

UTILITIES SERVICE BOARD MEETING

November 24, 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, John Whitehart, Pedro Roman, Julie Roberts and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Missy Waldon, Jon Callahan, Jane Fleig, Tom Staley and Mike Bengtson. Others present: Kerry Powers, Jane Rogan, Tom Berry, Natalie Christoph, Penny Stauffer, Cliff Travis, all of whom were representing Heritage Ridge Neighborhood Association and Sue Mayer.

MINUTES

Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the November 10th meeting. Motion carried, 5 ayes, 2 members absent, (Banach and Ehman).

CLAIMS

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

Claims 0991507 through 0991555 including \$208,765.46 from the Water Operations & Maintenance fund for a total of \$208,991.46 from the Water Utility; Claims 0930873 through 0930916 including \$119,600.37 from the Wastewater Operations & Maintenance fund for a total of \$119,600.37 from the Wastewater Utility; and claims 0970092 through 0970095 for a total of \$2,280.57 from the Wastewater/Storm water Utility. Total claims approved – \$330,649.40.

Motion carried, 5 ayes, 2 members absent, (Banach and Ehman).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings. Utilities Director Murphy asked that a Finance Subcommittee meeting be scheduled. He suggested it could be at 4:30 on December 8th, preceding the Regular Session. He said an Administrative Subcommittee would also need to be scheduled soon.

STAFF REPORTS:

Utilities Director Murphy gave an update on the Linnemeier Culvert Rehabilitation project. He said staff had hoped to it would be completed by this time. Substantial completion was reached on the 19th.

There are just a few minor things to be finished. The weather caused them to get a little behind. They still have to fix the sidewalk and put in the bricks. That should be completed in the next few days.

PETITIONS AND COMMUNICATIONS:

Tom Berry said he lives in Heritage Woods. He said there will be a meeting of the homeowner's association on December 6th. The last time he came to the USB about a sewer project that the neighborhood is discussing, board members expressed concern about the possibility there might be a lot of rock that would have to be removed. He had consulted with an Engineer who said they would need 53 rock borings to determine how much there is. He also said the Engineer is willing to lay out the sewer line although the fee is pretty substantial. The neighborhood will vote at their December 6th meeting on whether or not to spend that money. He said he is confident that it will be approved. At that point the Engineer will tell the Association exactly where the line will be and what the rock situation is. A couple of members of the USB had previously mentioned their concerns about rock and the expense it could cause. They had suggested putting a cap on the liability Utilities would be responsible for. Once it is determined whether or not there is rock it will be put in the specifications for a bid so the contractor will bid on it and assume all of the liability for it. Mr. Berry said the Association would have to have a finite number and route. There is some difference of opinion within the Association about whether or not the neighborhood should have sewers. There are other people attending this meeting who will express what their concerns are.

Jane Rogan said a lot of information had been going back and forth about putting in a sewer. So far there has been no vote on it therefore no petition exists. She said the latest information was received on November 16th. It stated that homeowners could choose to hook on to the sewer whenever they wanted to. There would not be a requirement that they hook on in a certain time period. After that there were some emails and in one of them the City Attorney said there would be no need for residents to hook on within 3 years. This will be the deal breaker for a lot of homeowners. If they pay for the sewer line but don't choose to hook on and that results in penalties people are less likely to be supportive of the project. There are some residents who just had new septic installed and wouldn't want to hook on to a sewer and won't support the project if there is a requirement to hook on within 3 years. Ms. Rogan said she needs to know as a homeowner which version of the truth is reliable. She has read in the City of Bloomington Utilities information that residents within a certain distance from the sewer line would have to hook on within a 3 year time frame. They have also been told that is not true and they will be able to hook on whenever they please. If that were the case she would not have a problem with having a sewer installed down the street, however she would not have the money to hook on to the sewer immediately and her septic system is not giving any trouble.

Utilities Director Murphy read section 19 of the Rules & Regulations, "All wastewater sources located on property that is adjacent to easement or public roadway in which public sewer is located shall be connected to the public sewer. This connection shall take place within 3 years of the effective date of these rules or 3 years from the construction of any new sewer." He said he will ask for clarification and will email it to Mr. Berry and Ms. Rogan.

Board President Swafford told the people from the Heritage Woods Homeowner's Association that Utilities Director Murphy has not received a letter from the Association requesting a sewer extension. After the December 6th meeting of the Association, if a sewer extension is going to be requested, a letter must be sent to Utilities Director Murphy with the signatures and addresses of 60% of the residents. Mr. Murphy may make a decision himself or bring the request to the USB. One of the concerns of the USB is the association's request that 40% of the cost of the sewer extension be borne by the Utilities. At this time some rate increases are being considered, but he is not sure that the funds will be available. That is a decision to be made at a later date, after the residents have decided what they want to do.

Utilities Director Murphy said the Rules & Regulations specifically authorize him to make the decision about extending services within Area A.

Board member Roman said a sewer extension must first be granted before there is any discussion of cost sharing.

Mr. Roman asked if there was a specific definition of 60%. Is it 60% of landowners or of people who have houses there or of the lots. Board President Swafford said that can be determined once the letter was received.

Natalie Cristoph said Mr. Roman's question about the definition of 60% was one of her concerns. She also said before the homeowners have their meeting they would like to have a ruling on whether or not they would be required to hook on to the sewer within 3 years. Mr. Swafford said that information would be made available to the members of the neighborhood association.

Board member Roman said the rule states that the USB doesn't have to grant an extension.

Kerry Powers said he had 2 questions. If someone owns more than one lot will they get more than one vote? According to the guidelines there are penalties tied to the Construction Price Index if a homeowner doesn't hook on. He would like to have that clarified. Board President Swafford said the penalty would be that the homeowner would lose credits. The penalty recoups the cost of what the other homeowners put into it. Mr. Kerry asked for a clarification of that.

Board member Roberts asked who would answer the question about if a homeowner owns more than one lot do they get more than one vote. Utilities Director Murphy said the Rule & Regulations say in 13-1.3 "Utilities staff will require a representative of the neighborhood to carry a petition requesting service from 60% or more of the customers who could be served by the water or sewer main extension sign the petition the Utility will prepare the required engineering plans." Ms. Roberts asked if that meant that if you own two lots you would still be a single customer. Board member Roman said it could be two services so that would mean two votes because the lots are already subdivided.

Board member Roman said he would like to clarify that ultimately the USB makes the decision about what they will or will not do whatever the rules are. There are differing opinions among the members of the USB and their opinions might change after talking to fellow board members, the engineers or the staff. The USB does not have a position on whether to extend service at this time. Board President Swafford said when the time comes the USB will make a decision.

ADJOURNMENT:

The meeting was adjourned at 5:21 p.m.

L. Thomas Swafford, President