

## UTILITIES SERVICE BOARD MEETING

February 17, 2009

***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 5:02 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, Jeff Ehman, Pedro Roman, Sam Frank, Jason Banach, Julie Roberts and ex-officio members Tim Mayer and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Vickie Renfrow, Adrian Reid, Mike Bengtson, Michael Horstman, Missy Walden, John Callahan and Troy Powell. Others present: Steve Hogan representing Hogan Enterprises and Sue Mayer.

### MINUTES

***Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the February 2nd meeting. Motion carried, 6 ayes, 1 member absent, (Whikehart).***

Assistant Director of Finance Horstman explained that the payable claims are items that were received during 2008 but paid for in 2009.

### CLAIMS - PAYABLES

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

***Claims 0990205 through 0990247 including \$286,612.89 from the Water Operations & Maintenance fund for a total of \$286,612.89 from the Water Utility; Claims 0930132 through 0930135 including \$55,865.77 from the Wastewater Operations & Maintenance fund for a total of \$55,865.77 from the Wastewater Utility; Total claims approved – \$342,478.66.***

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

### CLAIMS

***Board member Frank moved and Board member Banach seconded the motion to approve the claims as follows:***

***Claims 0990186 through 0990278 including \$175,307.12 from the Water Operations & Maintenance fund, \$3,450.00 from the Water Construction fund and \$3,850.00 for water hydrant meter rental for a total of \$182,607.12 from the Water Utility; Claims 0930103 through 0930131 including \$228,028.54 from the Wastewater Operations & Maintenance fund and \$630.00 from the wastewater Sinking fund for a total of \$228,658.54 from the Wastewater Utility; and claim 0970012 for a total of \$24,031.18 from the Wastewater/Storm water Utility. Total claims approved – \$435,296.84.***

Board member Banach asked about the claim for Hylant Group for 2009 liability and casualty premiums. He asked if this gets bid out and how long Utilities has been using Hylant. City Attorney

Renfrow explained this is handled by Risk Management. She wasn't sure how long Utilities has been with Hylant. Mr. Banach asked if Utilities pays a portion of the City's policy or if they have a policy of their own. Ms. Renfrow said Utilities pays the portion of the City's policy that is attributable to Utilities' assets. Mr. Banach asked that he be provided with information about how much the total policy is and what portion Utilities pays for liability and casualty premiums.

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

**REQUEST FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING WITH HOGAN ENTERPRISES:**

Assistant Director of Engineering Bengtson said this is a situation where a developer, Steve Hogan has bought some lots in an already developed neighborhood. He plans to provide sanitary sewers for his development which will bring the sewer past some previously developed lots that do not have sewer access. He is willing to pay for the infrastructure himself and then be reimbursed on a pro rata basis by Utilities for the properties outside his development. This would be contingent on the infrastructure passing Utilities testing and inspection.

*There was some discussion about the relative amounts that Utilities and Mr. Hogan would be paying but no one came to the podium so it couldn't be heard.* Mr. Bengtson said these are just estimated costs. There is some rock that will be needed to be removed but it isn't yet known how much. The cost for the rock removal hasn't been included in the estimated cost.

Board member Ehman asked if the cost of the rock increases, will Utilities still be responsible for just \$70,000 for the cost of the project. Mr. Bengtson said Utilities will be committed to their pro rata share of the project. Mr. Ehman asked if the cost increased for Utilities would the cost for the individual properties to hook on also increase. Mr. Bengtson said it would.

Attorney Renfrow explained that Utilities would be paying the pro rata share for the 14 lots that are not a part of Mr. Hogan's development. Utilities would then collect that from each residential unit when they hook on to the collection system. The Rules and Regulations lay out the conditions for this. For all practical purposes once the construction is done and Utilities has bought those shares it will be like a neighborhood sewer project.

Assistant Director of Engineering Bengtson told the USB there has been interest expressed in hooking on to the sewer by the people who own the lots outside of the development. Mr. Hogan is also negotiating to buy another piece of property that would be developed into 4 lots. That would increase the amount he would be obligated to pay and also the number of residences the cost is divided by.

Board President Swafford asked if the \$5,000 reimbursement is the cost to the home owner if they choose to connect to the sewer line. Mr. Bengtson said that would be the case along with an additional \$1,000 new customer service fee.

Board member Ehman asked if Mr. Hogan should buy the other parcel and sub-divide it, would those customers pay their portion of the \$70,000 as well. Ms. Renfrow explained that the total number of lots of potential residential users would be divided into the cost of construction. That means it would reduce the amount owed by any individual. That means Utilities portion would be a little less. Mr. Ehman clarified that he was asking if it would be the people who buy the newly built homes who would pay the pro rata share or would it be the developer. Ms. Renfrow said the developer would pay and pass on the costs.

Board member Roberts pointed out the memorandum says that residents are not required to hook on. She asked if there had been a portion of residents in previous situations like this who had chosen to not hook on. Mr. Bengtson said there is usually a portion that chooses not to connect because their septic is still working, but he knows there are several residents in the neighborhood who are very interested.

Ms. Roberts asked if there are any previous accounts of rock removal because there are so many horror stories in this County about prices going way up due to rock removal. Mr. Bengtson said they have planned the project so it won't go unnecessarily deep but there is a minimal section that will have to be deep to reach the lots. The cost can only be an estimated.

Senior Project Manager Powell said where the present sewer ends there is about a foot of rock.

***Board member Roberts moved and board member Roman seconded the motion to approve the Memorandum of Understanding with Hogan Enterprises. Motion carried, 6 ayes, 1 member absent, (Whikehart.)***

#### **OLD BUSINESS:**

Utilities Director Murphy said Beam, Longest and Neff, who are working on the W. Third St. project, just brought up a matter that Assistant Director on Engineering Bengtson needs to brief the USB on.

Assistant Director of Engineering Bengtson said that awhile ago Utilities' staff had heard from Beam, Longest and Neff that some of Utilities' infrastructure would need to be moved for the project to widen S.R. 48 from Landmark Ave. to S.R. 37. A design contract for moving the water and sewer infrastructure was signed with Beam, Longest and Neff. Utilities staff has had 3 meetings with BLN to create the design. Public Works had approved the plan. Since then INDOT has told BLN's Engineer that because sewer and water are involved a separate board, not Public Works, would have oversight. They require all the Utilities board members to sign the cover sheet on the plan. All they are agreeing to is that they approved the configuration shown by these plans. No money is involved, it's just a formality for INDOT. Utilities' staff has made sure that all the sewer and water services are on the plans and the specifications set by staff for anything put into the ground have been met. Mr. Bengtson said BLN has a Friday deadline to submit the signed plans.

Board member Banach asked if the Legal Department has reviewed this plan. City Attorney Renfrow said she had looked at the plan and has no problem with the USB signing it.

Mr. Banach asked that in the future when things of this sort come up the Legal Counsel initial it as an indication they had signed off on it. Ms. Renfrow said that could have done that if the plans had been received a little earlier.

***All members of the USB who were present signed the plans. Board member Whikehart was absent.***

#### **NEW BUSINESS:**

No new business was presented.

#### **SUBCOMMITTEE REPORTS:**

There were no subcommittee meetings.

## **STAFF REPORTS:**

Utilities Director Murphy said he had heard from WHPA, the consultants for the water conservation plan. They have asked to have a work session with the USB.

Board President Swafford suggested a meeting with WHPA following the March 2<sup>nd</sup> USB meeting. Board member Banach suggested planning for a light agenda for the USB meeting if it is to be followed by another one. If something big is on the agenda he would like to have the work session postponed.

Board member Ehman asked if Utilities staff had been present at the work sessions WHPA had had with other focus groups. Utilities Director Murphy said the only one staff had attended was the one for wholesale customers. Public Relations Specialist Callahan and Water Quality Coordinator Atz had attended the meeting but it was run by WHPA.

## **PETITIONS AND COMMUNICATIONS:**

Ex-officio board member Mayer said the City Council had recently had an opportunity to review Indiana University's master plan which is a 30 year plan that was facilitated by Kirk White's office, Jason Banach's office and the University architect's office. It is a very thorough plan that talks about transportation, building locations and many other things. What stood out for Mr. Mayer is they are looking at the stream referred to as Jordan River as an asset to the campus and would like to develop it further so it can become a retention facility. That will allow Indiana University to retain their storm water on campus rather than letting it go down stream to Kirkwood and beyond. Mr. Mayer feels this will help Utilities with their future plans.

Board member Roberts asked if this meant there would be a big concrete pond in the middle of campus. Board President Swafford said there are places up stream that flood. They would be used as retention basins. They are close to the School of Education. Mr. Mayer said some restoration would also take place.

Board President Swafford asked to have a report sometime soon on the S. R. 45/46 relocations. It appears that project may be moving forward.

## **ADJOURNMENT:**

The meeting was adjourned at 5:30 p.m.

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**L. Thomas Swafford, President**