

## UTILITIES SERVICE BOARD MEETING

August 8, 2016

***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 Frank 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: Sam Frank, Jim Sherman, Julie Roberts, Jim Sims, Jeff Ehman, and Jason Banach. Staff members present: Vic Kelson, Efrat Feferman, Kim Alexander, Mike Bengtson, Tom Axsom, Phil Peden, Chris Wheeler, Jon Callahan, Missy Waldon, John Langley, Nolan Hendon, and Mike Hicks.

Other: Michael Amore (Crowe Horwath)

### MINUTES

***Board Member Sherman moved and Board Member Roberts seconded the motion to approve the minutes of the July 25th meeting. Motion carried, 6 ayes, 1 member absent, (Burnham).***

### CLAIMS

***Board Member Sherman moved and Board Member Roberts seconded the motion to approve the claims as follows:***

***Vendor invoices submitted to the Controller's Office on August 3<sup>rd</sup> included \$189,283.86 from the Water Utility; \$171,543.81 from the Wastewater Utility; and \$8,136.38 from the Stormwater Utility. Total Claims approved, \$368,964.05.***

***Motion carried, 6 ayes, 1 member absent, (Burnham).***

***Board Member Sherman moved and Board Member Roberts seconded the motion to approve the utility claims as follows:***

***Utility invoices submitted to the Controller's Office on August 2<sup>nd</sup> included \$7,143.98 from the Water Utility; \$6,100.70 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$13,244.68.***

***Motion carried, 6 ayes, 1 member absent, (Burnham).***

***Wire transfers and fees for the month of July:***

***Board Member Sherman moved and Board Member Roberts seconded the motion to approve the wire transfers and fees for the month of July in the amount of \$383,848.02.***

***Motion carried, 6 ayes, 1 member absent, (Burnham).***

**Board Member Sherman moved and Board Member Roberts seconded the motion to approve the customer refunds as follows:**

**Customer refunds submitted to the Controller's Office on August 2<sup>nd</sup> included \$33.61 from the Water Utility; \$4,179.72 from the Wastewater Utility; and \$2.70 from the Stormwater Utility. Total Claims approved, \$4,216.03.**

**Motion carried, 6 ayes, 1 member absent, (Burnham).**

#### **REQUEST FOR APPROVAL OF KCI TECHNOLOGIES, INC., AGREEMENT FOR CONSULTING SERVICES**

**Board Member Banach moved and Board Member Roberts seconded the motion to table the request for approval of KCI Technologies, Inc., agreement for consulting services as follows:**

**Motion carried, 6 ayes, 1 member absent, (Burnham).**

Phil Peden, Utilities Engineer, requested approval of an agreement with KCI Technologies, Inc. for consulting services regarding the Weimar Dam project. Mr. Peden reviewed the project and the history of the dam. The lake was originally constructed in the 1920s as a drinking water source. In the 1940s after Lake Griffy was built, the source was transitioned from the lake. It is classified as a "significant hazard dam," not a "high hazard", but could potentially go to a high hazard. The DNR recommended in the last inspection that in 2015 the dam be either decommissioned or reconstructed to a safe condition by 2017. The first part of the project was to evaluate the three options: removing, rehabilitating or replacing the dam. Mr. Peden stated that he believes that removal is the best solution at this time. That is the approach that KCI is taking. A discussion ensued regarding the ownership of the dam and the manner in which the lake bed would be restored to its original state. Assistant Director of Finance Feferman noted that when the same discussion took place regarding Lake Griffy, the deeds were recorded before the creation of the USB, so everything was in the City's name. Board Member Banach did not think ratepayers should be responsible for the cost of removing the dam if it is not a CBU asset.

Chris Wheeler, city legal, recommended tabling the contract until the true ownership can be determined. Mr. Wheeler asked if we assess Weimar Dam in CBU inventory. Ms. Feferman will ascertain the answer.

Director Kelson asked if Parks had a preference for the park with or without a lake. Mr. Peden replied that from his understanding, it does not matter one way or another. It is a popular mountain bike area, and they are interested in maintaining that.

The agreement was tabled to determine ownership, Parks involvement in the scenario, and the inspection.

**REQUEST FOR APPROVAL OF CROWE HORWATH LLP, STATEMENTS OF WORK FOR IURC WATER RATE CASE AND WATER/WASTEWATER BONDING**

***Board Member Sherman moved and Board Member Burnham seconded the motion to approve the three Crowe Horwath Statements of Work as follows (each one was voted on separately):***

***Motion carried, 6 ayes, 1 member absent, (Burnham).***

Efrat Feferman, Assistant Director of Finance, requested approval of three (3) Statements of Work (SOWs) from Crowe Horwath. The first SOW was for regulatory consulting on behalf of the City of Bloomington Municipal Water Utility for the IURC Process. The total cost is not to exceed \$125,000.

The second SOW was for representation and defense of the City in securing and issuing of City of Bloomington Municipal Waterworks revenue bonds. The total cost is not to exceed \$40,500.

The third SOW was for representation and defense of the City in securing and issuing of City of Bloomington Municipal Sewage Works revenue bonds. The total cost is not to exceed \$40,500.

The three SOWs totaled \$206,000.

**REQUEST FOR APPROVAL OF PROPOSED 2017 CITY OF BLOOMINGTON UTILITIES BUDGET**

***Board Member Sherman moved and Board Member Burnham seconded the motion to approve the proposed 2017 CBU budget as follows:***

***Motion carried, 6 ayes, 1 member absent, (Burnham).***

Efrat Feferman, Assistant Director of Finance, presented the proposed 2017 CBU budget. Ms. Feferman began by outlining the Utilities' goals, which were reflected in the budget. She stated the goals are to improve water quality, increase transparency and communication with customers, continue to reduce energy usage, reduce sanitary sewer overflows (SSOs), bolster the pretreatment program, focus on safety issues, begin to plan for the advanced metering initiative, and to continue to focus on customer service by promoting electronic solutions to doing business with the utilities, as well as enhancing the assistance program to support customers in times of need.

The total budget request of all funds (water, wastewater, and stormwater) is \$40,548,805, an increase of 10.9%, with expenses balanced to projected revenues including a 22% rate increase for the sewer utility.

**OLD BUSINESS:**

N/A

**NEW BUSINESS:**

N/A

**SUBCOMMITTEE REPORTS:**

N/A

**STAFF REPORTS:**

Director Vic Kelson announced the Monroe Lake: Moores Creek SRA Shoreline Cleanup will be held Sunday, September 11, at 1:30 p.m. Volunteers are welcome and there will be a free cookout for volunteers immediately following the cleanup. Fliers were distributed.

**PETITIONS AND COMMUNICATIONS:**

N/A

**ADJOURNMENT:**

The meeting was adjourned at 6:35 p.m.

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**Samuel K. Frank, President**