

UTILITIES SERVICE BOARD MEETING

April 20, 2015

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: Sam Frank, Tom Swafford, Jim Sims, Julie Roberts, Amanda Burnham, and Tim Mayer, Ex-officio. Staff present: Kim Alexander, Tamara Roberts, Patrick Murphy, Greg Small, Phil Peden, Jon Callahan, Missy Waldon, Mike Bengston, Efrat Feferman, Mike Hicks, and John Langley.

Other: Mike Carmin, Cindy Oswalt

MINUTES

Vice President Roberts moved and Board Member Frank seconded the motion to approve the minutes of the March 23 and April 10 meetings. Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

CLAIMS

Vice President Roberts moved and Board Member Frank seconded the motion to approve the claims as follows:

Vendor invoices submitted to the Controller's Office on April 15, 2015 included \$167,415.23 from the Water Utility; \$95,816.95 from the Wastewater Utility; and \$2,832.38 from the Stormwater Utility. Total Claims approved, \$266,064.56.

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

Vice President Roberts moved and Board Member Frank seconded the motion to approve the utility claims as follows:

Utility invoices submitted to the Controller's Office on April 13, 2015 included \$87,875.05 from the Water Utility; \$93,989.47 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$181,864.52.

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

Vice President Roberts moved and Board Member Ehman seconded the motion to approve the ACH payments as follows:

ACH payments that will be submitted to the Controller's Office on April 16, 2015 included \$221,731.09 from the Water Utility; \$0.00 from the Wastewater Utility; and 0.00 from the Stormwater Utility. Total Claims approved, \$221,731.09.

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

Wire transfers and fees for the month of March, 2015:

Vice President Roberts moved and Board Member Ehman seconded the motion to approve the wire transfers and fees for the month of March in the amount of \$387,379.11.

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

Vice President Roberts moved and Board Member Frank seconded the motion to approve the customer refunds as follows:

Customer refunds submitted to the Controller's Office on April 08, 2015 included \$11.87 from the Water Utility; \$75.50 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$87.37.

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

APPROVAL OF PRETREATMENT PROGRAM COMPLIANCE SCHEDULE FOR UPLAND BREWING COMPANY

Vice President Roberts moved and Board Member Frank seconded the motion to approve the pretreatment program compliance schedule for Upland Brewing Company as follows:

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

Tamara Roberts, Pretreatment Coordinator, presented the background information relating to the compliance schedule for Upland Brewing Company. In the annual inspection last year and the sampling event, Upland had a high phosphorus result. At this point, we are working with them to address the problem, and they are headed in the right direction with the help of a consultant. We are recommending this compliance schedule for approval. Vice President Roberts asked what the phosphorus load does to our plant. Ms. Roberts stated that we have a limit for phosphorus since it has to do with stream quality and lake quality. Too much phosphorus in a lake can cause eutrophication in lakes – which means that when algae blooms die off, dissolved oxygen levels drop and this can result in fish dying. However, we believe the phosphorus load to the plant is not a problem at the present time. We have phosphorus treatment in place, and have no problems meeting effluent limitations. Vice President Roberts asked Ms. Roberts if she was satisfied with the “pace” that Upland was taking to get this figured out. Ms. Roberts indicated that she was satisfied; they have been responsive.

APPROVAL OF PRETREATMENT PROGRAM COMPLIANCE SCHEDULE FOR ORGANIZED LIVING

Vice President Roberts moved and Board Member Frank seconded the motion to approve the approval of the pretreatment program compliance schedule for Organized Living as follows:

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

Tamara Roberts, Pretreatment Coordinator, presented the pretreatment program compliance schedule for Organized Living. Organized Living manufactures closet organizational systems. They are required to have a pretreatment permit by the Clean Water Act which regulates all of their sampling requirements. They initially had some issues regarding the metal finishing limits with zinc and copper after having switched chemicals in their manufacturing process. When Ms. Roberts talked

to them about this, they went back to the original chemicals they had been using. She has seen the levels drop back down. Samples in February of this year indicate that zinc and copper levels are no longer a problem. Phosphorus will need to be evaluated. There was one bad sample in December, but the follow up was within limits. Currently they are sampling twice a year which is a fairly normal amount, but since they had a violation Ms. Roberts wants to see if it might be related to anything else that may be going on. At this point, she is recommending approval for the compliance schedule, but there is the possibility that another compliance schedule will be required if phosphorus violations continue. Board Member Sims asked if the company has an obligation to let CBU know if they significantly change the chemicals they are using. Ms. Roberts stated that they do.

APPROVAL OF REVISED INDUSTRIAL WASTEWATER PRETREATMENT PERMIT FOR ORGANIZED LIVING

Vice President Roberts moved and Board Member Frank seconded the motion to approve the revised industrial wastewater pretreatment permit for Organized Living as follows:

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

Tamara Roberts, Pretreatment Coordinator, presented the revised industrial wastewater pretreatment permit for Organized Living. The major change in this permit is increasing the phosphorus sampling to monthly. We will re-evaluate this after six (6) months and see where they are with this.

BOLTINGHOUSE ENCROACHMENT, IDALAWN DRIVE, LAKE LEMON

Vice President Roberts moved and Board Member Frank seconded the motion to approve the Boltinghouse encroachment as follows:

Motion carried, 5 ayes, 2 members absent, (Ehman, Banach).

John Langley, Deputy Director, recommended to the Board that it grant the terms of this encroachment concerning the property on Idalawn Drive in Brown County on Lake Lemon. The Boltinghouses (property owners) are attempting to get a clear title so that they can sell the property, thus the need for the encroachment permission from the Board. The only remaining work that has yet to be done is to remove the tanks which now service the septic system. This has been delayed due to the inclement weather. Mike Carmin, attorney for the Boltinghouses, spoke on their behalf. Mr. Carmin has seen the agreement and knows that this approval is conditional on the removal of the tanks, but would like to get the Board's approval so as not to necessitate another appearance here. Greg Small will hold on to the paperwork until the work has been done, at which time it will be released for recording. President Swafford stated that Mr. Langley and he actually went to the site and reported that previous road issues have been taken care of, and all that remains to be done is to remove the tanks from CBU's property. Mr. Langley has to be present at the property to attest that they are being taken out. Mr. Swafford recommended proceeding with approving the encroachment agreement pending final work. Board Member Sims ask if there is a lien on the property. Mr. Langley stated that no, but typically when you sell a property the bank is looking at the title and encroachments are a problem.

OLD BUSINESS:

N/A

NEW BUSINESS:

Director Patrick Murphy welcomed Amanda Burnham as the newest member of the Utilities Service Board. Her appointment was effective April 15, 2015.

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Murphy asked Assistant Director of Finance Feferman to give an update about sludge. Ms. Feferman distributed the financial statements through February to the Board prior to her comments about sludge.

Ms. Feferman noted that we are interested in curbing expenses related to sludge, and pointed out the relevant accounts in the financial statements (U61125 – U61146 within the Wastewater Operating Fund). The numbers do not include our own labor. The costs have grown from \$34,000 in 2011; to \$61,000 in 2012; to \$112,000 in 2013; and last year the cost was \$273,000, while we only budgeted \$78,000. Today's claims list included over \$40,000 in payments to Robert Gilliland Excavating, LLC and Rumpke of Indiana, LLC for hauling and disposing of sludge for both plants. For this fiscal year, given that trend, she is predicting well over \$300,000 in expenses on the books if we don't make some changes. We have budgeted \$125,000 for the whole year. We have done an analysis of the complete costs including labor and everything else for hauling and disposing ourselves internally, so we have a good idea of what the costs are. That figure is over \$46 per ton at Blucher Poole, and a little less (\$42+) at Dillman Road. As a long term solution, that doesn't take into account some significant investments that we would have to make in labor and equipment. Staff has worked to obtain proposals for hauling and disposal services. We have two potential vendors: Young Trucking and Rumpke of Indiana. They aren't apples to apples; Ms. Feferman stated that she is evaluating the two proposals with her team and will come back to the Board with a recommendation for a plan of action.

Vice President Roberts asked about the timeframe in which we are looking for options: the next 3-4 years, or long-term? And when the landfill is full, what kind of options are we looking at? Ms. Feferman responded that these are probably policy questions that need a broader discussion; whereas she is coming to the Board with a bottom line immediate need at this time.

Board Member Frank asked if the rate increase from 2011 was due to rate, volume, or a combination of the two. Ms. Feferman responded that it is mostly volume. He was interested in knowing what drives volume. Deputy Director Langley responded that there are more solids being added to the landfill. He explained that the sludge is the solids portion of the wastewater treatment process. CBU has done a couple of things to cut down on this: 1) No longer accepts any out-of-county grease; 2) Discouraged the disposal of solids through garbage disposals by advertising; food grinders were banned in 2012.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:35 p.m.

L. Thomas Swafford, President