

UTILITIES SERVICE BOARD MEETING

November 9, 2010

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 5:00 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, Jeff Ehman, Jason Banach, Pedro Roman, John Whikehart and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Phil Peden, Jon Callahan, Michael Horstman, Jane Fleig, Vickie Renfrow, Bob Woolford, Lisa Abbott and Dave Williams. Others present: Lee Balliet representing the Labor Management Council, Sara Hamidovic representing Fields Environmental, Inc., SPEA Service Corps intern Chuck Mason and Sue Mayer.

MINUTES

Board member Ehman moved and Board member Roman seconded the motion to approve the minutes of the October 26th meeting. Motion carried, 5 ayes, 2 members absent, (Swafford and Whikehart).

CLAIMS

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

Vendor invoices submitted to the controller's Office on November 13, 2010 included \$113,379.84 for the Water Utility; \$201,991.47 from the Wastewater Utility; and \$59,777.90 from the Wastewater/Storm water Utility. Total Claims approved, \$375,149.31.

Assistant Director of Finance Horstman explained that the claims look different because the City has just moved to a new financial system. There are plans to be able to report the claims the way they used to be. There just hasn't been a chance to do it yet.

Board Vice President Roberts asked if the report represented about the same number of claims there usually are. Mr. Horstman said this is a much shorter list than usual. There was only one week to prepare the claims whereas normally there would be two. They just picked the ones that had to be paid. The next list will be larger since it will be claims for three weeks rather than two.

Board member Ehman asked if it would be possible to have the same format as before where each item is broken down for the Water, Wastewater and Storm water amounts. Mr. Horstman said they hope to but they haven't been able to figure out how to do it yet.

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

RESOLUTION AUTHORIZING APPLICATION SUBMISSION AND LOCAL MATCH COMMITMENT FOR GRANT FOR GRIFFY LAKE REHABILITATION PROJECT:

Utilities' Engineer Peden introduced Lisa Abbott and Bob Woolford from the HAND Department, Sara Hamidovic from Fields Environmental, and Vickie Renfrow from the Legal Department. All of them have been involved with this application.

Mr. Peden said this resolution is required as part of the grant application for the Griffy Lake Rehabilitation Project and must be approved by the Utilities Service Board. The State agency that is responsible for the grant review supplied a template for the resolution. Some areas of the template were modified by Attorney Renfrow from the Legal Department who reviewed the resolution. This document resolves two matters; the first one gives the Mayor authorization to prepare and submit an application for grant funding through the City of Bloomington Utilities, who will manage and execute it. The HAND Department will be the administrator. The second part of it is that the Mayor will commit the use of \$125,000 of local funds to meet the required match. Of the \$125,000 the Parks and Rec Department have committed over half of it. It has been paid out in contracts that will go toward the match. The remainder of it, approximately \$65,000, has been partially paid out through the USB in the contract with MS Consultants. Probably \$40,000 to \$50,000 still remain that will be issued through new contracts once the grant has been received. Mr. Peden said Assistant Director of Finance Horstman has reviewed the budget and said there is adequate funding to cover this expense.

Board Vice President Roberts asked if the amount of money in the grant is known. Mr. Peden said it is approximately \$2.4 million. Ms. Roberts asked if, as is the case with most grants, there is no guarantee it will be awarded. Mr. Peden agreed.

Board member Roman asked who, if the grant is awarded, will be contracting and entering into agreements with contractors for repairs and things like that. Will it be the Mayor or Utilities? Mr. Peden said it would be the USB. Mr. Roman said he doesn't understand why it is done this way and would like someone to explain it to him. City Attorney Renfrow said it is required that the Chief Executive Officer of the entity, and the entity is the City of Bloomington doing this through the Utilities Department, be on this agreement and any others that are done. The agreements will still be done in the way they always have been in terms of bidding out contracts, etc. The signature of the elected officer in charge of the entity as a whole is required. In this case that would be the Mayor, so his signature will be on this resolution and on the rest of the contracts for this project. This is typical for contracts. Utilities has generally done its own contracts with USB signatures but that authority has been delegated from the Administration.

Mr. Roman asked if Utilities is not applying for the grant. Ms. Renfrow said the City of Bloomington, through the Utilities Department is applying for the grant. Mr. Roman said if the City of Bloomington is applying for the grant the grant to be used in Utilities the USB needs to delegate authority to the Mayor so the Mayor can manage the grant. Ms. Renfrow said the USB, which plays the role it does for the Utilities Department, would be involved because it is involved in the contracting and this resolution, etc. All of this is really done by the entity that is the City of Bloomington and the State requires that the Chief Executive Officer, who is an elected official of the City of Bloomington, be involved with it in this way. Mr. Roman said he is very confused by this process. He asked Ms. Renfrow to confirm for him that the process is that the City of Bloomington applies for a grant to fix the dam at Lake Griffy but because the properties belong to Utilities yet the City is applying for the grant, therefore the USB needs to

authorize the Mayor. Ms. Renfrow said the property is owned by the City of Bloomington. Mr. Roman said the property is owned by the USB; otherwise they would need to sign a contract with the City authorizing the Mayor to take this action. Ms. Renfrow said the City of Bloomington is the legal entity. The Utilities Department is not a separate legal entity. There are documents created that say this land is held by the City of Bloomington Utilities or the City of Bloomington Public Works Department, but the only legal entity that can hold property or sell bonds and that sort of thing is the City of Bloomington. All of those actions are done through this process where the Administration has created departments, over time that are in charge of different functions, properties, etc. In this case the City, which is the entity the State is required to deal with, is using two different departments as the entities that will make this project happen; Utilities and the HAND Department for grant administration. In each department there is a board or authority like the USB who does the things like bidding and awarding contracts.

Mr. Roman said his point with this is that the USB is created by the City of Bloomington but is regulated by the State code. The State code states that the USB shall hold all the personal real estate property of the Utilities. He assumes that means to manage them. Ms. Renfrow said they acquire property on behalf of the City for Utility functions. Mr. Roman said it is on behalf of the USB. He said if the City is going to do this the USB needs to authorize the Mayor. He believes the way the resolution reads is the USB is applying for this grant with other departments because they cannot get the grant directly. He assumes they are going through the City but the USB must authorize the Mayor to do certain things. He asked whether or not that is correct. Ms. Renfrow said it is not correct because it is not the case that the USB has to go through the Mayor for Utilities to get this money, it is that the application for the money has to come from the City. The City, with the Mayor being its Executive Officer and the highest elected official, has to be involved in terms of signing these documents. There are several City departments, including Utilities and HAND, who are responsible for the administration of the grant money and the bidding of the contracts, etc. They are participating because the City, as the grant recipient, has to have a way to effectuate the goals of the grant. Those things will happen through the Utilities people doing what they have to do as far as bidding contracts, etc. and the grant administration by HAND. That is what the set up is. Mr. Roman said that means that basically the City will get the grant and repair the dam directly. Ms. Renfrow said the City will get the grant money and will contract with whatever entities it needs to in order to do the things it is supposed to do with the grant money. Mr. Roman asked, in that case why is the USB needed. Ms. Renfrow said it is because the USB is the entity that takes care of the Utilities' end of the business. This is the same as when, a few weeks ago, there was the agreement with Parks with regard to sharing the costs of this project. The Parks' board approved their end of this and the USB will approve the Utilities end of it. Mr. Roman said he is confused because the contract is basically between the City of Bloomington and the City of Bloomington USB. It says the City of Bloomington is entering into this agreement to pay \$135,000. Ms. Renfrow said this is not an agreement between the City of Bloomington and the City of Bloomington USB. It is authorization by those two, the Mayor and the USB, to submit an application. The resolution includes each part of the City that is participating in the grant. At this point the set up is that some of the money comes from Utilities and some of it comes from Parks. Mr. Roman asked if it doesn't matter whether the money comes from tax payers or rate payers. Ms. Renfrow said it does not.

Board member Frank moved and board member Whikehart seconded the motion to approve the Resolution Authorizing Application Submission and Local Match. Motion carried, 5 ayes, 1 abstention, (Roman) and 1 member absent, (Swafford).

Utilities Engineer Peden said one of the requirements for this grant was for there be public notice, which meant it had to be approved in a public meeting so it was brought to the USB.

ANNUAL WWTP LABOR-MANAGEMENT COMMITTEE REPORT:

Utilities Deputy Director Langley who is the acting Chair of the Labor Management Committee said this gives a forum for Utilities' WWTP staff and management to get together and talk on a regular basis about issues that arise about working conditions, equipment, and a host of other items that come up in the day to day operation of the wastewater treatment plants. The committee consists of two labor and two management representatives from each of the plants for a total of eight members. The committee is now nine years old which may well make it the oldest Labor Management committee still operating in the State of Indiana. Mr. Langley said they are proud of that and the successes they have had.

Mr. Langley introduced the new SPEA Service Corps intern whose name is Chuck Mason. He is a former city planner. Now his job is to put the activity of the LMC into motion. Mr. Langley then introduced Lee Balliet who is the advisor, independent observer, and guidance counselor on the activities of the Labor Management Committee. He gave an update on the activities of the LMC over the past year.

Mr. Balliet said he just wanted to highlight a couple of things. Numerous safety events have been conducted by the LMC over the last year and a half. This is one of the major accomplishments of the LMC. Director Murphy, Deputy Director Langley, the plant superintendants, the City, and Risk Management are all aware that the wastewater treatment plants are among the most dangerous operations in the City. It is difficult to underestimate the importance of safety training for the employees. Early on this was identified as one of the major goals of the Labor Management Committee. They now have a comfortable routine of having 10 or 11 training events each year, rotating between the two plants and day and night shifts. This has been effective in maintaining high levels of safety and training and has also been very effective in building morale within the work force. These are social events as well as training events with food being provided by people in the WWTP work force. Mr. Balliet said that in his opinion this has become one of the major accomplishments of the LMC.

The LMC sponsors an annual retreat for the WWTP employees. One of the goals of the LMC since its inception in August, 2001, was to get people out of the plants and away from the business at least once year so they can formally and informally discuss plant operations and what it takes to make their operation work more effectively. The Utilities Director has been present at each of these annual retreats which give the committee an opportunity to communicate in an open, free-style way with Utilities Administration. People pay attention to things like this.

The direct involvement of all employees in the plant has been very important to the LMC process from the beginning. This has involved specific surveys of all employees. Over the years the LMC has used the information gathered to develop safety, training and goals for the committee in terms of plant operations and communications. The last page of each month's minutes has a list of all plant employees and the specific subcommittee they serve on. This was instituted four or five years ago to remind people that everyone who works in the WWTP's has access to the LMC process, supervision, the administration, and what really affects their jobs.

Several years ago quarterly meetings with the Engineering staff were implemented. At that time plans were being made for upgrades at the Blucher Poole Plant and a number of plant employees said they are often frustrated because a plan is made for an upgrade about how the plant will be run, but someone forgot to ask the people who actually run the plant for their input in the process. LMC's solution to this problem was to formalize regular meetings with the Engineering Department. While these meetings haven't always been friendly, overall compared to nine or ten years ago there is much better communication between the people who work in the plants and the Engineering staff that are responsible for the physical plant.

In 2001 there were issues with personnel, administration, operationally, safety, training and a whole host of other things that concerned not only employees in the plants but also supervision, the administration, and some people on the USB. At the time there was a vision that if the USB and the City would ultimately approve the proposal that was submitted by the employees, in competition with other commercial vendors, for the operation of the plants that it would be possible the culture of the plants could be changed. Mr. Balliet said he can say with assurance that indeed the work culture, and the operational culture of both Blucher Poole and Dillman has changed in comparison to the way it was ten years ago. The City has received a wonderful return on its investment in the Labor-Management process.

Board member Ehman said Mr. Balliet had mentioned the USB had been receiving the monthly LMC minutes but they actually have not been receiving them. He would like them to be included in the USB packets.

Board Vice President Roberts asked about the training on self contained breathing apparatus. She asked if there were some problems with some gases in the plant or is it work that people are doing in the water. Mr. Balliet said both plants use toxic chemicals. Especially where chlorine leak is involved it is important people are properly trained and have the proper safety equipment. There are other chemicals but chlorine is the big issue in the plants. Ms. Roberts said that helps explain why the WWTP's are the most dangerous departments in the City.

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

Board member Roman asked Utilities Director Murphy if the USB had already signed the interlocal agreement for this year. Mr. Murphy said that has not yet happened, but he will ask City Controller Trexler to prepare it.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Utilities Director Murphy said the T & D staff has been working at Marilyn and High St. Last night there was a break in a 12" water main. He asked Deputy Director Langley to give the USB an update about this situation.

Deputy Director Langley said, as usual, this break happened at the end of the work day. They were working on Covenanter, proceeding from east to west, and as the crew approached the intersection with High St. they encountered some rock that had to be dislodged. A piece of rock fell and caused a linear crack in a piece of pipe. This was going to cause a lot of people to be out of service and it was the end of the work day, so it was fortunate there was a crew on site. About an hour after they started working on that break another was reported on the west side in Van Buren Township. It was a small residential line so an abbreviated crew was dispatched to repair it. As they finished that one, material was needed at the other site so the 2 crews, (essentially a crew and a half), were able to combine forces to get the stone hauled in and the work finished. The crew didn't finish the work until 12:30 a.m. The supervisor, Joe Perry, got home and was in bed for about half an hour when he was paged because there was another break on Sheffield Dr. Since the crews were exhausted and they were short on supplies they let that one run for awhile. The Bloomington Police Department was very cooperative in keeping an eye on the situation. When it reached a point where pavement would be destroyed and the damages would multiply another crew was dispatched at 6:00 a.m. Mr. Langley said he was very proud of the people who went out and worked these breaks. The conditions at High St. were dangerous. The trench was ten feet deep and there were two shoring boxes in the trench which makes it very difficult to work, but is an OSHA requirement and of course the employees must be protected. Mr. Langley said he often tells the community that if there were an emergency the City of Bloomington Utilities are the people you want to be there. They show up, know what they are doing, are safe about it, and get the job done!

Board member Banach asked if when Utilities gets into an emergency situation like this, where maybe the man power isn't available in-house to handle it, is it possible to call in an outside contractor. Mr. Langley said he cannot remember that ever happening in over 30 years. Lists are maintained of contractors who have specific types of equipment that may be needed for certain situations. There is no hesitation to call the owner of a company at night and say "We need you here." There is a tremendous response from the contracting community in these cases. While there never has been a situation where there weren't sufficient crews, if that were to happen he suspects Monroe County Emergency Management would be the first to be called. He also believes there is a mutual aid agreement with Ellettsville. He feels very confident that Utilities' relationship with the wholesale customers is such that any of them could be called on. They have the expertise and man power to lend to the situation.

Board Vice President Roberts commented that former Superintendent of Operations, Tom Staley, picked the right week to retire!

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

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

L. Thomas Swafford, President