

UTILITIES SERVICE BOARD MEETING

June 30th, 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 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 Administrative Building in Bloomington, Indiana.

Board members present: Julie Roberts, Jim Sims, Sam Frank, Jeff Ehman, Jason Banach, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, Michael Horstman, John Langley, Tom Axsom, Mike Bengtson, Tamara Roberts, Rachel Atz, Jon Callahan, Phil Peden, Mike Hicks, Nolan Hendon, and Nancy Axsom.

MINUTES

Board Member Ehman moved and Board Member Sims seconded the motion to approve the minutes of the June 16th meeting. Motion carried, 5 ayes, 2 members absent, (Swafford, Roman).

CLAIMS

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

Vendor invoices submitted to the Controller's Office on July 3rd included \$255,151.36 from the Water Utility; \$136,133.97 from the Wastewater Utility; and \$41,385.19 from the Stormwater Utility. Total Claims approved, \$432,670.52.

Motion carried, 5 ayes, 2 members absent, (Swafford, Roman).

Board Member Ehman inquired about a claim to Lewis Roca and Rothberger, and whether it involved the services of attorney Dave McGimpsey. Director Murphy affirmed. Mr. McGimpsey has worked with staff on the conservation plan. He will be filing the plan with the Utilities Regulatory Commission.

Board Vice President Roberts asked for clarification on a claim to the State of Indiana, described as "renewal fee for DSL for Dan Rogers". Assistant Director of T&D Axsom explained that DSL is a water treatment license linemen are required to hold.

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

Board Member Ehman moved and Board Member Sims seconded the motion to approve the wire transfers and fees for the month of May in the amount of \$700,581.72.

Motion carried, 5 ayes, 2 members absent, (Swafford, Roman).

Board Member Ehman 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 June 23rd included \$1,473,893.75, from the Water Utility and \$731,020.26 from the Wastewater Utility. Total Claims approved, \$2,204,914.01.

Motion carried, 5 ayes, 2 members absent, (Swafford, Roman).

REQUEST FOR APPROVAL OF A CONTRACT WITH SOUTHERN MONROE WATER AUTHORITY:

Southern Monroe Water Authority (SMWA) would like to continue this to the next meeting. Their engineering company expressed the need to do some additional calculations and projections based on figures in the contract, and would like to continue this item at the July 14th meeting.

REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH PRINTPACK, INC.:

Assistant Director of Engineering Bengtson presented this item, which had been previewed to the Finance and the Property and Planning Subcommittees earlier this month. Printpack, Inc. has requested credits to their sewer charges, based on evaporation of metered water to their cooling towers. Staff has gathered information for nearly two years on the water used and the effluent discharged in return. Mr. Bengtson noted the percentages have shifted some recently towards higher sewer discharge, possibly due to a malfunction in equipment, but there is still much evaporation. He proposes a 60% credit, with the MOU in place for one year before reevaluating.

Board Member Mayer asked how often the meters are read at Printpack, and whether that is done remotely. Mr. Bengtson replied that he believes they are read remotely, and they are read at the same time as all others, monthly.

Board Member Ehman moved and Board Member Sims seconded the motion to approve the Memorandum of Understanding with Printpack, Inc.

Motion carried, 5 ayes, 2 members absent, (Swafford, Roman).

REQUEST FOR APPROVAL OF A COMPLIANCE SCHEDULE FOR HALL SIGNS, INC.

Pretreatment Coordinator Roberts gave some background regarding this matter. In December, 2013, Hall Signs completed routine sampling, required twice per year for metal finishing requirements and local limits. The results exceeded limits for chromium and zinc at the metal finishing location, in metal finishing tank 1, which is a batch discharge tank that is sampled prior to release of discharge. They did not get sample results back prior to releasing. This tank had not been tested previously or routed through the system, so results were not predicted. In the manhole outside the facility, local limits were violated for phosphorus, chromium, and molybdenum. Phosphorus is a new one for us to test for, put on our NPDS permit and when we did local limits evaluation a few years ago, we passed the limit along to permittees. Hall Signs reached significant noncompliance for all of these contaminants. There are different methods for determination of this. In accordance with our enforcement response plan, they were then required to submit a compliance schedule and the board is required to review it.

Hall proposed to submit a drawing, stamped by an engineer. This has already been accomplished. They also proposed to switch out a caustic chemical that contained phosphorus. They will also switch out their chromic acid chemical, which is the source of the molybdenum. There is a galvanized post in metal finishing tank #1, where the chromium and zinc were found, which will be dealt with. They are also installing treatment for molybdenum. They believe there is enough build-up in the tanks to have residual levels, and want to be proactive. All of these steps will be performed by September 30th.

Hall Signs have been pleasant to work with and staff has worked closely with them on this plan to get them back into compliance.

Board Member Ehman asked about the tank references initially. Mr. Ehman wondered how we could permit them without knowing the contents. Ms. Roberts corrected that staff understood it was a caustic treatment tank, but both parties were surprised by the chromium content, as their chromium tank is a separate one. What seemed to be happening is that when a sign on a metal rack is dipped in the caustic tank, everything is cleaned and stripped. It then goes to a rinse tank, and then a nitric acid tank, then another rinse tank, then a chromium acid tank, and two more rinses. They are essentially metal finishing the racks each time, and the caustic tank is stripping everything off. The other was surprise was that CBU was unaware that the tanks were being released as batches to the system. They typically can haul the waste off, but thought they could adjust the Ph level and release it.

Mr. Ehman asked what has been learned from this process. Ms. Roberts suggested this was a lesson to be even more diligent in assuring treatment systems are properly hooked up. The problem though, is that they are not required to have treatment systems unless they are violating in the first place.

Board Member Sims inquired about the definition of the "rolling quarter" timeframes used in the schedule. Mr. Roberts explained the timeframes from the initialization of the process.

Board Member Sims moved and Board Member Banach seconded the motion to approve the compliance schedule for Hall Signs, Inc.

Motion carried, 5 ayes, 2 members absent, (Swafford, Roman).

OLD BUSINESS:

Board Member Ehman inquired about the status of the Cost of Service Study and next steps. Director Murphy relayed that the board needs to revisit the subject with John Skomp from Crowe Horwath Associates. Board President Swafford will be back from traveling soon and staff can schedule this then. The board will need to discern how to move forward with a proposal on any rate changes. It may be more advantageous to hold another subcommittee meeting to work through issues and questions.

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Staff and interns managed a booth at the recent Taste of Bloomington, dispensing free water.

Management is in the process of interviewing for the Monroe Water Treatment Plant (MWTP) Superintendent position, as well as Dillman Road Wastewater Treatment Plant's (DRWTP) Superintendent. Management has selected an individual for the MWTP Superintendent, Tim Ghoulson. Mr. Ghoulson is currently employed as an operator and has been there for 13 years. He holds an undergraduate degree and is working towards a Masters in Business Administration. He is a Class 5 Operator. He will be able to have about three weeks of overlap with the retiring superintendent. We are happy to have him on board.

Management continue to interview for the DRWTP position. The committee includes members of the Labor Management Committee, in addition to CBU management. There is a strong candidate among the 5-6 interviewed, but it is not official yet.

We are losing several key people due to retirement, and will hold a large celebration for them this summer. The board will be invited to attend.

Construction projects continue, including North Jordan water line and the Grant Street project.

Vice President Roberts asked about overlap on the DRWTP position. Mr. Murphy informed that Human Resources is aware of the need for strong overlap, and there is some flexibility once the decision is confirmed. Ms. Roberts noted her appreciation for involving staff in the interview process. She also wondered if it will be difficult to find a pool of qualified applicants for all the various vacancies anticipated. Mr. Murphy suggested that between internal and external posts, he is hopeful for qualified applicants.

Board Member Banach agreed that it is important to involve staff in the hiring process. He would like to offer the suggestion that this is an opportunity to reevaluate departments and look at streamlining potential. He would like to be sure that management has reviewed potential for consolidation at this opportune time. Director Murphy relayed that there have been many discussions among management on this matter. Consolidation efforts have been made recently where possible, for example when the superintendent of Blucher Poole passed away, the superintendent of Dillman Road was given oversight for both plants, with only a manager on-site full-time at Blucher Poole. Human Resources is also very diligent in posing such questions each time a vacancy is created due to attrition. Mr. Banach appreciates that we go through those exercises. Mr. Murphy does not believe we are overstaffed in any of these positions, and in fact, feels we could use more construction workers due to the sheer volume of the work we accomplish. We are not asking for that, but are more focused on replacing equipment at this point so current staff have the proper equipment and vehicles for efficiency. We are also upgrading IT systems to enhance efficiency.

Board Member Ehman asked how many people were interviewed for the MWTP superintendent position. Mr. Murphy stated that only one was interviewed. While the position was broadly advertised and received over a dozen applicants, only one had the pre-existing WTO5 license to start off independently. If they did not have that, they would need supervision by a WTO5 for a certain length of time. Staff discovered that the pool of people with WTO5 licenses is fairly small, and the new test is quite difficult. People are not moving much within that field, especially those with civil sector experience. Mr. Ehman restated that the nature of that license level is that someone holding it has been in the field a long time and there are not many mobile, young people looking in the field. Mr. Murphy affirmed.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:33 p.m.

Julie Roberts, Vice President