

UTILITIES SERVICE BOARD MEETING

April 8, 2013

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 5:00 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: Julie Roberts, John Whikehart, Jason Banach, Sam Frank, Pedro Roman, Jeff Ehman, and Tim Mayer, Ex Officio. Staff members present: Patrick Murphy, John Langley, Mike Bengston, Tom Axsom, Tamara Ratliff-Roberts, Missy Waldon, Jon Callahan, Mike Hicks, Jane Fleig, Phil Peden, Evelyn Brophy, Danise Alano-Martin, and Jason Carnes. Others present: Sue Mayer, Pete Batule, and Doug Dayhoff.

MINUTES

Board Member Ehman moved and Board Member Frank seconded the motion to approve the minutes of the March 25th, 2013 meeting. Motion carried, 6 ayes, 1 member absent (Swafford).

CLAIMS

Board Member Ehman moved and Board Member Roman seconded the motion to approve the claims as follows:

Vendor invoices submitted to the controller's Office on April 12th, 2013 included \$269,313.69 from the Water Utility; \$274,726.39 from the Wastewater Utility; and \$430.00 from the Wastewater/Storm water Utility. Total Claims approved, \$544,470.08.

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

REPORT FROM ADMINISTRATIVE SUBCOMMITTEE ON CUSTOMER APPEAL

Administrative Subcommittee Chair Whikehart reported from the Administrative Subcommittee meeting held earlier, where an appeal was heard from Upland Brewing Company on surcharges for the month of November 2012. At the conclusion of the meeting, the subcommittee voted to deny the appeal and brings that recommendation forth to the full board. Mr. Doug Dayhoff and Mr. Pete Batule from Upland were present at the meeting and available for questions.

Mr. Dayhoff, President of Upland Brewery, spoke and proposed that item be tabled while staff can gather further data that was not presented earlier regarding their sampling efforts, and then compare the data. Mr. Dayhoff explained the beer-making process as batch-oriented, where water is mixed with barley, boiled, and then moved on down the line. There are different points during that process in which they discharge small amounts of high-strength effluent. In collaboration with CBU, Upland had previously worked on a process to monitor the discharge, which includes an occasional draw for sampling. If a draw is done during the peak discharge period, as Upland believes was the case in November, a charge is then applied against 344,000 gallons for that month as if all of it was high-strength discharge sent to the treatment facility. Because of the unique nature of Upland as a

customer, it is being requested that the item be continued so that the subcommittee can gather more data and consider whether the calculation is correct and accurate.

Board Member Roman asked whether Upland would consider installing certain equipment to facilitate self-sampling and closer monitoring of activity. Mr. Dayhoff responded positively and added that they have already invested \$40,000-\$50,000 in rudimentary pretreatment activities such as getting solids to settle out so they can address many of the issues. They have plans to spend more in that direction, and hence feel the size of the surcharge itself sets them back in their efforts to make improvements in effluent management. Certainly, in the interim, from a transparency standpoint, more sampling and more transparency would probably be a good thing.

Mr. Roman asked Deputy Director Langley if there have been cases like this before. Mr. Langley responded that there have been surcharges based off of an ordinance for industrial customers. Mr. Roman clarified that the method involved one sample, then applied to a month's period, and Mr. Langley confirmed. Mr. Roman asked who is in charge of verifying that discharged waste is within code, and Mr. Langley reviewed that Utilities' lab does the calculation on the sample and then Utilities makes sure the ordinance is applied as written. This particular sample was checked at the staff level three different times. The lab was asked to double-check this sample, and the finance department was asked to look at the charges applied. Mr. Roman wanted to be clear on where the burden lies when Utilities enters into an agreement with an industrial customer.

Director Murphy added that he has no qualms with the staff or the procedures followed in this case. He complemented Upland for the positive discussion that has occurred. While he does not feel that there would be anything new or different to add to what is being discussed, he suggested that one option could be to continue the motion so that staff could review everything further. This would be with the caveat that we may still have the same result, but we would have to agree to move forward if that is the case. Utilities would be happy to do that.

Board Member Whitehart commented that it is never a waste of the Board Members' time to come in for a subcommittee meeting. Everyone agrees that they want to support local entrepreneurs and not penalize anyone unfairly. With Vice Chair Roberts' concurrence, he suggested that the item be continued until staff and Upland can hold further conversations.

Board Member Banach moved and Board Member Roman seconded the motion to continue the item within 30 days.

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

Board Member Ehman commented that he would have had to pass on a vote, as he had not had sufficient time to gather information regarding the basis of the subcommittee's recommendation. He read the packet materials and had questions, but would like to know the rationale behind a recommendation from a subcommittee in case a Board Member is unable to attend a subcommittee meeting.

OLD BUSINESS:

None

NEW BUSINESS:

None

SUBCOMMITTEE REPORTS:

None

STAFF REPORTS:

Phil Peden, Engineer, presented a glimpse of an upcoming contract for professional services with Greeley and Hansen in regards to the South East Sewer Basin Rehabilitation Division II. That will include the Medium Priority Sewers Rehabilitation and the Central East Basin. They have completed previous lining projects for Utilities and the design for those, i.e., the Highland Village Project. As an engineer, Mr. Peden wanted to present some numbers to the Board. When looking at linear footage for Highland Village vs. the linear footage of pipe proposed to be lined in this project, the charge for engineering services was \$5.20/foot for Highland Village and \$4.16/foot for the upcoming project. That also includes 267 manholes to be rehabbed compared to just 100 in the Highland Village project. Mr. Peden offered that this vendor was chosen as they always do a good job, and come in at a good price. They have completed preliminary engineering reports for both basins, so they're familiar with the project, already have the drawings completed, and we've had good experiences with them in the past. The Board will see the contract presented at the next meeting. This is the final project under the Agreed Order that has yet to commence.

Director Murphy added that there is one other project within the Agreed Order that will be at final completion and that is the Spankers Branch. In terms of our Agreed Order, Utilities is ahead of schedule.

Mr. Murphy also updated the Board that Utilities' Purchasing Manager and Assistant Director for Finance and him have met to begin the process of vehicle replacement, which will make us more fuel efficient and save on maintenance costs.

Additionally, Utilities has been in touch with the new City Controller regarding the pilot payment, as discussed previously. As Controller West acclimates to her new position, she will be working with Utilities on that.

PETITIONS AND COMMUNICATIONS:

None

ADJOURNMENT:

The meeting was adjourned at 5:22 p.m.

Julie Roberts, Vice President