UTILITIES SERVICE BOARD MEETING

August 21, 2017

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 Frank called the regular meeting of the Utilities Service Board to order at 5:10 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Administrative Building in Bloomington, Indiana.

Board members present: Sam Frank, Jason Banach, Amanda Burnham, and Julie Roberts.

Staff members present: Chris Wheeler, Phil Peden, Tom Axsom, Jon Callahan, John Langley, Michelle Waldon, Cindy Shaw, Robin Guyton, Holly McLauchlin, Efrat Feferman, and Vic Kelson.

MINUTES

Board Member Burnham moved and Board Member Roberts seconded the motion to approve the minutes of the August 7th meeting. Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

CLAIMS

Burnham moved and Roberts seconded the motion to approve the standard claims as follows:

> ***Vendor invoices submitted included $245,898.13 from the Water Utility; $93,955.10 from the Wastewater Utility; and $6,914.22 from the Stormwater Utility. Total Claims approved, $346,767.45.***

Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Board asked about payment to Crowe Horwath. CBU Assistant Director (Finance) Efrat Feferman stated this was the payment for the second phase of an $80,000 contract. The bulk of that contract has been paid, although there will still be smaller invoices related to closing bonds and the miscellaneous fee study.

Burnham moved and Roberts seconded the motion to approve the utility claims as follows:

> ***Utility invoices submitted included $4,375.95 from the Water Utility; $29,727.06 from the Wastewater Utility; and $0.00 from the Stormwater Utility. Total Claims approved, $34,103.01.***

Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Burnham moved and Roberts seconded the motion to approve the ACH payment as follows:

> ***Utility invoices submitted included $200,834.62 from the Water Utility; $0.00 from the Wastewater Utility; and $0.00 from the Stormwater Utility. Total Claims approved, $200,834.62.***

Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Burnham moved and Roberts seconded the motion to approve the wire transfers and fees for the month of July in the amount of $385,247.90.

Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Burnham moved and Roberts seconded the motion to approve the customer refunds as follows:

> ***Customer refunds submitted included $33.28 from the Water Utility; $2,534.83 from the Wastewater Utility; and $0.00 from the Stormwater Utility. Total Claims approved, $2,568.11.***

Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Board asked why no reasons were listed for this set of refunds. Feferman explained that these refunds were from closed accounts with a balance which is normal for this time of year with student housing turnovers.

Burnham moved and Roberts seconded the motion to approve a second set of customer refunds as follows:

> ***Customer refunds submitted included $.97 from the Water Utility; $1,543.92 from the Wastewater Utility; and $0.00 from the Stormwater Utility. Total Claims approved, $1,544.89.***

Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

CUSTOMER APPEAL OF WATER BILL

Roberts moved and Burnham seconded the motion to deny the appeal of the Olive St property. Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Roberts moved and Burnham seconded the motion to deny the appeal of the Bryan St property. Motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Feferman presented a request for appeal from Stan Garus, a property owner and customer of CBU. Feferman said that this customer's request had gone through the internal departments and had been most recently denied by Director Vic Kelson. Staff involved were present to answer any questions. Written material from staff and a packet of materials from the customer were given to each Board member present. Board invited Customer Garus to present his case.

Garus said that he has 2 properties for which he would like a reduction in the water bill. At 124 N Bryan a pipe burst over the winter resulting in water loss of 20 gallons per minute. CBU had already waived the sewer portion of that bill but Garus argues that since the water was not used for its designed purpose, he would like a reduction of the bill and will work out a payment plan for the reduced bill. He also says that CBU should have been more helpful in a timely detection of the leak.

At 1521 S Olive St, Mr. Garus's house was broken into and the perpetrator turned on the water from the valve, used water, and also ran an outside faucet maliciously. Mr. Garus had turned it

off due to a leak. Mr. Garus is not sure if the person lived there for days or weeks; the police are investigating. Mr. Garus says two of his properties were broken into 3 times this year.

Feferman recommends a denial of any further relief on both properties. CBU has written off over $7,000 at 1521 S Olive St. The bill was high because the leak had gone on for a lengthy time without being addressed. CBU alerted Garus about leak when a tenant had water in the tenant's name. In addition to writing off the sewer portion during the leak, CBU wrote off the tenant's water bill after her account was closed. At 124 N Bryan, CBU again adjusted sewer portion which was over $1, 000. It is not CBU policy to adjust water unless an error occurred in reading the meter, which is not the case here.

Garus pointed out that the $7,000 write-off was to his tenant who refused to turn off water at the valve. Feferman stated that CBU does not get into landlord-tenant disputes.

Board expressed empathy with the situation, particularly crime at the property, but agrees with staff that CBU has followed their policy and excused as much of each bill as is reasonable and in accordance with current policy. Other CBU ratepayers should not have to absorb the remaining cost. Improved leak detection is planned for future capital investments.

Feferman reminded Garus that next step would be to appeal to the IURC and CBU would provide contact information if Garus disagreed with Board's decision.

REQUEST FOR APPROVAL OF AGREEMENT WITH GROOMER CONSTRUCTION

Burnham moved and Roberts seconded the motion to approve contract; motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

CBU Engineer Phil Peden presented a contract with Groomer as a result of bid opening at last meeting. Groomer was the lowest bid for 14 curb replacement ramps on West 3rd St. Board approved.

REQUEST FOR APPROVAL OF ISOLUX ASSIGNMENT LETTER REGARDING I69 PROJECT

Burnham moved and Roberts seconded the motion to approve contract; motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

City attorney Chris Wheeler presented a letter from Isolux which assigns all of their contracts with CBU to INDOT. All obligations from original agreements, including payment for services rendered from CBU employees, remains the same. INDOT has different software so submitting invoices will be different. There are currently 2 months of outstanding invoices totaling just over $5,000; INDOT has indicated they will reimburse CBU for those invoices. Wheeler also commented that some issues that CBU has been negotiating with Isolux which are not yet in a written contract, such as certain utility relocations, will be resolved with INDOT and CBU employees will reimbursed for the time spent in negotiations which is about $6,500. Board approved letter.

FINDING OF AN EMERGENCY FOR MOLD REMEDIATION WITH FIELDS ENVIRONMENTAL

Board Member Banach moved and Roberts seconded the motion to approve contract with $50,000 not to exceed limit; motion carried, 4 ayes, 3 members absent (Sherman, Ehman, and Sims).

Wheeler said that mold was discovered at Blucher Poole and was inspected by Fields Environmental Group. The mold could present some hazard to workforce at the plant so CBU is asking the Board to declare this an emergency which, under Indiana code 5, relieves CBU from some obligation to go through contracting protocol. Fields would act as a general contractor to expedite remediation including ductwork, exhaust fans, carpeting, surfaces, HEPA filters, drywall, and HVAC system. Cindy Shaw from CBU Purchasing spoke to the flexibility to go with different options as the extent of the problem was discovered. CBU Deputy Director John Langley said Fields has been reasonable in the past with expenses.

The Board agreed that any risk to staff health is an emergency and wanted to ensure staff working in the building were safe. Langley said the risk happens when the mold is disturbed during remediation work. The Board expressed concern over the idea of not having any ideas how much this could cost and the full extent of work to be done. Board asked if a vote could be done over email but a vote outside of a public meeting is not allowed. Wheeler suggested approving a contract for identification and mitigation not to exceed a price the Board felt comfortable with. The Board agreed to this and set the limit at $50,000 for the initial work; a full contract for long-term solutions is expected at a future meeting.

RATIFICATION OF ESG CONTRACT

Kelson stated that contract is in development at City Hall and will be tabled for the next meeting.

OLD BUSINESS: N/A

NEW BUSINESS: N/A

SUBCOMMITTEE REPORTS: N/A

STAFF REPORTS: Kelson said the 2018 budget presentation to Council was last Tuesday and there were many good questions and CBU appreciates support from board. Photovoltaic power generation contract still in development. On 9/5, the level of Lake Lemon will be lowered as agreed by the Lake Lemon Conservancy District to allow the Indiana Railway to repair the trestle. It is anticipated that 2 inches will come down per day; 3 feet in total to do work. The work should go quickly, especially if the weather remains warm and dry. Flyers for a staff picnic, 50th Anniversary shirts, and the 50th Anniversary event were distributed. Frank invited everyone to join CBU at the farmer's market on September 16th from 9am to 1pm, say hello, and celebrate 50 years of reliable drinking water thanks to the Monroe Water Treatment Plant.

PETITIONS AND COMMUNICATIONS: N/A

ADJOURNMENT: The meeting was adjourned at 5:55 p.m.

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Samuel K. Frank, President