UTILITIES SERVICE BOARD MEETING

May 4, 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: Tom Swafford, Amanda Burnham, Jim Sims, Sam Frank, Jeff Ehman, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, Efrat Feferman, John Langley, Mike Bengtson, Phil Peden, Jon Callahan, and Kim Alexander.

MINUTES

Board Member Sims moved and Board Member Frank seconded the motion to approve the minutes of the April 20th meeting. Motion carried, 5 ayes, 2 members absent, (Banach, Roberts).

Board Member Ehman requested that the minutes be corrected regarding a motion to approve the claims on page 1, as well as the motion to approve the compliance schedule for Organized Living (page 2). He was absent at that meeting; both were seconded by Board Member Frank, not Board Member Ehman.

CLAIMS

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

Vendor invoices submitted to the Controller's Office on April 29th included $134,669.08 from the Water Utility; $47,820.38 from the Wastewater Utility; and $5,911.50 from the Stormwater Utility. Total Claims approved, $188,400.96.

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

Board Member Ehman asked a question regarding the claims (re-stocking vending machine supplies) for the Fastenal Company. Assistant Director of Finance Feferman explained that the charges are for small items that the crews use such as spray paint cans, paper wipes, batteries and non-essential first aid products. Employees are able to use their key cards to access the machines, and the charges are automatically billed to their respective departments in order to keep track of usage. She noted that we saved approximately $1,200 the first quarter the machines were in use, compared to the previous year's first quarter expenses. We are expanding the supplies that are available since the program has been working so well.

Board Member Sims 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 23 included $5,587.44 from the Water Utility; $5,731.74 from the Wastewater Utility; and $0.00 from the Stormwater Utility. Total Claims approved, $11,319.18.

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

Wire transfers and fees for the month of April:

Board Member Sims moved and Board Member Frank seconded the motion to approve the wire transfers and fees for the month of April in the amount of $302,802.43.

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

Board Member Sims 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 22 included $22.24 from the Water Utility; $1,217.38 from the Wastewater Utility; and $0.00 from the Stormwater Utility. Total Claims approved, $1,239.62.

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

APPROVAL OF SLUDGE HAULING CONTRACT WITH YOUNG TRUCKING, LLC

Board Member Sims moved and Board Member Ehman seconded the motion to approve the Young Trucking contract as follows:

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

Assistant Director of Finance Efrat Feferman presented the contract for approval. We have had a rising volume in sludge at the plants in recent years. Wet weather conditions affect that greatly, and as we are trying to preserve space in our landfill at Dillman Road, the need to divert more and more has resulted in greater costs. We are looking to secure a service to contain those costs. We evaluated three options, having received two proposals – one from Rumpke of Indiana, and one from Young Trucking. We also did an analysis of what it would cost to do the hauling internally. The memo is attached to this packet detailing this analysis. Rumpke of Indiana estimates the per ton average to be $40.85 - $41.70; internally the cost is estimated at $42.75 per ton; with the Young Trucking contract offering a flat charge of $32.50 per ton and the ability to lock in this favorable price for ten years, with flexibility to terminate if things change. Staff is recommending the Young Trucking contract.

Board Member Sims had a question about the annual 2% increase in the Young contract. Ms. Feferman explained that it was an adjustment for inflation. She noted that even after running the numbers for ten years with this increase, she estimated $39 per ton which was still a good price.

Board Member Ehman asked about whether other solutions to this problem (e.g., building another landfill, using other properties that we have) had been discussed. Ms. Feferman indicated, as she had previously when asked by Vice President Roberts, that this is a broader policy issue for discussion, and that this contract satisfies an immediate need. She is projecting approximately $400,000 in hauling costs for this year, based on the first quarter. Mr. Ehman asked if the contract is renewable on a yearly basis. Ms. Feferman stated that the price is locked in for ten years, but there is a 60 day termination clause; also, the contract does not bind us to exclusivity.

Board Member Sims asked if the termination waiver works both ways, and Ms. Feferman stated yes. Director Murphy noted that the contract has been reviewed and signed off on by the Legal department. President Swafford stated that there is no minimum or maximum as part of the contract. He thought the contract and its terms were solid. Board Member Burnham asked where the sludge will be transported to. Ms. Feferman stated that Young transports to the Sycamore Ridge Landfill located in Pimento, Indiana.

Deputy Director John Langley added that he likes this proposal because it highlights the fact that our costs internally are in line with the outside vendors, and that we will still have the flexibility to haul the sludge ourselves if needed. We have an additional 500-600 tons per year coming from the Monroe Water Treatment plant so when we get into situations where we cannot get into our landfill, we have an alternative. He feels the most advantageous thing about this contract is that it gives us time to evaluate a future solution. The other encouraging point is that the actual tipping fee has been reduced by approximately $9 per ton with this contract. He mentioned that a third vendor never submitted their proposal and delayed this decision for several weeks. He feels that we have come up with a viable solution to this problem. There was some discussion about the costs of creating another landfill, since the bulk of the cost is in transportation.

OLD BUSINESS:

N/A

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Murphy reported that with the good weather we should be able to start and complete several projects in the next couple of weeks. He reported that we have been requested by President McRobbie to provide water stations for IU's commencement this year since it is going to be held outdoors. Rachel Atz will be coordinating this project.

Assistant Director of Engineering Mike Bengston gave an update of our participation in relation to the construction of I-69 and utility relocation. We are all coordinating with Isolux Corsan, the general contractor, with the relocation plans. We have been working with Isolux over the past six months trying to establish acceptable relocation plans for each one of the intersections. When we get an approved set of relocation plans, we will be coming forth with contracts that will necessitate Board approval. Each separate relocation plan will require Board approval. Mr. Bengston introduced Adrian Reed, former City Engineer now with Aztec Engineering, and working for Isolux, and David Hayward who is the senior civil engineer with Christopher Burke Engineers. These gentlemen briefed the Board on the protocol CBU will follow regarding the utility relocations.

Mr. Reed explained that Aztec Engineering is the lead engineering firm on the I-69 project. He gave a short description of how it is structured. Isolux Corsan is their client. Aztec Engineering provides

design services, some of which are subcontracted, as well as key personnel which includes the lead engineer, traffic manager and the utilities manager. Mr. Reed's role is quality control. Utilities typically have been allowed in the past to be included in the right-of-way for a state route; however, recent interstate standards require most of the utilities to be located outside of the right-of-way. In this case, the costs will be paid for by the project.

He commended the CBU engineering staff on their professionalism in working with Aztec. Mr. Reed introduced David Hayward from Christopher Burke Engineers, the utilities manager on the project. Mr. Hayward described the scope of the requests that will they will be presenting to the Board in the future. The first phase of relocations for CBU will be Tapp Road and Fullerton Pike. The second phase will be Vernal Pike, and the third will be everything else north. These plans that are being developed need to meet all applicable state and federal standards. Phase One plans are being submitted to IDEM at this time. They will be bringing a separate agreement for each phase to the Board. The agreement for the first phase (Tapp and Fullerton) should be available for the next Board meeting. Mr. Hayward described the general process of approvals going forward. He anticipated coming to the Board every 4-6 weeks with another phase. Once the agreements are signed, those will be turned over to the contractor which in this case will be Crider and Crider. They will be following CBU standards for construction practices. CBU will be allowed to have its own inspectors to have access to the site(s). Christopher Burke Engineers have hired another engineering firm to provide additional oversight. Once the improvements are completed, they will come back to the Board to report on the satisfactory completion of the work, and to obtain the Board's acceptance and approval.

Director Murphy pointed out to the Board that CBU is not asking for any funds. This presentation was merely an overview of the approval process. President Swafford noted that there will be some costs, since our staff will need to look at the plans. Mr. Bengston stated that the engineering department is keeping track of their time. He confirmed that all of the plans will have been reviewed by his staff before they are presented to the Board.

Board Member Ehman asked if it is typical for our staff to be reimbursed for projects. Mr. Bengston said that it is not typical. Director Murphy noted that it is a plus for us to have Mr. Reed involved with the project. Mr. Bengston stated that Aztec Engineering has hired GRW to be on our review staff so we are trying to load onto them as much as possible. The GRW staff is familiar with CBU's system, and that will be an asset in their review of the plans.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:30 p.m.

L. Thomas Swafford, President