

UTILITIES SERVICE BOARD MEETING

May 5th, 2014

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, Jim Sims, Sam Frank, Jeff Ehman, Jason Banach, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Tom Axson, Jon Callahan, Mike Bengtson, Phil Peden, and Nolan Hendon. Others present: Joe Teusch, Bill Riggert, Sue Mayer, Melissa Clark, Tim Clark, and Valerie Lonneman.

MINUTES

Board Member Roberts moved and Board Member Ehman seconded the motion to approve the minutes of the April 21st meeting. Motion carried, 6 ayes, 1 member absent (Roman).

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 May 9th included \$101,247.44 from the Water Utility; \$96,027.96 from the Wastewater Utility; and \$848.80 from the Stormwater Utility. Total Claims approved, \$198,124.20.

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

Board Member Ehman inquired about four claims to Omni-site.net for "repairs of omni alarm", in the amount of \$123.00 each. He wondered if that equipment is owned or leased. Assistant Director of Engineering Bengtson replied that we own the equipment but pay a monthly fee to receive information via a website. We have over 36 of those stations, and four needed upgrades recently.

Vice President Roberts inquired about nine different charges to Everett J Prescott, Inc. Each has an inventory title and number, but no descriptive information. Mr. Bengtson informed that those are for polywrap, which is a coating for pipes before they are laid underground. Ms. Roberts commented that usually the descriptions on the claims list are more informative. Similarly, claims for HD Supply Waterworks offer an inventory title and code, but no description. Director Murphy stated that these particular claims previously were charged to credit cards, so the detailing of them on the claims list is a new process and will be improved.

President Swafford asked about the credit card purchases in the amount of \$3,314.23. Mr. Murphy informed these are some final ones as credit card use was halted in April.

Mr. Swafford also asked about legal services in the amount of \$1,540.00 to Mallor Grodner Attorneys. Deputy Director Langley replied that it is for legal work related to the second and final amendment to the consent decree, and language added regarding permanent environmental restrictive covenants

around Illinois Central Water Plant property and the Lemon Lane property. This was done to protect the city's access rights to those sites in the future.

Mr. Swafford inquired about the payments to Monroe County government for Stormwater fees. Assistant Director of Finance Horstman informed that the county enacted Stormwater fees a couple of years ago and CBU pays those for all our sites in the county. The county also pays us for their sites in the city.

Finally, Mr. Swafford asked about a claim to Richard's Small Engines, for Scag Turf Tiger mowers, totaling \$50,650.00. Assistant Director of T&D Axsom explained that we traded in six older units and purchased five new, for both the Dillman Road Wastewater Facility and the service building.

Board Member Banach followed up and inquired about CBU mowing its own grass. Has there been a comparison done to see if contracting that out would be more cost effective? Mr. Langley replied that it has been analyzed and determined that it is given the amount of grass mowed between all properties surrounding tanks, plants, etc. Mr. Langley suggested that he could refer the Purchasing Manager to the board if they would like full detail, as that is who handled the process of soliciting bids.

Wire transfers and fees for the month of May, 2014:

Board Member Roberts moved and Board Member Ehman seconded the motion to approve the wire transfers and fees for the month of May in the amount of \$309,937.46.

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

President Swafford asked if CBU staff have reviewed the payroll detail list and certified the numbers. Director Murphy affirmed.

REQUEST FOR APPROVAL OF DILLMAN ROAD WWTP PROCESS AIR SYSTEM STUDY

Assistant Director of Engineering Bengtson presented this request to have Greeley and Hansen assess the condition of the existing process air equipment and make recommendations on proposed improvements, cost estimates, and implementation schedule. The equipment has been there since 1982 and since then there have been changes in technology as well as changes in our system we cannot seem to explain. Next to pumping water, this process is the most expensive one, and we want to be as efficient as possible.

We have worked with Greeley and Hansen extensively at the plant. The contract is not to exceed \$57,300.

Board Member Sims asked why CBU did not consider issuing a Request for Proposals (RFP). Mr. Bengtson stated that not only was the cost very reasonable, but CBU has worked with this company very well in the past and deemed them the best candidate. Director Murphy added that the threshold for requiring multiple bids is \$150,000. In this case, the company's extensive knowledge of our system and their work on our Agreed Order, as well as their established reputation and competitive knowledge base and broad experience puts us in a position to not have to start over in establishing a knowledge base with someone else. We are currently looking at a water modeling contract which would be over \$150,000, and in that case we did solicit three proposals. In this situation, the knowledge base and the fair price were both present, and staff were very comfortable with this.

Board Member Frank asked what the expected life on the system was when first installed, and what would be the life of a new one? What savings can we anticipate from any recommendations that result from this study?

Joe Teusch of Greeley and Hansen addressed the board. He shared that typical equipment life is 15-25 years. We're at 32 years. It is certainly time to assess what is working and what is not. The tanks around the system could last 50 to possibly 100 years, depending on how aggressive the chemical usage is. Typically, a 20 year equipment life average is used by engineers, and 50-100 on tanks. The utility has always been concerned about its rate payers and has been energy and sustainability-minded. About a decade ago, the fine bubble infusers were added to the system. The fine bubbles present a larger surface area and lead to more efficient treatment. When CBU did that, they essentially cut the electric bill in half. Now this study is really the next step as we evaluate how much air we are leaving on the table and what is it costing. If we could tie the dissolved oxygen concentration in the tank to the blowers, that can be really regulated and could save an estimated additional \$50,000/year.

Mr. Sims inquired about Article 22 in the contract, which references verification of new employees' immigration status through E-Verify, as long as the system is in place. What would happen if that program were no longer in use? Director Murphy referred Mr. Sims to Barbara McKinney in the Legal Department, who handles that process and might have discretion were the program discontinued.

Vice President Roberts inquired about Exhibit E and Exhibit F, Affidavit regarding E-Verify and Affidavit regarding No Investment in Iran. In both, the county and state signatures were crossed out and replaced with Cook County, Illinois. Is this because the company is headquartered in Illinois? Mr. Teusch confirmed that it is, and the notary public who signed the documents is commissioned in Cook County. Mr. Murphy explained the one about not investing in Iran is a newer state law which was passed.

Board Member Ehman asked about recent studies Greeley and Hansen have completed, and what the results were. Mr. Teusch recapped that this study would be a two part process. The first would be capital equipment (the fine bubble infuser) review and then the control aspect, i.e., using instrument to measure dissolved oxygen concentration, that in turn can send signals back to the blower that tell it whether there's too much air or not enough air. Staff can follow the diurnal flow and loading pattern throughout the day versus having an operator determine every four hours that they should check the dissolved oxygen and adjust the blower accordingly. This study is really the second part, the control aspect. Mr. Ehman asked what the payoff period might be in any capital costs. Mr. Teusch replied that normally at about 4-6 years on the blowers, and then the controls would be far less than 20 years, perhaps 8-12 years, depending on energy rates. That is what they've seen with other places.

Board Member Roberts moved and Board Member Ehman seconded the motion to approve the Dillman Road WWTP Process Air System Study.

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

OLD BUSINESS:

N/A

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Deputy Director Langley informed the board of some upcoming vacancies. John Trotter, Superintendent of the Monroe Water Treatment Plant, has been with CBU for forty years. Steve Drake, the Superintendent of Dillman Road, has been with CBU 46 years. They both plan to retire at the end of the summer, and the timing is related to a change in the way that the Public Employee Retirement Fund is paying out annuity payments. Employees retiring by the end of this summer will receive a larger interest rate. These two men have a really unique combination of common sense and exemplary professional knowledge and have given us a seamless history of leadership between them. We will all miss them and are happy for them.

Two other long-term employees are also retiring this summer, including Diana Schmidt at the Monroe Plant, who has been at CBU 36 years and a long time night operator. The positions have been posted as of today. We will keep the board informed as to the progress. If you see any of these folks out there, please thank them for dedicating their lives to us. These are people who do more for the environment in one hour of a day than most people do their entire lives.

Director Murphy added that we will aim for overlap in the superintendent positions, and CBU is working with Human Resources to assure there is at least a month of that. The requirements are a bit more stringent than they once were and we hope for some great candidates.

Assistant Director of Finance Horstman addressed the board and stated that he handed out financial statements at the last meeting and wanted to see if anyone had questions regarding those. There were none.

PETITIONS AND COMMUNICATIONS:

Board Member Ehman introduced students from his SPEA class, E529 Applications in GIS and another course, E555 Best Management Practices for Healthy Urban Watersheds. Tim Clark and Valerie Lonneman are Masters' students who recently completed a stormwater project. They had looked at a small watershed that drains out of Devon Lane. Mr. Ehman related this to CBU's neighborhood projects and the long list of ones we'd like to address despite finite resources. The student looked at best management practices that adjacent landowners could utilize to help alleviate the problems with annual and event-based runoff. (Please see attached presentation).

ADJOURNMENT:

The meeting was adjourned at 6:03 p.m.

L. Thomas Swafford, President