

## UTILITIES SERVICE BOARD MEETING

June 22, 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 Vice President Roberts called the regular meeting of the Utilities Service Board to order at 5:06 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: Julie Roberts, Sam Frank, Pedro Roman, Jeff Ehman, Jason Banach and John Whikehart. Staff members present: Patrick Murphy, John Langley, Phil Peden, Mike Bengtson, Michael Horstman, Missy Waldon, Mike Hicks, Jon Callahan and Tom Staley. Others present: Sue Mayer.

### MINUTES

***Board member Ehman moved and Board member Roman seconded the motion to approve the minutes of the June 8<sup>th</sup> meeting. Motion carried, 6 ayes, 1 member absent, (Swafford).***

### CLAIMS

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

***Claims 0990791 through 0990855 including \$120,296.33 from the Water Operations & Maintenance fund, \$927.50 from the Water Construction fund, \$315.00 from the Water Sinking fund and \$200.00 for water hydrant meter rental for a total of \$121,738.83 from the Water Utility; Claims 0930443 through 0930492 including \$181,065.25 from the Wastewater Operations & Maintenance fund and \$1,080.00 from the Wastewater Sinking fund for a total of \$182,145.25 from the Wastewater Utility; and claims 0970036 through 0970041 for a total of \$95,580.84 from the Wastewater/Storm water Utility. Total claims approved – \$399,464.92.***

Board member Ehman asked about a rather large refund for a customer. He wondered what the issue was. Superintendent of Operations Staley explained this was a vacant building where the water had not been disconnected. Utilities workers discovered there was a leak and contacted the owner who asked that the water be shut off. When the workers returned to re-check the situation a number wasn't added which caused a misread. The customer was billed for \$30,000 which he paid. Because it was an unintentional mistake by Utilities the money was refunded.

Board member Roman asked about the energy efficiency program. He wondered what the status of that program is. Assistant Director of Finance Horstman said this is the final payment on that contract. It was a 10 year contract for \$261,000. The savings engendered by this program were over and above the amount stated in the contract.

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

**Wire transfers and fees for the month of May 2009:**

**Board member Roberts moved and Board member Roman seconded the motion to approve the wire transfers and fees for the month of May, 2009 in the amount of \$666,581.89.**

**Motion carried, 6 Ayes, 1 member absent, (Swafford).**

**ACCEPTANCE OF ENGINEER'S RECOMMENDATION REGARDING BIDS FOR SOUTH EAST BASIN SANITARY SEWER IMPROVEMENTS, AND AUTHORIZATION FOR DIRECTOR TO EXECUTE AND SEND LETTER TO SRF INDICATING INTENT TO AWARD AND EXECUTE CONSTRUCTION CONTRACT:**

Utilities Engineer Peden reminded the USB that last December they had approved the preliminary engineering report for the rehabilitation of the South East Sewer Basin. The next step was to get approval from the State Revolving Fund. The SRF has been overwhelmed by submittals for stimulus funds so it took them awhile to get their approval back to Utilities. Since then the bidding process has moved ahead. Bids were received from four different companies. Miller Pipe Line had the low bid. They came in at \$864,470. The engineer's estimate was \$1.36 million so there will be a savings of about \$500,000.

Mr. Peden asked the USB for a letter of intent to award for SRF's approval. Once their approval has been received work can begin on a contract with Miller Pipe Line. The contract will then be brought to the USB for their approval.

**Board member Banach moved and board member Ehman seconded the motion to approve the engineer's recommendation regarding bids for the South East Sewer improvements and authorization for the Director to execute and send a letter to the SRF indicating the intent to award and execute the construction contract.**

Board member Roman asked if Mr. Peden is satisfied with the bid selection. Mr. Peden said the bids were very competitive and 3 of the 4 were very close to each other. All the bid information has been reviewed by the consulting engineers and they meet all of Utilities requirements.

Board member Ehman commented that the bids are very close to each other. He asked if this was because the project is so well defined and routine that it allows the bidders to know just how much they should bid. Mr. Peden said he believed that is right. There isn't a lot of mystery to this project. It's pretty cut and dry. They won't be disturbing earth and there is nothing to haul off or bring in. Mr. Ehman asked why the engineer's estimate is so much higher, did material prices change? Mr. Peden said he thinks they had higher prices from previous projects. With the competitive bidding happening presently and the fact the technology grows every year, making prices cheaper, the bids have been lower.

Board Vice President Roberts asked if this is a local company and if Utilities has used them before. Mr. Peden said they had not worked for Utilities before on a lining project but he thinks they did a sewer rehabilitation involving a broken pipe. Their office is in Indianapolis. Assistant Director Bengtson said the bidders were required to have a history of having lined at least 15,000 feet of pipe before they were qualified to bid for this project.

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

**APPROVAL OF SUMMIT RIDGE OVERSIZING REIMBURSEMENT:**

Assistant Director of Engineering Bengtson said that Summit Ridge is a development of Blackwell Construction. Phillip Tap is the person who authored the letter for re-imbusement. There is a section in the Rules & Regulations that allows Utilities to ask a developer to lay larger pipe in their development to facilitate larger extensions beyond the development. There was some discussion over the amount of reimbursement to be offered. Utilities had offered \$18,000 whereas Mr. Tapp had asked for \$20,000. They had to back track some costs to the year the construction was done. Mr. Tapp asked for the higher amount that was appropriate for 2008 but some of the work had been done in 2006. An adjusted amount was offered and Mr. Bengtson has an email from Mr. Tapp agreeing to it. Mr. Bengtson pointed out the location of Summit Ridge on a map.

***Board member Ehman moved and board member Roman seconded the motion to approve the Summit Ridge oversizing reimbursement.***

Board member Roman asked if the project had been inspected to confirm it was according to Utilities specifications. Mr. Bengtson said it was inspected by Utilities Engineering Inspectors as it was being constructed. Once it was complete a final inspection was done. There were a couple of broken valve boxes and a fire hydrant had been painted the wrong color. He wasn't sure if these minor problems had been rectified yet but there are still lots of services to be issued for Summit Ridge, if they should not comply Utilities is able to refuse to issue any more services until they do. Mr. Roman asked for confirmation that he correctly understood that Blackwell had been asked to increase the size of the pipe to accommodate future services. Utilities would pay them back for the over sizing. He wanted to know if Utilities would wait to pay them until the corrections have been made. The reason he is asking is because he sees a lot of these things happening, especially outside the city; from roads to sidewalks to treelines and erosion devices. They do a very poor job and eventually the infrastructure is bad. Eventually the (?) expires and people are stuck with bad infrastructure. He wants to make sure Blackwell does take care of the problems Mr. Bengtson mentioned. Utilities Director Murphy explained that Blackwell would not receive a check for the reimbursement. It would be credited to their account. That acts as a safeguard.

Board member Ehman congratulated Mr. Bengtson on saving \$2,000. Mr. Bengtson said Nancy Axsom actually deserved the credit since she did all the leg work on this.

***Motion carried, 6 ayes, 1 member absent, (Swafford)***

**OLD BUSINESS:**

Utilities Engineer Peden said the construction work on the North Dunn St. Bridge had been completed in November but the hardship check had not been received. When the original request for reimbursement had been made he had been told it could take up to 5 years to get the check. With some of the recent budgeting situations he realized it would be good to get the check sooner than that. There were a lot of phone calls and emails that culminated in receiving the check last week.

Mr. Peden said that with this project there was a gas line located right above the existing pipes. For Utilities to complete their work Vectren had to come in to move their line. The bill for that

work was about \$333,000 but only a portion of that was necessary for Utilities' project so the amount was pro-rated at \$88,000.

Board Vice President Roberts asked if there was a firm date set for reviewing the Water Conservation Project.

Utilities Director Murphy said the date of July 20<sup>th</sup> had been discussed for the presentation of the Water Conservation Plan. That presents him with a difficulty since that is the date that the Mayor presents the budget which is something Mr. Murphy should attend. He said that date could work if they start at 4:00 p.m. Ms. Roberts asked if this was being presented as a work session or a public session or something else. Mr. Murphy said anytime there is a quorum of the USB present it must be a public session. He suggested the best plan would be for Mr. Wittman of WHPA to come to discuss the Conservation Plan and its recommendations with the USB. What went into creating the plan is known, now the conclusions and recommendations need to be discussed.

Mr. Murphy said the Finance Subcommittee had not finalized their recommendation for the budget at their meeting. He would like to get the budget passed before meeting about the conservation plan. Mr. Wittman has been out of town but is back now. Mr. Murphy will be meeting with him tomorrow at which time they will discuss some options.

Board member Roman asked what the North Dunn St. Bridge project had been about. Utilities Director Murphy reminded him that the bridge had been washed out during the extremely heavy rainfall on June 6, 2008. Mr. Roman asked if the bridge was in the city limits. Assistant Director of Engineering Bengtson said it is. He then went on to say something more that was inaudible. Mr. Roman said if it had been outside the city limits he would have been concerned since Utilities has no storm water jurisdiction outside the city limits.

Mr. Murphy said the Finance Subcommittee had an overview of the budget during a meeting preceding the regular session. It will be necessary to go back and review some issues and questions. He said he would like to have it passed by July 20<sup>th</sup>. That may require having a special meeting out of the regular order. Board member Frank suggested the Finance Subcommittee could meet again in 2 weeks when the questions could be addressed.

#### **NEW BUSINESS:**

Utilities Director Murphy said Utilities had a booth at the Taste of Bloomington. Public Affairs Specialist Callahan and Water Quality Coordinator Atz had overseen things with the help of a lot of interns. Mr. Callahan had reported that the water bottles being given out were very popular.

Capital Projects Manager Hicks, who is a volunteer for the Taste of Bloomington, said Utilities has a booth for which they pay the booth fee. The water given out is very popular and Utilities is seen as a valuable participant in the event.

#### **SUBCOMMITTEE REPORTS:**

Board member Frank reported that the Finance Subcommittee had been given an overview of the budget at an earlier meeting. They pointed out a couple of areas they would like to be sure were being budgeted for correctly. They will address it again in 2 weeks.

Board member Banach said he knows one of the things that have been a hot topic recently is salary increases. Indiana University won't be giving any this year. He asked if there had been any discussion in Utilities or at the Civil City level about what would be done with salaries. Utilities Director Murphy said a contract is worked out for the employees who are AFSCME members. A salary increase of 3% has been budgeted for the non-union members of the staff. He isn't sure yet what the Civil City will be doing. That is something that is still being discussed. A number of routine expenses have increased but Mr. Murphy feels the employees are the rock bed of the business and they deserve at least a 3% raise. He hopes to be able to give it to them. Mr. Banach said he thinks that is a good idea and if there is anything the USB can do to influence that decision they would be happy to do so. Mr. Murphy said one thing about Mayor Kruzan is that he has been a strong advocate for employees. Board member Roman said he believes it is very important that both the union and non-unionized employees get a salary increase.

**STAFF REPORTS:**

Utilities Director Murphy informed the USB that the heavy rainfall earlier in the day had been handled well. There was about 1.5 inches of rain over a short period of time. Superintendent of Operations Staley had his teams cleaning out storm drains. There were some high water spots at 6<sup>th</sup> and Indiana, under the Third St. bridge, Dunn Meadow and Lincoln right by the Boys & Girls Club. Board member Roberts said if nothing was floating away that is good. Mr. Murphy went on to say that with regards to Kirkwood, the Linnemeier Building is expected to be demolished in September which will provide the opportunity to enlarge the storm water tunnel underneath it. Mr. Bengtson said something that was inaudible. Mr. Murphy said he expects to present the USB with a design for the new facility in a couple of weeks.

**PETITIONS AND COMMUNICATIONS:**

There were no petitions or communications.

**ADJOURNMENT:**

The meeting was adjourned at 5:38 p.m

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**L. Thomas Swafford, President**