

UTILITIES SERVICE BOARD MEETING

July 27, 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, Julie Roberts, Jim Sims, Sam Frank, Jeff Ehman, Jason Banach, and Amanda Burnham. Staff members present: Patrick Murphy, Efrat Feferman, Kim Alexander, Jon Callahan, Mike Bengston, Nancy Axsom, Chris Wheeler, Greg Small, John Langley, Rachel Atz, Mike Hicks, Phil Peden, Nolan Hendon.

MINUTES

Vice President Roberts moved and Board Member Frank seconded the motion to approve the minutes of the July 13th meeting. Motion carried, 7 ayes.

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 July 22 included \$205,200.81 from the Water Utility; \$206,918.48 from the Wastewater Utility; and \$42,936.42 from the Stormwater Utility. Total Claims approved, \$455,055.71.

Motion carried, 7 ayes.

Board Member Ehman asked a question regarding invoices 120 and 124 for diagnostic fee and repair of PCB boards. Assistant Director John Langley explained that these were for a diagnosed problem with printed circuit boards.

President Swafford asked about an invoice for drilling at Griffy Dam. Director Murphy replied that this invoice was for piezometers which were lost and damaged during the rehab project at Griffy. The piezometers are vital to the health of the dam. The engineers doing the inspection installed three new ones and repaired a fourth one. Mr. Swafford also questioned two invoices with the same number on Page 1 of the payables report. Director Murphy stated that Black & Veatch is doing both projects at Dillman and the water tank at 17th Street and the By-Pass. The engineering firm split them out, but it is the same contract. One invoice is paid from Water, and one is paid from Wastewater. That was the reason for the invoice number being the same for both.

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

Vendor invoices that will be submitted to the Controller's Office on July 21 included \$179,147.45 from the Water Utility; \$0.00 from the Wastewater Utility; and 0.00 from the Stormwater Utility. Total Claims approved, \$179,147.45.

Motion carried, 7 ayes.

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 July 16 included \$868.88 from the Water Utility; \$9,121.58 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$9,990.46.

Motion carried, 7 ayes.

Wire transfers and fees for the month of July:

Vice President Roberts moved and Board Member Frank seconded the motion to approve the wire transfers and fees for the month of July in the amount of \$314,399.29.

Motion carried, 7 ayes.

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 July 23 included \$0.00 from the Water Utility; \$83.51 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$83.51.

Motion carried, 7 ayes.

REQUEST FOR APPROVAL OF SUPPLEMENTAL AGREEMENT FOR CONSULTING SERVICES WITH UNITED CONSULTING FOR THE DILLMAN ROAD WWTP EQUALIZATION BASIN IMPROVEMENTS PROJECT

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

Motion carried, 7 ayes.

Mike Hicks, Capital Projects Manager, presented this item. In July 2012 the Board contracted with United Consulting for design and bid phase services for this project. At that time, other stages of the project were not included since it was anticipated that there would be a delay in construction. Mr. Hicks requested approval to engage United in the construction phase. The supplemental cost is \$93,500, which will increase the total contract to \$188,275. Mr. Hicks directed attention to the packet which included the agreement. Board Member Banach asked if staff thinks this is a fair price. Mr. Hicks replied that both staff and Director Murphy have reviewed the costs and concur that it is a fair price. Of this increase, about \$52,000 is for inspection, and \$41,500 is for construction phase services. Board Member Banach asked about the breakdown; he was concerned about the lack of detail in the packet. Mr. Hicks replied that he has the breakdown, and shared it with the Board. He indicated that the bulk of this is inspection services estimated at 400 hours. Keith Bryant, the engineer on the project, could not attend tonight's meeting. Mr. Hicks stated that the construction phase is only 1% of the total project cost. Board Member Banach asked if the \$93,500 is a "not to exceed" amount. Mr. Hicks replied that that is correct. Board Member Banach asked if the agreement has been reviewed by legal and the controller's office. Mr. Hicks replied that it has been reviewed by both, and the signature copy has both stamps on it. Board Member Ehman asked about the duration

of the project. There was a discussion pertaining to the inspection/construction phase. Onsite inspections will occur for an average frequency of 2-3 days per week during the 10-week basin shut down period, and 1 day per week for the remaining 11 weeks of the construction period. Vice President Roberts asked what will happen if there is a "big rain event" during the construction period. Mr. Hicks replied that the plant will be run at capacity and then be treated. He noted that now is the start of the dry season. Board Member Banach stated that in the future he would like to see more detail.

APPROVAL OF MOU AND AGREEMENT WITH ISOLUX CORSAN FOR RELOCATION OF LIFT STATION SERVICES FROM VERNAL PIKE TO PACKINGHOUSE ROAD

Vice President Roberts moved and Board Member Frank seconded the motion to approve the MOU and agreement with Isolux as follows:

Motion carried, 7 ayes.

Mike Bengston, Assistant Director of Engineering, reminded the Board of an earlier presentation which explained that each one of the intersections in the I-69 project is going to require a separate agreement and plans. He presented the MOU between Isolux and CBU for the relocation of the lift station at Vernal Pike to Packinghouse Road which will be paid for by Isolux. He provided background on the document saying that staff was having trouble convincing Isolux that this was the proper thing to do. Isolux did not want to move the station which would have presented challenges to CBU regarding maintenance. Mr. Bengston stated that ultimately INDOT was asked to intervene in the negotiations to mediate. CBU finally received a concession from Isolux saying they would move under certain conditions; at that point CBU asked the city legal department to assist (Margie Rice, Christopher Wheeler and Greg Small). President Swafford asked what the difference was between the MOU that was included in the Board's packet, and the MOU that was distributed by Mr. Bengston at the beginning of the meeting. Christopher Wheeler, who will be replacing Greg Small in the legal department, was introduced by Director Patrick Murphy at that point. Mr. Wheeler addressed the changes saying that they were mostly regarding the mediation terms which are found in Paragraph 7. He added that Paragraph 9 changed slightly to discuss the fact that this memorandum does not preclude the continued execution of the Utility Reimbursement Agreement between the parties. In addition, Mr. Wheeler directed attention to Paragraph 3 which states that Isolux will pay for any modification of design if it should occur. However, if CBU requests a modification that increases the general capacity of the lift station, then those modifications will be the responsibility of CBU. He indicated that CBU is not likely to incur any expense as a result of this transfer of the lift station.

Vice President Roberts asked for an explanation of Isolux. Mr. Bengston explained that Isolux is a consortium of investors, contractors, and designers that are building I-69, and they will own this section of the interstate for 35 years. Board Member Ehman asked how much of the existing lift station equipment can be re-used. Mr. Bengston replied that that has been a part of the negotiations. Staff believes they can re-use the pumps, the motor controls, and the rails that go down and lower the pumps into position.

OLD BUSINESS:

Director Murphy noted that Greg Small will be leaving the city legal department July 31, and extended his appreciation to Mr. Small for his assistance to CBU. Mr. Murphy added that Christopher Wheeler will be replacing Mr. Small in his role as legal counsel to CBU. He brings a wide range of experience that will be helpful in terms of his expertise.

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

Board Member Frank, President of the Finance Subcommittee, reported on the finance meeting which was held at 4:00 p.m. prior to the regular meeting. The committee reviewed the 2016 budget and recommended forwarding it to the Board for full approval. The budget is minimal, with a 1.4% increase, and will be presented to the full Board August 10th. Mr. Frank commended staff on its work on the budget.

STAFF REPORTS:

Nancy Axsom, Project Coordinator for New Services, reported on a request from Baxter regarding metering and credits. She explained that this request will be handled similarly to the request from Print Pack in 2014. An agreement has been reached, but CBU does not yet have the paperwork. Ms. Axsom explained how the credits are determined. She noted that the company will not be given full credit, but typically the evaporation percentage is increased to make up for improper functioning of the system. Director Murphy added this is the same arrangement we have with IU. He would like an MOU to be in place to authorize the credits Baxter will receive. Board Member Banach asked if he could see the minutes from the meeting in which the Print Pack program was discussed. Discussion ensued as to the different agreements in place; Ms. Axsom indicated that Print Pack had a 60% credit, Baxter will have a 70% credit, and IU has an 80% credit agreement.

John Langley, Deputy Director, reported on the Fullerton Pike Widening Project which will require a right-of-way taking at Gordon Pike. This will require the Board's approval, and he plans on presenting the item at the August 24th meeting. Mr. Langley stated he would forward the documents to the Board the next day. Mr. Wheeler in the legal department will be offering advice and counsel on this project, and briefly noted the highlights of the project. It includes deconstruction and reconstruction of the stone gates that now sit in front of the Winston Thomas property. There are also a number of trees that will need to be replaced. The taking does outline both permanent and temporary right-of-way. It is dated July 27, with a 30 day acceptance or review period. Board Member Banach asked if we received notice from the County. Director Langley replied yes. Mr. Banach had a couple of questions. He wanted to know how the County can do a "taking" from the city. Mr. Langley replied they have the right of condemnation for projects that are deemed to be in the interest of the public at large. Mr. Banach asked about appraisals, and whether these might not coincide with the County's offer. Mr. Langley noted these questions, and responded that they would be answered in a timely fashion. Mr. Banach wanted assurance that we would realize the maximum value for the real estate, while treating the County in a fair manner as well. He did not realize that the County has the power of eminent domain over the city. Board Member Ehman asked if this taking impinges upon any of our functional use of the Winston Thomas site. There was a discussion about the number of feet being taken and from which side it is being taken.

Director Murphy reported that CBU grossed \$208,000 from the city used vehicle auction which was recently held. He added that Customer Service is gearing up for the busiest time of year with IU students returning in August.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:40 p.m.

L. Thomas Swafford, President