

UTILITIES SERVICE BOARD MEETING

January 7, 2008

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 Department Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Tim Henke, Jason Banach, John Whikehart, Pedro Roman, Julie Roberts, Jeff Ehman and ex-officio members Tim Mayer and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Vickie Renfrow, Michael Horstman, Mike Hicks, Mike Bengtson, Jon Callahan and Tom Staley. Others present: Mark Menefee representing Indiana University, Joe Teusch representing Greeley and Hansen, Sarah Morin representing the Herald Times, Steve Smith representing Smith, Neubecker & Associates, Inc., Bill Brown representing Bill C. Brown Associates, Ben Beard representing Gentry Estates, Margaret Fette representing the Libertarian Party and Sue Mayer.

Board President Swafford asked for a change in the agenda to move the appointment of new officers to the beginning of the agenda.

Board member Whikehart, Chair of the Administrative Subcommittee, said that the Committee had met at 4:30 before the regular session. It is their recommendation that Tom Swafford be re-nominated for President and Tim Henke be re-nominated for Vice President for 2008.

Board member Banach seconded the recommendation of the Administrative Committee. Motion carried. 7 ayes.

MINUTES

Board member Roman moved and Board member Roberts seconded the motion to approve the minutes of the December 20, 2007 meeting. Motion carried. 7 Ayes.

CLAIMS

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

Claims 0890001 through 0890068 including \$223,215.85 from the Water Operations & Maintenance fund, for a total of \$223,215.85 from the Water Utility; Claims 0830002 through 0830027 including \$213,039.96 from the Wastewater Operations & Maintenance fund for a total of \$213,039.96 from the Wastewater Utility; and a total of \$400.75 from the Wastewater/Stormwater Utility. Total claims approved – \$436,653.56.

Board member Whikehart informed the USB that he did not have a conflict of interest for the claim for Ivy Tech for \$1.00. He also pointed out that the claim is listed as an easement but technically it is really a right of entry.

Board member Ehman asked about a claim for the Kirby Road sewer project. He wondered why these individuals have deposits with Utilities. Assistant Director of Engineering Bengtson explained that before the State planned the widening of State Road 48 past Ivy Tech, the Fieldstone neighborhood had already been constructed and the lift station was in place on the low spot on Kirby Road. A Mr. Alexander had been requesting a sewer service. Utilities had engaged Bynum Fanyo to design the sewer. Mr. Alexander had already paid the fees for a neighborhood project. When the widening project was planned the State was obliged to provide sewers for people whose septic tanks had been impacted. They needed the sewer that had been planned as a neighborhood project. The State is required to pay for the construction of the sewer and also to pre-pay the fees for all the people in the neighborhood who are affected. Mr. Alexander was one of these people. He owns 3 lots and had paid \$1,500 for a new customer service fee plus \$2,333 in earnest money for each of the lots. The claim is a refund of that money because the State will be covering those costs. Mr. Ehman asked if this was a unique case. Mr. Bengtson said it was.

Mr. Ehman also asked if the claim for the State of Indiana was for taxes. Assistant Director of Finance Horstman said it was for PERF.

He also asked about the claim for J.F. New. He was wondering how the report on alternative uses for the aging water plant at Griffy is coming along and if they are looking at estimated costs for the alternatives. Deputy Director Langley said that the Thanksgiving and Christmas vacations had gotten in the way of that portion of the report. They have not yet assigned any concrete values to the various options. Mr. Langley is planning to schedule a visit to the plant with Nancy Heistand, who is the City's Historic Preservation liaison, to get her input on it. Then they will start working on fleshing out the numbers.

Board member Henke asked about the claim for Everett J. Prescott. Superintendent of Operations Staley said that he buys radio hand held meter readers from them. He had bought 5 new ones. There were some that were outdated and the service contract had expired on them so they needed to be replaced.

Board President Swafford asked about the Everett Prescott claim for a compact fire line meter to be used as a replacement at Summit Pointe. Superintendent of Operations Staley explained that Summit Pointe apartments is a master metered area. The 2 meters that were there no longer met AWWA standards so they had to be replaced. Mr. Swafford asked why part of the charges is being assigned to waste water if this is for a water line. Budget Analyst Trexler said that water meters are used to determine waste water charges. Mr. Swafford was surprised that would be the case on a fire line. Mr. Staley said that all the water for the apartments comes through the meters including that for fire protection. Board member Henke asked why it was split 40/60 between water and wastewater. Mr. Trexler said it has to do with the revenue.

Motion carried. 7 ayes.

APPROVAL OF THE MAYOR'S REAPPOINTMENT OF THE DIRECTOR OF UTILITIES:

Board member Ehman moved and board member Roberts seconded the motion to approve the Mayor's reappointment of the Director Utilities, Patrick Murphy. Motion carried. 7 ayes.

APPROVAL OF CHANGE ORDER NO. 1 WITH INSITUFORM TECHNOLOGIES USA:

Assistant Director of Engineering introduced Joe Teusch of Greeley and Hansen to present this item.

Mr. Teusch said that this particular project is the Sewer Lining Contract No. 2. The first lining contract was with Inliner and was managed by GRW. That project cost \$900,000. Utilities has an SRF loan for the 2 sewer lining projects for \$3,000,000. The total contract price for Insituform is \$895,000. The two contracts come to about 1.8 million dollars which leaves about 1.2 million in remaining SRF funds.

This change order has three items in it. The first is an adjustment to the final installed quantities. They were much less than the bid quantities so there is a credit of \$83,688.20. The reason for the large credit is the deletion of items 8 & 9. There had been 450 feet of sewer identified for excavation and replacement. Between the time of the study and when the project was put out to bid the T&D Department had already replaced the 450 feet of sewer and 3 manholes. That accounted for approximately \$38,000 of the \$83,688. Item 2 is an addition of \$2,530. While removing a portion of the sewer prior to lining the crew found a buried fiber optic line on top of the pipe. That made it necessary to coordinate with AT&T to remove the line. Item 3 is a proposal based on all the additional money in the contract. A proposal was solicited from Insituform to provide an estimate to line a sewer line from E. Covenanter to Sare Road. It is a 10 in. sewer that passes through the Renwick Subdivision. This sewer was identified for rehabilitation in 2005 due to its poor condition and the amount of infiltration during wet weather. Its wet weather flow rate is 20 times that of its dry weather flow. Also, the developer of Renwick wants to put a recreational trail along the sewer corridor which makes this a good time to do the work. Assistant Director of Engineering Bengtson pointed out that this sewer hooks up to an interceptor sewer that is downstream from a chronic sanitary sewer overflow along College Mall Road. Repairing this sewer should help make overflows less frequent along College Mall Road.

Board member Henke asked Mr. Bengtson where this chronic overflow is located. Mr. Bengtson said it is upstream in the back yard of the Chiropractor's office. Mr. Henke asked how replacing the Covenanter to Sare Rd. sewer would have an effect on an upstream overflow. Mr. Bengtson explained that all of the flow north of Moores Pike collects above and then flows through that particular sewer. When it goes south of Moores Pike there are sewers that merge with it. The Covenanter/Sare Rd. sewer is one of those. If there is 20 times less flow coming from that sewer it won't back up the flow of the College Mall Rd. sewer. Mr. Henke asked if some funds hadn't been allocated to study that particular area. Mr. Bengtson said that the College Mall Rd. sewer was included in a Sanitary Sewer Overflow Elimination Plan that was submitted to the State on August 30th. There has not yet been a response from the State. Mr. Henke said that he believed that the USB had approved engineering for that project. He thinks it was about \$125,000 that was approved for this SSO area a year ago. Mr. Bengtson said that eliminating that problem would be a major project that would cost considerably more than \$125,000. Mr. Henke thought it was only for engineering. Mr. Teusch said that Greeley & Hansen had probably done that as a part of the plan that was submitted in August. Mr. Henke reminded Mr. Teusch that some time in the past he had indicated that lining would not solve that problem. He wanted to know if that is still the belief. Mr. Teusch agreed that it was. The sewer that is being discussed for lining is in a state of disrepair. It is always a good idea to eliminate rain water from the system. The sewer is 40 years old. Mr. Bengtson said it will only make overflows less frequent.

Board President Swafford asked what kind of pipe this is. Mr. Bengtson said it is a very old clay pipe that is in the middle of the stream bed.

Board member Ehman asked why overflows aren't happening at the man holes between the Chiropractic Clinic and Hillside. Mr. Teusch said it could be due to that particular man hole being at the lowest point in terms of ground elevation.

Board member Mayer asked if this was going to be a re-lining project. Mr. Teusch said it was. There would be no excavation. It is important to not disturb the area very much because the developer wants to put in a trail. Mr. Ehman said that he wants to go on the record that the USB is not considering this sewer lining plan due to the desire of the developer to install a recreation trail. It is because of the SSO problem.

Board member Henke moved and board member Roberts seconded the motion to approve Change Order No. 1 with Insituform Technologies USA.

Board member Henke said that he thought the USB had discussed this problem over a year ago. He said that the board is very serious about SSO's and he doesn't like that they approved a contract and didn't talk about them. They don't know if it did or didn't happen. Mike Trexler had provided the USB with a list of current and future projects and how close to completion they are. He is pleased to see that something is being done about the SSO's.

Board member Roman said that this contract has come to the USB with a \$111,000 cost. He said he doesn't understand how this works. He is not convinced that a SSO that is up at the Chiropractic Clinic can be helped by doing this work downstream. Mr. Teusch said the SSO problem concerning sewers being at capacity does continue further south than just College Mall Road. There's a stretch though Hyde Park where the sewer is 30 years old and is constructed with clay pipe. That sewer is also at capacity during large storms. The lining of ancillary arms that are running along the west branch of Jackson Creek and other tributaries that are subject to infiltration all play a big part in bringing the city to the point where there is capacity to carry large storms.

Board member Roberts asked if it will be necessary in the near future to excavate and replace the sewers that are being lined. Mr. Teusch said it would not. Lining only makes sense when you are not anticipating additional capacity or the sewers have been reviewed and the capacity is adequate for adding some additional needs.

Board member Ehman asked if the build out of Renwick had been taken into account. Mr. Teusch said it had.

Motion carried. 7 Ayes

OLD BUSINESS:

Utilities Director Murphy told the USB that during the last Rules & Regulations Subcommittee meeting a petition was brought to the Subcommittee. It was concerning a small triangular piece of land between Fullerton Pike, S.R. 37 and Rockport Rd. that had been removed from the sewer extension map. This map had been discussed and approved during a regular session of the USB on November 13th. Mr. Murphy asked that the full board consider whether that land should be added back to the map or left as is.

Board member Henke said that as the Chair of the Rules and Regulations he felt that it was inappropriate for the Committee to hear an appeal on a decision made by the entire USB. Because of this he asked the petitioner to bring it to a regular session meeting.

Board member Whikehart moved and board member Henke seconded the motion to include this parcel in the map that was approved on November 13th.

Board member Roman made a statement that couldn't be heard.

Board member Ehman said he is concerned about the process for amending the sewer map. He wonders what would happen if other petitioners come forward who have parcels in area B that want them changed to area A. What kind of precedent might be brought about by acting on the current petition? The map that was brought to the USB on November 13th had never been reviewed in its entirety. What will the USB do when the next person comes and says "I would like you to amend the map to move my parcel from area B to area A"?

Board President Swafford said that he thinks the difference in this case is that this was originally included on the map but had been removed. Any property owner has the right to come before the USB to appeal a decision. The map that was presented that night was a map that had been worked on for 2 to 3 years. This piece of property had been included in all the discussion during that period of time. Somebody could still come forward with another piece of property and ask for it to be included. The USB will have to make a decision about it.

Board member Henke said that the process for appeal will be laid out through the Rules & Regulations Subcommittee. Mr. Henke asked Planning Director Micuda if the triangle of land being considered includes several properties. Mr. Micuda said the USB would be changing the map back to the iteration of it that had been through the entire process. Mr. Henke asked if there is just one petitioner for this change in the map. He wanted to know if there are several land owners involved. Mr. Micuda said that the request is from petitioner Bill C. Brown to amend the map to re-include the property owned by him which is one of several properties that make up this parcel of land. He wants to know if the USB is considering amending the map to include just the petitioner's land or will they include the entire triangle that had been on the map. Mr. Henke said it is his understanding that the USB is considering the entire triangle. Board member Whikehart said that is what he intended with his motion.

Mr. Henke said he believes this is a unique situation. There will always be someone in area B who wants to be in area A. The Rules and Regulations Subcommittee will have to develop a process for making these decisions.

Board member Roman said that usually an appeal is made after a denial. If somebody comes with a petition and it is granted or denied that person should have the right to appeal. He doesn't think that is the case here. As far as he can tell the County and the City were the petitioners for this map. Mr. Roman said the USB has to be careful because they did not deny service to anybody. The decision about a petition is not dependant on the area it is in but on what decision is made. He doesn't remember there being a petition for this area and it was not denied. He is a little worried about people using this ability to move from area B to A or from A to B, to by-pass and try to obtain what is most profitable. It is the procedure that concerns him, not the merits of this particular situation.

Board member Ehman said he thinks that's a good point. The USB would move away from a situation where someone in area B has to come before the full board to a situation where someone could say they would like to move from area B to area A so I don't have to go through that process. Basically the USB would be going through the same process via a different type of petition.

Board President Swafford said this is a different situation. This area was removed from the map by the USB. Anybody has the right to come to the board and petition to be moved. A part of Rule 24 will be a procedure to deal with that kind of petition.

Mr. Ehman pointed out that this is unique because those procedures haven't yet been determined. Mr. Swafford said this is not really coming from a petitioner. It is coming from the Director of Utilities.

Motion carried. 5 ayes, 2 abstentions. (Ehman and Roman).

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

Board member Whikehart, Chairman of the Administrative Subcommittee, reported that the Administrative Subcommittee had met just before this Regular Session. They considered a request from Beazer Homes for an adjustment of their wastewater charges this past summer. The committee rejected that request on the recommendation of the Utilities Director.

Board member Ehman seconded the recommendation of the Administrative Subcommittee.

Board President Swafford remarked that although they had been invited no-one from Beazer Homes had attended the meeting.

Motion carried. 7 Ayes.

Board member Henke reminded the USB that John Skomp of Crowe Chisek had said that the only way to discourage water consumption at peak times is to charge more for it yet Utilities does the opposite of that.

Board President Swafford said that one of the things the USB could do is to discontinue the summer sewer average option. In Indiana the more water you use the better rates you get, whereas in the west the more water you use the more you pay for it. Utilities Director Murphy said he thinks the summer sewer average costs Utilities about \$400,000 but Mr. Skomp says it's a standard practice in the State of Indiana. Utilities also allows people to have irrigation meters. Mr. Murphy thinks there would be quite an outcry if the practice were discontinued. Mr. Whikehart said that a 46% rate increase will also have the same effect. Mr. Henke said he didn't think anyone could dispute that there is a peak day/peak hour water problem. Mr. Murphy said he's just talking about the summer sewer average. He is not discussing rate

increases. Mr. Swafford said that this should be a part of the discussion about the Long Range Water Plan.

STAFF REPORTS:

Capital Projects Manager Hicks gave an update on the Monroe Water Treatment Plant Filter Rehabilitation Project. On December 10th the USB approved a resolution declaring an emergency to solicit bids for the project in the event that the construction contract with Maddox was to be terminated. Since that meeting and Maddox has delivered the transmittals and submittals as was required by the contract documents. At this time they can not miss any days. They have a day to day schedule to stay on track to meet the May 1st deadline to have all the work associated with the filters complete.

Utilities Director Murphy informed the USB that both the Engineering and Rules & Regulations Subcommittees should meet. It was decided that the Rules & Regulations Subcommittee would meet on January 14th at 4:30 p.m. and the Engineering Subcommittee will meet on January 22nd at 4:00 p.m.

PETITIONS AND COMMUNICATIONS:

Ben Beard of Gentry Estates asked if there was a Rules & Regulations Committee scheduled for the 9th. Mr. Swafford said that will not be taking place.

ADJOURNMENT:

The meeting was adjourned at 5:45 p.m.

L. Thomas Swafford, President