

UTILITIES SERVICE BOARD MEETING

July 29th, 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 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 Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Julie Roberts, Pedro Roman, Dam Frank, Jason Banach, John Whikehart, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, John Langley, Mike Bengtson, Tom Axsom, Michael Horstman, Jane Fleig, Phil Peden, Jon Callahan, and Michael Carter. Others present: Larry Jacobs of the Greater Bloomington Chamber of Commerce and Sue Mayer.

MINUTES

Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the July 15th meeting. Motion carried, 6 ayes, 1 member absent (Ehman).

CLAIMS

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

Vendor invoices submitted to the Controller's Office on August 2nd included \$343,257.18 from the Water Utility; \$239,446.72 from the Wastewater Utility; and \$22,611.93 from the Stormwater Utility. Total Claims approved, \$605,315.83.

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

REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BLOOMINGTON UTILITIES AND THE DEPARTMENT OF PUBLIC WORKS FOR 17TH AND ARLINGTON PROJECT

Engineer Jane Fleig presented this item. The Department of Public Works (DPW) has been working with a consultant to prepare plans to reconstruct the intersection of 17th Street and Arlington Road. As a result of this work, CBU will have to relocate some of its large diameter water mains and some sanitary sewer infrastructure. CBU contracted with the same consulting firm to prepare utility relocation plans and the work will be incorporated into the bid for the project. Since the project is partially funded by the Federal Highway Administration, the Indiana Department of Transportation (INDOT) will solicit bids, award the contract and oversee the construction. As with all roadway projects, Indiana law requires that any utility located in the right-of-way must bear the cost of relocating to accommodate a roadway project. However, INDOT's policy is that it will pay 80% of the cost of relocation for any municipally-owned utility, so CBU's share of the cost of this project is 20%. The documents to be considered include estimates of the relocation cost, but the amount to be paid will be based on the actual cost.

CITY/COUNTY UTILITY REIMBURSEMENT AGREEMENT must be executed for INDOT to include the utility relocation work in the construction contract. The language included with the document is a little different than that CBU typically uses, but is INDOT's standard and has been reviewed and approved by City Legal. The parties to the Agreement are CBU and DPW which is the "Local Public Agency ("LPA") that INDOT deals with for the purpose of this project. The Agreement assures INDOT the LPA is prepared to pay its share of the utility relocation work, which will be 20% of the cost of the actual work. The total agreement is in the estimated amount of \$891,000 and indicates CBU will be responsible for an estimated \$178,200, while the LPA will bear the remaining \$715,800 using Federal Funds. The DPW will tender to INDOT the 20% share of the cost of CBU utility relocation, and those funds will come from CBU, which is the subject of the second item (the Memorandum of Understanding the USB will consider this evening.

Board member Roberts moved and Board member Roman seconded the motion to approve the City/County Utility Reimbursement Agreement for the 17th and Arlington Project. Motion carried, 6 ayes, 1 member absent (Ehman).

The MOU between CBU and DPW was prepared by City Legal and is similar to previous agreements between CBU and DPW for INDOT-funded projects requiring CBU utility relocation (West 3rd Street, South Rogers Street for example). It provides that CBU will responsible for 20% of the relocation costs for CBU's infrastructure and will issue payment to DPW once the bids have been received so that DPW can pay those funds to INDOT. The total agreement is in the estimated amount of \$885,000 and indicates CBU will be responsible for an estimated \$177,000. Once the project has been bid and a contract awarded, CBU will bring a claim for payment of CBU's 20% share to the USB for its approval. Both the "City/County Utility Reimbursement Agreement" and the MOU base the costs of the Engineer's estimate CBU received from its consulting firm in March and final costs will be based on the bids received for the work and possible addenda to the construction contract. There is a discrepancy of approximately \$6,000 between the "City/County Utility Reimbursement Agreement" and the MOU as to the total estimated cost of the relocation work. That is because the relocation of a sanitary sewer later has been included on the utility relocation plans to ensure the work conforms to CBU construction specifications, but it is not an expense to be borne by CBU. Sewer laterals are private, but the cost to relocate them is typically borne by the entity funding the road reconstruction project (in this case, FHA and DPW). DPW is aware of this and will be including this in their share of the project cost.

Board member Roberts moved and Board member Roman seconded the motion to approve the Memorandum of Understanding between CBU and DPW for the 17th and Arlington Project. Motion carried, 6 ayes, 1 member absent (Ehman).

OLD BUSINESS:

N/A

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Murphy said there is a new timeline for City Budget Hearings. CBU will present its budget to the City Council on Wednesday, August 21. Mr. Murphy indicated the CBU budget includes few new items as the Utility continues to grow its reserves. He requested the USB conduct a Finance Subcommittee work session next week to talk about the budget, as well as the inter-departmental memo with the City of Bloomington. The USB decided the Finance Subcommittee will meet next Monday, August 5 at 4 p.m. This public meeting will be posted by this Thursday at 4 p.m. The USB will give final approval to the budget during its meeting on August 12.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:21 p.m.

L. Thomas Swafford, President