

# UTILITIES SERVICE BOARD MEETING

September 2, 2008

***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 5:07 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Department Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, John Whitehart, Julie Roberts, Jeff Ehman and ex-officio member Tom Micuda. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Michele Walden, Jon Callahan, Mike Hicks, Jane Fleig, Phil Peden and Mike Bengtson. Others present: Adam Westerman representing Black & Veatch

## MINUTES

***Board member Roberts moved and Board member Whitehart seconded the motion to approve the minutes of the August 18, 2008 meeting. Motion carried, 4 ayes, 2 members absent, (Banach and Roman).***

## CLAIMS

***Board member Roberts moved and Board member Whitehart seconded the motion to approve the claims as follows:***

***Claims 0891210 through 0891267 including \$285,953.50 from the Water Operations & Maintenance fund for a total of \$285,953.50 from the Water Utility; Claims 0830762 through 0830814 including \$159,754.70 from the Wastewater Operations & Maintenance fund for a total of \$159,754.70 from the Wastewater Utility; And claims 0870080 through 0870089 for a total of \$4,630.32 from the Wastewater/Storm water Utility. Total claims approved – \$450,344.52.***

Board member Ehman asked about the two claims for Black & Veatch both of which are listed as phase one. His original understanding was that phase one was the filter upgrade, phase two the pipeline and tank and phase three the plant expansion. In this case it says phase 1 of the MWTP expansion. He wanted to know if both of the payments are for the filter upgrades or for something else.

Assistant Director of Engineering Bengtson explained both of the invoices are for phase one for both contracts. There is phase one of phase two and phase one of phase three. Capital Projects Manager Hicks said that typically phase one of every project is the design and bid phase services. The design and engineering services get phased within a project.

Mr. Ehman asked if these expenses would be paid for through a bond if one were issued. Mr. Bengtson said some up-front money had been budgeted for this purpose. The bigger expenditures will be with the construction phase when the bond should be in place.

Board President Swafford asked about the claim for radar level transmitters. He wanted to know what they are. Capital Projects Manager Hicks explained that these replaced some existing transmitters in the filtrate pump station at Monroe Water Treatment Plant. It is a part of the filter upgrade project. The need for these was discovered during the project so they were added to it. There was some confusion surrounding how they would be purchased and paid for. What happened was MWTP Superintendent Trotter ordered them through the purchasing department. Maddox

should have purchased them and been compensated through the project allowance. They will reimburse Utilities for the amount Utilities paid to acquire the radar level transmitters. This claim is for an invoice that will allow the reimbursement.

***Motion carried, 4 ayes, 2 members absent, (Banach and Roman).***

***Wire transfers and fees for the month of August 2008:***

***Board member Roberts moved and Board member Ehman seconded the motion to approve the wire transfers and fees for the month of August 2008 in the amount of \$628,573.88.***

Board member Ehman asked about a claim for Irwin Union Bank for account analysis fees. He said it had either not been there before or he hadn't noticed it. Assistant Director of Finance Horstman explained that it is a monthly charge that is the fee they charge for handling Utilities account along with the monthly credit card charges.

***Motion carried, 4 Ayes, 2 members absent, (Banach and Roman).***

**REQUEST FOR APPROVAL OF CHANGE ORDER No. 1 WITH MADDOX INDUSTRIAL CONTRACTORS, INC. FOR THE MONROE WTP FILTER REHABILITATION PROJECT:**

Capital Projects Manager Hicks said this is Change Order No. 1 which is a project closing document. This Change Order will reconcile allowances and other charges and matters that transpired during the project. The Filter Rehabilitation Project was substantially complete on July 3<sup>rd</sup>. Final completion should have taken place 30 days later. This Change Order was presented to Maddox a couple of weeks before the final completion deadline. Maddox delayed approval of this Change Order so it is only just available for the USB's approval. Maddox had presented Utilities a memo demanding arbitration to settle for claims against the project they believe are outstanding. They have agreed to move forward and allow the execution of this Change Order.

Mr. Hicks introduced Black & Veatch engineer Adam Westerman who was the provider of engineering services for this project.

Mr. Westerman gave explanations for each of the items in the Change Order.

Item 1 is an adjustment for project allowances. Certain allowances were set aside as a part of this project. There was a \$50,000 allowance for replacement of underdrains if that was found to be necessary. Another \$50,000 was for miscellaneous items such as equipment or work that was determined to be necessary during the course of the project. An allowance of \$10,000 was for plant automation and SCADA equipment, and any configuration work that might be required. The total allowance amount for the project was \$110,000. Only \$27,417.92 was used during the course of the project so a deduction of \$82,582.08 was made.

Item number 2 is an adjustment for concrete crack repair associated with any cracks that might be inside the filter walls. Looking at the outside of the filters it was clear that some crack repair would be needed but how much couldn't be determined until the filter media had been removed. Since the exact amount of repair needed wasn't known an approximate amount of linear feet was estimated and Maddox gave an amount per foot for repairs of cracks that were found. The estimate was for 200 linear feet but they only had to work on 120 feet so the contract price was adjusted by a decrease of \$4,000.

Item 3 is for the resident engineer's overtime. This relates to additional engineering services requested by the contractor which would cause the engineer to work overtime during the course of the project. There were 232 hours of overtime. This gave a decrease of \$22,736.

Item 4 is associated with the painting work that was done in the filter cells themselves. The specified curing procedure for the paint for filter no. 2 was not followed according to the manufacturer's recommendations. The paint didn't cure to the same color as the other filters. It had a blush to it. The contractor had the manufacturer look at it and he said it had cured properly in that it had fully adhered to the wall. During the conditioning of it temperatures were such that it made the blush appear. The manufacturer supplied documentation that said it was properly cured. Because the contractor had not followed the manufacturer's directions they agreed to a credit. They also offered a 2 year extended warrantee for the paint. It is a credit of \$800 to except the work as it is along with the warrantee for the paint

Item 5 is an adjustment for electrical power consumption. The contractor had temporary power set up for any tools that required it and their trailers at the site. That was monitored through a meter and will be reimbursed for a total of \$581.

The total of the decreases is \$110,699.18.

Board member Ehman asked if the extended warrantee for the paint is from the contractor or the manufacturer. Mr. Westerman said it came from the contractor but they would then go to the manufacturer to get reimbursed.

Board President Swafford asked if this is the same project that required the radar level transmitters that will give an \$11,000 credit. Mr. Westerman said it is. Mr. Swafford asked why that wasn't included in this Change Order. Capital Projects Manager Hicks explained that amount was included under the miscellaneous allowance which was Item No. 1 in this Change Order.

***Board member Roberts moved and board member Ehman seconded the motion for approval of Change Order No. 1 with Maddox Industrial Contractors, Inc. for the Monroe Water Treatment Plant Filter Rehabilitation Project. Motion carried, 4 ayes, 2 members absent, (Banach and Roman).***

**REQUEST FOR APPROVAL OF AMENDMENT B TO THE ENGINEERING SERVICES AGREEMENT WITH BLACK & VEATCH FOR THE MONROE WTP FILTER REHABILITATION PROJECT:**

Capital Projects Manager Hicks said that this is for the same project. Black & Veatch supplied engineering services for this project. Amendment B to their contract for this project includes several things. First is the resident engineering overtime. Black & Veatch's contract is with CBU which means CBU makes all payments to them. However Maddox is responsible for paying for resident engineering overtime. With the adjustment of the Maddox contract amount through the Change order CBU must now pay Black & Veatch the \$22,736 for resident engineering overtime.

Another part of this amendment is for additional engineering services for the project. There are a couple of components to it. One is for compensation to Black & Veatch if they go beyond a certain number of shop drawing reviews. They had approximately 50 more submittals on this job than was anticipated. The cost of that is about \$8,000. The total of the additional engineering services is \$16,189. About half of that is for the additional shop drawing reviews.

The other half is related to a matter that is unrelated to the project but came up during it. This has to do with a notification from Smithville Telephone Company that they were planning to change the area wide network for DSL. This is the communication service that is used to communicate water tank levels to MWTP where pumps are turned on and off that control the water levels in the tanks. It also provides MWTP with City-wide email service as well as connecting them to the internet. This change was forced on CBU by Smithville Telephone Company. They provided the user end equipment that went in the server room to connect all the equipment. It also changed the entire IP addressing system which is needed for the components in the ether-net system to communicate. This meant that the IP addressing for all the personal computers, printers and the SCADA systems as well as the programmable logical controllers and all end devices on the system had to have their addresses changed. It made sense to use Black & Veatch on this project because they had developed and programmed this system in the beginning and also happened to be on site for the Filter Rehabilitation Project. Because of the short time available to accomplish this Black & Veatch was asked to help with it. That accounts for the other half of the \$16,189 in this amendment.

***Board member Ehman moved and board member Roberts seconded the motion to approve the request for approval of Amendment B to the Engineering Services Agreement with Black & Veatch for the Monroe WTP Filter Rehabilitation Project. Motion carried, 4 ayes, 2 members absent, (Banach and Roman).***

Capital Projects Manager Hicks said he wanted to take this opportunity to thank Black & Veatch for their assistance with this project. It was a very clean project that was well thought out.

#### **OLD BUSINESS:**

No old business was presented.

#### **NEW BUSINESS:**

Board member Ehman asked where the pumping rates are at given a 3 week drought has taken place. He also said that he thinks one of the things Whitman Hydrological Planning could be doing right now is to develop some recommendations for voluntary conservation measures.

Assistant Director of Engineering Bengtson said that during the past couple of weeks there had been a glitch at MWTP. There had been a plugged chemical feed line. He said the staff at the plant had performed very well. They ran a chemical feed line out a door and across the delivery deck to get the chemical where it needed to be until the plugged line could be replaced. While this was being taken care of the water tanks were falling. It didn't cause any problems but they were pretty low so there was a period of time when a lot of pumping was done to catch up again. Because of that the numbers for the last couple of weeks are not an accurate representation of pumping which means a good view of the effect of the weather is not possible. Prior to this problem about 15 to 16 mgd was being pumped with some peaks around 19 to 20 mgd. Another contributing factor was that the students came back to town at the same time this glitch occurred. The problem brought the pumping numbers for last week up to about 22 to 24 mgd.

Board President Swafford asked if Wittman wasn't supposed to be doing some water conservation work. Utilities Director Murphy said that he is working on that. He doesn't think the same demand has been experienced this year as last year because the drought is less severe and the temperatures haven't been as high. Last year there was a lot of demand during September and October that hadn't been seen previously. That may still take place which will give a better comparison between last year and this year's pumping rates.

Mr. Ehman said he thought it would be prudent to have some simple voluntary measures in place for the public if things do get worse. Mr. Murphy said Utilities does have some brochures about these kinds of things that are given out to the public. He also expects to make plans with Mr. Wittman for some kind of graph or chart on the Utility bills to indicate the usage as compared to the average. That does seem to have an impact.

**SUBCOMMITTEE REPORTS:**

There were no subcommittee meetings.

**STAFF REPORTS:**

There were no staff reports.

**PETITIONS AND COMMUNICATIONS:**

Board President Swafford read an email Assistant Director of Engineering Bengtson had received from Jeff Kaden, the Director of Engineering Services at Indiana University. Mr. Kaden thanked the staff at CBU that helped get domestic water and a sprinkler service to the Hutton Honors College. He said CBU's proposal for the solution to this problem was very fair and reasonable. The Engineering and T& D departments had worked very hard to get this taken care of by the end of the summer. He said the entire staff had shown a spirit of remarkable cooperation.

Assistant Director of Engineering Bengtson said Mr. Kaden and his staff had been super to work with. It goes both ways, they are good people.

**ADJOURNMENT:**

The meeting was adjourned at 5:37 p.m.

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**L. Thomas Swafford, President**