

UTILITIES SERVICE BOARD MEETING

June 29, 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, Amanda Burnham, and Tim Mayer, ex-officio. Staff members present: Patrick Murphy, Efrat Feferman, John Langley, Tom Axsom, Mike Bengtson, Nolan Hendon, Tamara Roberts, Rachel Atz, Phil Peden, and Kim Alexander.

MINUTES

Board Member Burnham moved to approve the minutes of the June 15th meeting. Motion carried, 5 ayes, 2 members absent, (Swafford, Banach).

CLAIMS

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

Vendor invoices submitted to the Controller's Office on June 24 included \$548,353.68 from the Water Utility; \$728,256.10 from the Wastewater Utility; and \$54,481.90 from the Stormwater Utility. Total Claims approved, \$1,331,091.68.

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

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

Vendor invoices that will be submitted to the Controller's Office on June 24 included \$1,345,423.55 from the Water Utility; \$669,199.53 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$2,014,623.08.

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

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

Utility invoices submitted to the Controller's Office on June 26 included \$6,965.39 from the Water Utility; \$13,963.53 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$20,928.92.

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

Wire transfers and fees for the month of June:

Board Member Burnham moved and Board Member Ehman seconded the motion to approve the wire transfers and fees for the month of June in the amount of \$316,032.72.

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

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

Customer refunds submitted to the Controller's Office on June 24 included \$0.00 from the Water Utility; \$194.06 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$194.06.

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

APPROVAL TO MODIFY THE PROJECT AGREEMENT BETWEEN CROWE HORWATH LLP AND THE USB

Board Member Burnham moved and Board Member Ehman seconded the motion to approve to modify the project agreement between Crowe Horwath LLP and the USB as follows:

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

Director Patrick Murphy presented an amendment to the Project Agreement dated February 19, 2015 between Crowe Horwath LLP and the USB. Attention was directed to the memo he provided the Board which was attached to this meeting's packet explaining the reason for the amendment. The increase in the contract is due to the extension of the test year for CBU's rate review from January 1, 2014 through December 31, 2014 to April 1, 2014 through March 31, 2015. This action allows for more flexibility in filing the rate case with the Indiana Utility Regulatory Commission. The increase to the contract is \$8,000, not to exceed \$48,000, due to the additional work by Crowe. Board Member Ehman asked about the previous discussion regarding the timing of the rate increase vis-à-vis the cost-of-service base rate. Director Murphy responded that this is giving us some flexibility. He doesn't anticipate needing to go to the end of December to do this, but he did not want to be tied to the end of September given that the budget process (for the city) has been changed. The hearings are now in August, with the budget being passed in September. Director Murphy reiterated that it does not diminish the discussion about a cost-of-service study; it is still something that we will review.

APPROVAL OF THE HYDRAULIC WATER MODEL PROJECT

Board Member Ehman moved and Board Member Burnham seconded the motion to approve the contract with ARCADIS for the hydraulic water model project as follows:

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

Rachel Atz, Water Quality Coordinator, presented the contract with ARCADIS Group for the development of a water model project for the City of Bloomington's distribution system as well as Indiana University's distribution system. She directed attention to her memo which described a hydraulic water model and how it is expected to be used, CBU's collaboration with IU, and the process for reviewing the scopes and the contracts and how this particular consultant was chosen.

APPROVAL OF THE MOU BETWEEN CBU AND INDIANA UNIVERSITY

Board Member Ehman moved and Board Member Burnham seconded the motion to approve the Memorandum of Understanding between CBU and Indiana University as follows:

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

Rachel Atz, Water Quality Coordinator, presented the Memorandum of Understanding between Indiana University's utilities department, and the City of Bloomington utilities department regarding the development of the hydraulic model, training and use of the model.

OLD BUSINESS:

Board Member Ehman moved and Board Member Burnham seconded the motion to approve the GEA Bloomington Production Operations, LLC Pretreatment Permit as follows:

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

Deputy Director John Langley presented the GEA Bloomington Production Operations, LLC Pretreatment Permit to the Board for its approval. This agenda item was previously presented at the June 15 USB meeting; however, the Board voted at that time to continue the discussion pending a review from city legal regarding the validity of the name change. Mr. Langley informed the Board that the permit had been reviewed by Greg Small in the legal department. In Mr. Small's opinion, the name change would not affect CBU's collection possibilities if a judgment were entered involving the permit at issue. Mr. Small stated in an email of June 25 to the Board that any liability related to the permit at that facility would likely attach to GEA Bloomington Production Operations, LLC, and he felt confident that GE would strongly take that position as well. He also stated he thought it was a benefit to CBU to have the correct entity name on any permit. If there were to be any enforcement action down the road, pursuing that action against the correct entity would be the more expedient course.

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Patrick Murphy stated that CBU is working on the budget, and it will be brought forth to the finance subcommittee meeting before a full Board vote is taken. He noted that the budget will be fairly routine. He asked Crowe to look at the possibilities of reviewing CBU sewer rates, and they will make a proposal. He stated that at least one, maybe two, finance subcommittee meetings will need to be held prior to the approval of the budget.

Director Murphy noted the Herald-Times article in that day's newspaper about the demolition of the Dyer tank. This was a recommendation by IDEM. The tank has a 2,000,000 gallon capacity and was put into service in 1954 and was taken out of service about 10 years ago. Assistant Director of Engineering Mike Bengston added that the Dyer tank was in our Central Zone. It was an older tank and has an overflow that is much lower than the other two tanks it served with. Ten years ago it was decided that it was causing some water quality problems. Director Murphy stated that the project is

costing \$30,000. He added that quotes were solicited from three firms. Mr. Bengston stated that the salvage is part of the cost, and we will not retain that. Mr. Murphy was asked if there are plans for the property. He stated that CBU has no plans at the present, and that will be discussed in the future.

Director Murphy mentioned that in addition to these events, flooding has been a concern. Sandbags were taken to one neighborhood to mitigate any overflow of the creek. He also reminded the group there will be a special USB meeting July 7 for the bid opening for the Redbud Water Tank and Dillman WWTP Clarifying Equipment Painting project.

Mr. Murphy also noted that interns worked at the CBU booth at the Taste of Bloomington which was held June 20. Four thousand CBU water bottles were distributed to attendees. Vice President Roberts thanked Rachel Atz for the water bottles that were handed out to USB members at today's meeting.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:22 p.m.

Julie Roberts, Vice President