

UTILITIES SERVICE BOARD MEETING

May 18, 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 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 Amanda Burnham. Staff members present: Patrick Murphy, Efrat Feferman, John Langley, Tom Axsom, Mike Bengtson, Nolan Hendon, Mike Hicks, Jane Fleig, Phil Peden, Jon Callahan, Missy Waldon, and Kim Alexander.

Other: Donnie Ginn

MINUTES

Board Member Ehman moved and Board Member Burnham seconded the motion to approve the minutes of the May 4th meeting. Motion carried, 6 ayes, 1 member absent, (Swafford).

CLAIMS

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

Vendor invoices submitted to the Controller's Office on May 13 included \$123,838.22 from the Water Utility; \$160,106.78 from the Wastewater Utility; and \$8,139.06 from the Stormwater Utility. Total Claims approved, \$292,084.06.

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

Board Member Ehman moved and Board Member Burnham seconded the motion to approve the ACH payments as follows:

Vendor invoices that will be submitted to the Controller's Office on May 14 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, 6 ayes, 1 member absent, (Swafford).

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

Utility invoices submitted to the Controller's Office on May 13 included \$93,801.66 from the Water Utility; \$97,458.29 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$191,259.95.

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

Wire transfers and fees for the month of April:

Board Member Ehman moved and Board Member Burnham seconded the motion to approve the wire transfers and fees for the month of April in the amount of \$424,673.86.

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

Board Member Ehman moved and Board Member Burnham seconded the motion to approve the customer refunds as follows:

Customer refunds submitted to the Controller's Office on May 22 included \$67.32 from the Water Utility; \$873.62 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$940.94.

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

REQUEST FOR APPROVAL OF AGREEMENT FOR CONSULTING SERVICES WITH BLACK & VEATCH FOR THE REDBUD TANK AND DILLMAN WWTP CLARIFYING EQUIPMENT PAINTING PROJECT

The Board approved the Agreement for consulting services with Black & Veatch for the Redbud Tank and Dillman WWTP clarifying equipment painting project as follows:

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

Mike Hicks, Capital Projects Manager, requested approval of the Agreement of Consulting Services with Black & Veatch for the painting of the Redbud tank and the Dillman Wastewater Treatment Plant clarifying equipment. There are six clarifiers at Dillman, and four of them have been painted in the past. Two are yet to be done. The coating systems on these steel structures have reached the end of their lives and need to be removed and replaced. The purpose of the project is to rehabilitate and improve the Redbud Tank and the clarifying equipment.

Board Member Sims, noting that Black & Veatch was the only firm that could provide the qualifications that we require, asked what the qualifications were that the other firms lacked. Mr. Hicks explained that we have always required that engineers and inspectors working on coating systems projects possess the certification of the National Association of Corrosion Engineers (NACE). Black & Veatch has this capability. A couple of firms did say that they could go to an outside third party and provide that service. We like to see it in house. Mr. Hicks noted that Donnie Ginn of Black & Veatch was present at today's meeting to answer any questions.

Board Member Banach asked two questions: 1) Has legal reviewed the contract? and, 2) Is the amount not to exceed without further authorization from the Board? Mr. Hicks replied yes to both questions.

Director Murphy pointed out that on Page 7 of the contract, the internal controls are now stamped on the document (legal review and controller's office). He also stated that CBU has the Legal department review all documents, and thinks the public should be made aware of this. Mr. Murphy also emphasized that these are two very large projects. The water tank at 17th and the By-pass is a 5,000,000 gallon tank which is a significant part of our water distribution system. The clarifiers at Dillman Road are sorely needed. We will be able to hit the ground running with Black & Veatch. This

is sensitive to the weather, so work will take place probably sometime in July. He promised an update to the Board as the projects progress.

OLD BUSINESS:

N/A

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Murphy followed up on the discussion of the Redbud tank and the Dillman clarifiers. We have advertised bids also for the EQ basin at Dillman Road and that is another part of our construction project that is sensitive to the weather. We are prioritizing that. It is coming out of the \$5 million bond that was approved in the rates in 2011 which will cover that wet weather bond. We also hope to have enough to finish the actuators at Dillman.

Director Murphy added some background information noting that we will have two projects at Blucher which were approved in the 2015 budget; an upgrade of the UV system, a disinfection system (a \$250,000 project) and also a switch replacement/repair for \$205,000. The EQ basin hopefully will come in under \$1.1 million; initial numbers indicate the Redbud tank at \$1.2 million. The clarifiers have been earmarked for \$450,000. Another priority of the Board is conservation, for which we have an approved plan. Director Murphy asked Nolan Hendon to update the Board on the plan.

Nolan Hendon, Conservation and Energy Resource Manager, gave an update on CBU's conservation plan. He presented information regarding redesigning the customer water bill. Mr. Hendon hopes the redesign will give customers more information, which will promote greater conservation. He covered some of the points on the bill that will be changed. Baugh is designing a draft version that they can print. The bill will also feature a usage history chart so customers can see the trend in their usage. A dedicated message area will allow CBU to communicate with its customers. This space is larger than our current limit of 60 characters. We also want to add the user class to the bill.

Vice President Roberts asked to see a before and after draft of the new bill. Mr. Hendon will provide Board members with the draft after we have a version from the printer (Baugh). Board Member Ehman liked the usage history. There was discussion regarding comparison usage such as Duke Energy provides to customers. He would like to have an average for a user class. Mr. Hendon said this was something that was discussed, but doesn't think that the information would be relevant since we don't know details about a household's usage.

Board Member Sims asked about the likelihood of a customer using less than a unit. Mr. Hendon replied that it only gets billed if you go over one unit. Vice President Roberts commented that seeing what your neighbors are using has been shown to be one of the most effective ways to make people change their ways. Mr. Ehman commented that this information would be really useful and important.

Director Murphy added that perhaps we will have a subcommittee meeting regarding the redesign of the bill to more fully discuss these issues.

Mike Hicks updated the Board on our new procedure for bids. The EQ basin bid is now being looked at by contractors. At the next meeting on June 1, we will be opening the bids publicly. This new procedure came from the Controller's office as a result of the changes in the City's financial policies. The bids are then taken back to review. At the June 15 meeting, the Board will then vote on the agreement.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:24 p.m.

Julie Roberts, Vice President