

UTILITIES SERVICE BOARD MEETING

June 1, 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: Jeff Ehman, Sam Frank, Jim Sims, Julie Roberts, Amanda Burnham, Jason Banach, Tim Mayer, Ex-Officio, and Tom Micuda, Ex-Officio. Staff members present: Jon Callahan, Tom Axsom, Phil Peden, Kim Alexander, Patrick Murphy, Missy Waldon, Efrat Feferman, Nolan Hendon, Mike Hicks, and Mike Bengston.

Other: Keith Bryant

MINUTES

Board Member Ehman moved and Board Member Sims seconded the motion to approve the minutes of the May 18th meeting. Motion carried, 6 ayes, 1 member absent, (Swafford).

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 May 27 included \$101,571.26 from the Water Utility; \$145,847.39 from the Wastewater Utility; and \$10,246.77 from the Stormwater Utility. Total Claims approved, \$257,665.42.

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

Board Member Sims had a question regarding the claim for Barbara Smith (\$215). Director Murphy explained that it was for a training session provided for wastewater employees. The training goes toward their certification with IDEM. Mr. Sims also had a question regarding the claim for Hoosier Times, Inc. which was for an ad for the Common Construction Wage Hearing (\$10.15). Director Murphy explained that this is necessary when we are doing a construction project costing more than \$350,000. He also pointed out that as of July 1, a new law does away with the common construction wage. This was not a "political" ad either for or against the legislation.

Board Member Ehman asked a question regarding the Environmental Systems Research Institute, Inc. (ESRI) claim in the amount of \$13,905. He wanted to know how many concurrent users are allowed with the license for both standard and advanced categories, and if we share the license server with the city. If we do share, what is the total pool and what we are paying for in terms of that total pool? Assistant Director of Finance Feferman explained later in the meeting that this was for one advanced concurrent use license for \$8,910, and three standard concurrent licenses for \$6,300 each, for a total of \$27,810. The amount was split between ITS and CBU. She indicated that Chuck Winkle did the work in procuring this, and he would be happy to answer any further questions.

Board Member Burnham had a question about the claim for a booth fee for the Taste of Bloomington. Director Murphy explained that CBU has a booth at the Taste where we provide water. We advertise

our product and have purchased drinking bottles that are environmentally safe. It has always been a popular and successful venture for CBU.

Vice President Roberts had a question about the claim for the Goldstreet Design Agency, Inc. for the "Think Before You Flush" brochure (\$2,482.00) and asked to see it. Director Murphy responded that the brochure will be mailed soon in response to her request. It is an educational brochure that the pretreatment staff has created to highlight those items that should not be flushed down the toilet (e.g., paper towels). Ms. Roberts asked if it included pharmaceuticals; Director Murphy replied that they are included in the brochure as items not to flush.

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

Utility invoices submitted to the Controller's Office on May 27 included \$5,081.59 from the Water Utility; \$2,251.07 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$7,332.66.

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

Wire transfers and fees for the month of May:

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 \$309,188.90.

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

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

Customer refunds submitted to the Controller's Office on May 27 included \$0.00 from the Water Utility; \$801.15 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$801.15.

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

BID OPENING FOR THE DILLMAN ROAD WASTEWATER TREATMENT PLANT EQUALIZATION BASIN REHABILITATION PROJECT

Mike Bengston, Assistant Director of Engineering, stated that this is the time and place to receive an open bid for this project. We had four firms that were originally interested, and three of these attended the pre-bid plan meeting last Thursday. One firm submitted a bid. Mike Hicks, Capital Projects Manager, opened the bid from Mitchell & Stark Construction Co., Inc. The base bid was \$1,461,247 and the mandatory bid alternate was \$2,342,205. The bid was given to Keith Bryant, our engineer from United Consulting, who will make sure that everything is in order. Mr. Bengston indicated that he will be reporting the results to the Board in the near future.

Board Member Banach asked Mr. Bengston if we had estimated this project. Mr. Bengston replied that we did. Mr. Bryant replied that in 2012, when the initial estimate was done, it was about \$1.3 million for the base bid. Board Member Micuda asked about the original alternate bid. Mr. Bryant responded that it was about \$1.9 million. He also noted that he has seen the cost of many projects

escalate in the past two years; there is less competition (fewer firms) and higher bids due to the improving economy. Many contractors went out of business during the last economic downturn, or were accepting lower profit margins in order to stay in business. Contractors are now being more selective.

Vice President Roberts asked about the company's location. Mr. Bryant responded that it is located in Medora, Indiana. Board Member Sims asked about the other three companies that were listed on the bid summary sheet that did not submit bids. Mr. Bryant replied that Thieneman Construction, Inc. did not attend the pre-bid meeting because they are booked up with other projects; Layne Heavy Civil, Inc. was at the pre-bid, but are very busy; and, Graves Plumbing Co., Inc. attended the pre-bid meeting but decided they were not comfortable doing the project.

Board Member Ehman asked what the range of options are at this point (e.g., re-bidding, etc.). Mr. Bryant indicated there are several options. It is possible to re-bid, but unless the scope or the schedule is dramatically changed, the result will likely be no bids, or limited bids and higher numbers. The project could be delayed until next spring and re-bid then. That would be a big schedule change. Prices are still rising, and it is doubtful we would get a better number. That would be harder to predict. If the work isn't done soon, a catastrophic failure could cause greater expense in the long run.

OLD BUSINESS:

N/A

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Murphy reported that we are beginning work on the budget, and anticipate that the hearing will be the week of August 24, with final passage October 7. We will schedule a finance subcommittee meeting. He noted that he does not anticipate any significant changes in the budget. We are finishing up with Crowe Horwath on the rate increase. We will wrap this up and look at some options, bringing it to the Board sooner rather than later, perhaps after August 20, and before October 7.

Director Murphy stated that we have what we believe to be a final Interdepartmental Agreement for 2015 with the City. Assistant Director of Finance Feferman gave an overview of the Agreement. Ms. Feferman stated that we have a draft that is agreeable to us and addresses some concerns that we had. The first concern was the allocation of the general services portion of the Agreement whereby we pay the City a percentage of staffing based upon our usage. Historically, the total charge is the allocation percentage times the budgeted figure rather than the actual number. In the last year or two in particular there have been some vacancies in ITS and engineering which resulted in what we felt were excessive charges. As a way to address that, Mr. Underwood suggested that we analyze the last five years. As a result, we are going to get credit for the actual vs. the budgeted. Regarding the allocation, one key area we identified that has shifted significantly in the last couple of years is our ITS service. We were at a higher level when we implemented the new financial management system in 2011-12 and so there was a rise then. We have taken most of that work upon ourselves since that

time. We had a discussion with Rick Dietz as well as Jeff Underwood about this, and as a result the allocation of ITS staff to CBU is being reduced from 25% to 22%. Otherwise, the changes Mr. Underwood instituted include more detail on the percentage increases of everything year-to-year. Ms. Feferman is going to prepare a cover memo explaining in more detail the new Agreement, and will send this out before the next Board meeting.

Director Murphy mentioned the main break on Windemere Woods that appeared in the Herald-Times and also the video online that attracted much attention. It was not necessary to do a boil order; a clamp fixed the problem.

Director Murphy noted that the Prius EnergyMobile is currently parked in the CBU parking lot. Nolan Hendon, Conservation and Energy Resource Manager, presented background information about the car. It is a Toyota Prius V hybrid and was funded by a \$58,603 grant from Vectren. The South Central Community Action Program (SCCAP) received the grant and will own the vehicle upon the termination of the Energy Challenge. The EnergyMobile is being used as an educational tool, and will be going to residential neighborhoods, schools, and work places that request it. When it is not being used, it will be parked in the CBU parking lot or at City Hall. He noted that it will also be at the Farmers Market on certain days.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:26 p.m.

Julie Roberts, Vice President