

UTILITIES SERVICE BOARD MEETING

August 31, 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, Sam Frank, Julie Roberts, Pedro Roman, John Whikehart and Jason Banach. Staff members present: Patrick Murphy, John Langley, Mike Bengtson, Tom Staley, Jon Callahan, Michael Horstman, Missy Waldon, John Alexander, Mike Hicks and Phil Peden. Others present: Joe Teusch representing Greeley and Hansen, Geoff Grodner representing Mallor, Clendening, Grodner and Bohrer and Mark Menefee and Hank Hewetson representing IU.

MINUTES

Board member Roman moved and Board member Roberts seconded the motion to approve the minutes of the August 17th meeting. Motion carried, 6 ayes, 1 member absent, (Ehman).

CLAIMS

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

Claims 0991116 through 0991167 including \$111,054.00 from the Water Operations & Maintenance fund, \$297.50 from the Water Construction fund for a total of

\$111,351.63 from the Water Utility; Claims 0930642 through 0930671 including \$63,084.31 from the Wastewater Operations & Maintenance fund for a total of \$63,084.31 from the Wastewater Utility; and claims 0970066 through 0970069 for a total of \$10,003.12 from the Wastewater/Storm water Utility and \$290.00 from the Storm Water Construction fund for a total of \$10,293.12. Total claims approved – \$184,729.06.

Motion carried, 6 ayes, 1 member absent, (Ehman).

Board President Swafford asked about a claim for Affordable Fencing. Assistant Director of Engineering Bengtson explained that some fences had to be taken down when a sanitary sewer in some backyards was replaced. This claim is for the restoration of those fences. Some of the old material was re-used but some was not reusable. Mr. Swafford asked if the customer had been satisfied. Mr. Bengtson said yes.

Wire transfers and fees for the month of July 2009:

Board member Roberts moved and Board member Roman seconded the motion to approve the wire transfers and fees for the month of July in the amount of \$986,355.56.

Motion carried, 6 Ayes, 1 member absent, (Ehman).

AWARD OF CONTRACT FOR JORDAN RIVER RECONSTRUCTION – LINNEMEIER CULVERT:

Assistant Director of Finance Bengtson said that bids had been taken for the final 60 feet of the Jordan River tunnel that is under the Linnemeier Building. There was a wide spectrum of bids. Weddle Brothers had the low bid so Mr. Bengtson recommended it be awarded to them. Weddle Brothers was the contractor on the “Big Dig” and the “McDig”, under McDonald’s next to the Linnemeier Building. They had also constructed the portion of the Jordan River that was renewed at 2nd St. and Washington St and worked on one of the projects at the Monroe Water Treatment Plant. The Engineering Department has been very satisfied over their ability to get the job done. Mr. Bengtson acknowledged Bynum Fanyo & Associates for the way they have worked with the private owner of the property the Linnemeier Building is on. The owner has been very cooperative in allowing Utilities to come in and take care of this project before he begins to re-build. The Linnemeier Building was demolished earlier on this day. Michael Eaton is the representative of the owner and has attended the pre-bid meeting and the bid opening.

Board President Swafford asked about the timeline for this project. Mr. Bengtson said substantial completion should be reached by October 23rd, 45 days from the end of the IDNR appeal period. Everything should be in place by September 8th with the commencement of the contract time beginning on September 9th. Final completion is November 2nd. Mr. Swafford asked if the contract includes any penalties. Mr. Bengtson said if the project is not completed in 45 days there will be a \$500.00/day penalty.

Board member Roberts asked if the extra charge on the bid is in case they run into rock. Mr. Bengtson said the bid included an amount for some rock but if that amount is exceeded the figure Ms. Roberts is referring to will be the amount paid. The tunnel is right on the bedrock so it seems unlikely there will be more rock to deal with.

Board member Roberts moved and board member Roman seconded the motion to accept the bid from Weddle Brothers for \$161,750. Motion carried, 6 ayes, 1 member absent, (Ehman).

SSO CORRECTIVE ACTION PLAN – REVIEW AND APPROVAL OF FINAL PLAN FOR SUBMISSION TO IDEM:

Outside Counsel to the USB, Geoff Grodner, said that during the Dillman Road NPDES permit renewal in 2002 the City initiated discussions with IDEM concerning the historical wet weather overflows in the sanitary sewer system. In 2005 an Agreed Order was negotiated and approved by the USB. It provided a frame work and time table for CBU to implement plans and improvements to the sanitary sewer system with a goal of reducing and ultimately eliminating sanitary sewer overflows. Bloomington is the largest city in Indiana that has a dedicated sewer system. Other cities have combined sewer systems which combine storm water and sanitary sewer. As a part of the Agreed Order the City was required to submit a corrective action plan by September of 2007. In August of 2007 a draft plan was submitted. In April of 2008 a notice was received from IDEM that the draft plan was approvable and could be submitted as a final plan. However, at that time the Utility was in the process of completing a \$1.7 million Central East Basin collection system improvement which was specifically intended to reduce SSO’s. Due to the process Utilities was going through, learning ways to reduce costs and implementing improvements to the collection system to reduce the SSO’s, an administrative decision was made to do some more studies and evaluations before submitting the final plan. The original

draft plan that was submitted to IDEM provided for a 25 year implementation period and a total cost of about \$40 million. That amount sounds high but because it is spread over 25 years it allowed Utilities to use its standard Repair and Replacement line item out of its Operating and Maintenance Budget and not fund these projects through capital funds or bond issues. Even in the original draft plan it was implementable without a significant financial impact on the Utility. Given what has been learned over the past 2 years from the projects that have been undertaken, they have been able to reduce the projected cost to \$29 million over the remaining 23 month implementation period. The Utility does not anticipate having to bond or otherwise fund these improvements through capital project funding. It will all be funded through the standard Operation & Maintenance budget.

Some things to keep in mind are that since 1997 the Utility has already spent \$22 million in system improvements. All those improvements have helped reduce sanitary sewer overflows. When these projects first started there were 16 outflow points for overflows, it is now down to 6. That doesn't mean the Utility has eliminated all the overflows but progress is being made and the final plan will help to further reduce those overflows. The City has met all applicable deadlines in the Agreed Order with the submission of this corrective action plan. IDEM will review and hopefully approve the plan which they will then submit to EPA Region 7 for further review and approval. Assuming all the approvals are forthcoming this plan will serve as the framework for the Utility to make the system improvements that are described in it.

Mr. Grodner introduced Joe Teusch of Greeley and Hansen who gave a power point presentation on the technical aspects of the plan. The presentation is attached to these minutes.

Board member Roman said Mr. Teusch had mentioned that he is designing the plan for the areas within the planning jurisdiction. Mr. Roman said he assumes Mr. Teusch was not referring to the planning jurisdiction of the City only but the areas in the plan the USB just approved a year ago. Mr. Teusch said the dotted areas on the maps he showed indicated the new areas approved.

Board member Roberts said that \$23 million has been spent since 1997. It will be another \$29 million over the next 23 years, for a total of approximately \$52 million if things go well. She asked if all the money that has already been spent came from the Repair & Replacement line of the budget. Mr. Teusch said the work that has already been done did not come from that line but the future work described will. Ms. Roberts said she thinks it's great when anything drops from \$40 million to \$29 million.

Board member Banach said Mr. Teusch had indicated that a lot of the reason for these problems has to do with old infrastructure, unforeseen development and things like that. He mentioned the Rusgan & Ramble overflows and pointed out that no significant development has happened in that area for 30 years or more. He asked if the original specifications had been wrong. Mr. Teusch said that was not the case. He explained that the initial plan of action was based on watersheds. There were many more overflows in the areas further south than Rusgan & Ramble. The work has moved from one basin to the next, etc. When they finally looked at that overflow they realized it could be easily remedied.

Assistant Director of Engineering Bengtson said that lift station had initially been equipped with a very small wet well that has now been enlarged. The pumps have been increased in size and the gravity sanitary sewer to the south of the station has been replaced. The final remedy is an additional force main that is being designed right now by the Engineering staff.

Mr. Banach asked if given the framework, when the areas to the south are considered will it be possible to model them to handle projected development through 2050. Mr. Teusch said they had looked at the current planning area and sized all the sewers. This might be an opportune time to consider if the boundaries are going to change and how much additional area is likely to be served in the next 5 to 10 years.

Board member Whitehart said he just wanted to reiterate that Mr. Grodner had said no bonding would be necessary for this project.

Board President Swafford said that one of the things that should be noted is how things got to this point. When we have wet weather events Utilities has staff out looking for overflows and reporting them to IDEM. City of Bloomington Utilities has been doing the right thing.

Mr. Grodner says a very important point is that Utilities has a history of being highly compliant in reporting and has actively gone out and looked at, monitored and reported the SSO's. As good environmental and utility stewards it is an obligation for Utilities to stay on top of that. On the other hand, if you call the police to tell them you have violated the law there is going to be a greater degree of scrutiny. IDEM is aware of what is happening with this Utility. They have been very cooperative to this date in working with Utilities because they know the reporting and monitoring is happening and Utilities is complying with the time table set out. These are huge problems and some communities will have to spend billions of dollars to resolve their problems. All the environmental agencies are aware that communities have limited resources and have to undertake these plans and improvements on some sort of reasonable schedule. Mr. Swafford said it is important that the community know that Utilities is being a good steward. Since 1997 10 of the 16 SSO's that have been identified have been addressed. He asked if the staff has prioritized the projects that still have to be undertaken. Some are quite expensive and may have to be done in phases. Mr. Bengtson said that the plan generally starts downstream and works up.

Board member Roman moved and board member Roberts seconded the motion to approve the final SSO Corrective Action Plan. Motion carried, 6 ayes, 1 member absent, (Ehman).

Board President Swafford asked that there be regular updates about these projects.

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

Board President Swafford said the reason board member Ehman is absent is because he is teaching a class that doesn't end until 5:15. He has asked the USB to consider moving the meetings to Tuesdays. At the last meeting Utilities Director Murphy had suggested that starting in January the meetings be moved to Tuesdays. The other possibility would be to start the meeting at 5:30 on Mondays. He asked the board members to think about this between now and the next meeting.

SUBCOMMITTEE REPORTS:

There were no meetings of subcommittees.

STAFF REPORTS:

Utilities Director Murphy said a stellar intern who has been working for Utilities is present at the meeting. John Alexander will be a junior at Rose Hulman. He has been an outstanding contributor to the staff.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:45 p.m

L. Thomas Swafford, President