexler said that the general theory is that public investment should be as risk averse as possible. Because of that all investing is typically in CD's. Mr. Banach asked if that is mandated or an internal policy. Mr. Trexler replied that as far as he knows it is an internal policy.

PETITIONS AND COMMUNICATIONS:

Board member Ehman told the USB that he serves on the Environmental Resources Advisory Committee for the Parks & Recreation Department. He said that on Friday they will be receiving proposals for the update of the Lake Griffy master plan.

ADJOURNMENT:

The meeting was adjourned at 5:38 p.m.

L. Thomas Swafford, President