

UTILITIES SERVICE BOARD MEETING

May 19th, 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 Tom Micuda, Ex-Officio. Staff members present: Patrick Murphy, Missy Waldon, Mike Hicks, John Langley, Jon Callahan, Tom Axsom, Phil Peden, Rachel Atz, and Nolan Hendon.

MINUTES

Board Member Roberts moved and Board Member Sims seconded the motion to approve the minutes of the May 5th meeting. Motion carried, 6 ayes, 1 member absent, (Roman).

CLAIMS

Board Member Roberts moved and Board Member Sims seconded the motion to approve the claims as follows:

Vendor invoices submitted to the Controller's Office on May 23rd included \$209,312.84 from the Water Utility; \$246,200.81 from the Wastewater Utility; and \$9,167.71 from the Stormwater Utility. Total Claims approved, \$464,681.36.

Board Member Ehman inquired about claims to Everett J Prescott. One reads "6" Omni F2 compact meter for Collegiate 2 @ \$8,556.88", however the total for the claim of \$22,078.66 is more than two of the quoted prices. Director Murphy pulled the full claim and back-up and read the full description of the purchases on that, which all added up to the total.

Board Member Frank inquired about the claim to Baugh Enterprise for printing and mailing bills, in the amount of \$11,031.56. Mr. Frank asked about the state of electronic billing. Director Murphy relayed that many more pay their bill online than choose to have their bill e-mailed to them. CBU has tried to work on that by promoting the program. Customers who sign up online can receive a great deal of additional information regarding their account, as well. President Swafford commented on how many people come into the service center in person to pay their bills. Mr. Murphy affirmed, and believes that people appreciate the opportunity to speak to someone in person regarding their payment or account.

Vice President Roberts asked about a claim to United Rentals for a "4" Wacker PTS 4V Trash Pump" in the amount of \$3,176.00, and whether this was a purchase or a lease. Assistant Director of T&D Axsom replied that we purchased a new trash pump for main breaks. Ms. Roberts also inquired about a claim to Utility Pipe Sales for 65 angle ball valves in the amount of \$10,052.00. Mr. Axsom stated that these were the valves for meter pits.

Board Member Sims noticed a claim to the Madison County Council of Governments, in the amount of \$170.00, and inquired regarding the 2014 MS4 Annual Meeting described in the detail. Director Murphy relayed that a workshop regarding stormwater was put on by that group and two engineering

project managers were attending in order to learn about MS4 and finding the ordinary high water mark for streams.

President Swafford noticed a claim to BBC Pump and Equipment for a "Volute & Impeller for Arlington", in the amount of \$7,570.40 and requested clarification on those pieces of equipment. Mr. Axsom explained that the volute is the housing for the impeller.

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

Board Member Roberts moved and Board Member Sims seconded the motion to approve the ACH payments as follows:

Vendor invoices that will be submitted to the Controller's Office on May 19th included \$816,495.00 from the Water Utility. Total Claims approved, \$816,495.00.

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

Wire transfers and fees for the month of May:

Board Member Roberts moved and Board Member Sims seconded the motion to approve the wire transfers and fees for the month of May in the amount of \$392,525.38.

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

OLD BUSINESS:

N/A

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

Finance Subcommittee Chair Frank reported from a meeting, in which the committee heard a preliminary report regarding the Cost of Service Study that has been underway. The briefing was general in nature, explaining the process of the study. A report draft was handed out to the board and Mr. Frank asked that everyone review it and the board will discuss it at an upcoming meeting.

STAFF REPORTS:

Capital Projects Manager Hicks gave a presentation introducing a project plan for Dillman Road Wastewater Treatment Facility clarifiers improvements. The plant has six final clarifiers. These are

100' diameter concrete basins with steel clarifying equipment in them which scrape sludge through the valves in the bottom of the basin so it can be treated. In 2005, four of these basins were improved, and now the other two are in need of improvements. Mr. Hicks displayed pictures of the equipment, with coating system on the steel beyond its lifespan. It is corroded and no longer galvanized. It is time to get a coating back on and extend their use as much as possible.

Work would include removal of existing coatings. The primer is believed to be lead-based and hazardous and will therefore require careful treatment. All the steel will be sandblasted to clear white and structural steel repairs will be made where needed. Some concrete repair will be needed where some cracks exist. Finally, the contractor will apply a new coating system to all steel surfaces.

Staff expects to get about 20 years of life from this process. The preliminary opinion on cost is just under \$400,000.00 and it is in the 2014 CBU budget for extensions and replacements.

Vice President Roberts inquired whether staff are confident that enough metal exists beneath the rust to repair. Mr. Hicks suggested that would be evaluated by structural engineers. Ms. Roberts wished to confirm that if the scope of the project were to change, the board would be consulted. Director Murphy noted that while this project has been earmarked, there is also a contingency fund which is fairly robust in wastewater. CBU recently paid off an energy savings bond, among other things. Mr. Hicks added that structural engineers would assess this concern before a bid was put out for the work, and the board would be kept informed.

President Swafford asked what the timeframe for this project would be. Mr. Hicks replied that the season does dictate the timeline to a great extent, as painting is seasonal. If an engineer was brought onboard within a month, September through November would be the construction months, with the project wrapping up in December, but this is an aggressive schedule. Mr. Murphy stated that a design engineer will be secured first and a contract for that portion would be brought before the board.

Mr. Murphy would like to convene the Administrative Subcommittee in the upcoming weeks to hear an appeal by a customer regarding a pretreatment violation. There is also a need to schedule a committee meeting to hear a request for wastewater credits by a local industry.

Mr. Murphy updated the board on progress on the Agreed Order, which requires CBU to fulfill its obligations by the end of 2014. A six month monitoring period follows that. The \$5 million bond covered the various items on the list, and most of the projects on the initial list for that bond have been completed. With some bids coming in lower than anticipated on a couple of those projects, there is some extra money to use towards other projects specific to Dillman Road Wastewater Treatment Facility and the Agreed Order. One of these is the liner of the EQ basin, a 45 million gallon basin which is essential to CBU's ability to handle wet weather events. Last year the board approved design work for that project with United, and the design engineer came up with two different proposals for addressing this need, one for about \$800,000 and the other for about \$1.1 million. The latter would involve more concrete and be the preference of the engineers. Mr. Murphy believes \$1.6 million remain in the bond. Remaining in the contract with United is the bid specification portion, and Mr. Murphy would like to discuss taking advantage of this situation and moving forward with the project. The EQ basin is the cornerstone of what we do and this is a project which would impact CBU for a long time.

Mr. Swafford asked if funds in the bond would cover the concrete option and Mr. Murphy replied affirmatively. Capital Projects Manager Hicks added that the selected plan is actually a hybrid, with concrete on the steepest slope side and traditional fabric on the other. The problem has been with the side of the concrete. Concrete around the entire basin would be rather expensive.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:26 p.m.

L. Thomas Swafford, President