UTILITIES SERVICE BOARD MEETING

October 16, 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 5:00 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Administrative Building in Bloomington, Indiana. He welcomed newest member of the board, Jean Capler.

Board members present: Sam Frank, Jim Sherman, Jason Banach, Amanda Burnham, Jean Capler, Julie Roberts, and Jim Sims, ex-officio.

Staff members present: Nolan Hendon, Paula Dodds, Phil Peden, Tamara Roberts, Troy Powell, Jane Fleig, Brad Schroeder, Jon Callahan, Michelle Waldon, Cindy Shaw, Tom Axsom, Chris Wheeler, Holly McLauchlin, and Vic Kelson.

MINUTES

Board Vice President Sherman moved and Board Member Burnham seconded the motion to approve the minutes of the October 16th meeting. Motion carried, 6 ayes (1 member absent: Ehman).

CLAIMS

Sherman moved and Board Member Roberts seconded the motion to approve the standard claims as follows:

> ***Vendor invoices submitted included $73,364.65 from the Water Utility; $147,525.85 from the Wastewater Utility; and $581.36 from the Stormwater Utility. Total Claims approved, $221,471.86.***

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

Sherman moved and Burnham 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, 6 ayes (1 member absent: Ehman).

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

> ***Utility invoices submitted included $120,451.57 from the Water Utility; $68,644.60 from the Wastewater Utility; and $0.00 from the Stormwater Utility. Total Claims approved, $189,096.17.***

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

Sherman moved and Burnham seconded the motion to approve the wire transfers and fees for the month of September in the amount of $442,024.67.

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

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

> ***Customer refunds submitted included $0.00 from the Water Utility; $18.91 from the Wastewater Utility; and $455.64 from the Stormwater Utility. Total Claims approved, $474.55.***

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

Board asked why the IU stormwater bill had been adjusted. Staff said they would look into it. *(Follow-up: CBU was incorrectly charging IU stormwater on this account. Account transferred to Phi Gamma Delta and should not have been incurring any charges as a new account was established.)*

REQUEST FOR APPROVAL OF AGREEMENT WITH YOUNG PLUMBING

Sherman moved and Burnham seconded the motion to approve permit; motion carried, 6 ayes (1 member absent: Ehman).

CBU Engineer Fleig presented agreement with Paul Young Plumbing. Water main upgrades were done at Clifton-Nancy-High-Hillside streets: new mains in street and new meters set. Since CBU does not work on private property, a licensed plumber is needed to connect meter to house. Three quotes were solicited; this is the lowest bid at a not to exceed price of $82,500. Young Plumbing has agreed to the negotiated terms. Once started, the work would finish in 90 days, weather permitting. Board asked CBU Director Kelson if this contract were under $50,000, would it come before the Board? Kelson answered it would be at his discretion. Fleig thanked CBU employee Powell who is the coordinator on this project.

REQUEST FOR APPROVAL OF AMENDMENT TO I69 UNIT 3 AGREEMENT

Sherman moved and Burnham seconded the motion to approve permit; motion carried, 6 ayes (1 member absent: Ehman).

Fleig presented the amendment to a contract the Board approved in April 2017. Two of the proposed locations for the new water line were not acceptable to the current property owners, so new locations were found. CBU has reviewed the new plans and accepted the changes. The dollar amount will not change.

BID OPENING 2017-18 CIPP SEWER LINING PROJECT

CBU Engineer Peden opened 4 bids for the Cured in Place Pipe Lining project for 2017 and 2018. Peden thanked the bidders for their time. He said after review, he would bring bid tabulation and recommendation to Board.

Bidder	Bid Schedule A 2017		Bid Schedule B 2018		
	Base Bid	Alternate A1	Base Bid	Alternate B1	Alternate B2
Insituform Chersterfield, OH	$267,088.00	$20,305.00	$309,100.10	$79,290.00	$53,510.00
Layne Orleans, IN	$254,750.00	$30,572.00	$290,014.00	$77,832.00	$57,310.00
Miller Indianapolis, IN	$266,982.00	$23,760.00	$344,219.55	$92,950.00	$99,445.00
Leak Lexington, KY	$310,006.00	$22,882.00	$371,816.00	$116,170.00	$77,350.00

SUBCOMMITTEE REPORTS: Finance subcommittee met on October 11th and 16th. Frank reported that Crowe Horwath prepared report on several fees that had not been updated in some time. Subcommittee had second meeting after digesting the report, made choices where appropriate between Equity Method or Incremental Method, and formulated a recommendation for full board to approve the proposed changes in the report. Due to recent updates on the water system, they chose Equity for rates related to water. Since there are constraints on the sewer side, they chose Incremental for those. The logic behind each proposed change is in the report and Frank asked Crowe Horwath to present and answer any questions from full board. Crowe emphasized that where appropriate, the charges are simply the cost of the service. Some charges relate more to the strain on the system as a whole as additional customers cause the system to expand. Board asked how long since the last updates on any of these fees. Some water fees were changed in 2011. The other fees have not been changed in 19+ years. Board thanked Crow for a clear and complete report. Board asked if Equity, Incremental, or other formula was used in the past. CBU does not have a record of how the fees were calculated in the past, but pointed out that the process of going through committees and through City Council likely will result in compromise. Board said it would be important to relay to public the time since the fees were changed and the formula behind the proposed changes so public doesn't think CBU is "gouging" them. Kelson relayed to USB that City Council will see this item on November 1, 8, and 15. Board said it was important to start preparing for Bloomington's expansion no matter which method is chosen. Board also said it is a new philosophy to care for infrastructure and waiting 20 years causes discomfort when rates are increased significantly. Frank also pointed out that only the customers using these services would be affected, not all CBU customers. He feels confident that CBU has a strong case for the increases. Burnham asked what is plan to look at this on regular basis? Kelson said the plan was to put these on a regular cycle like the rate reviews, such as every 3-4 years. Sherman asked if the money for infrastructure updates can be invested. CBU Finance Manager Waldon said it gets a small amount of interest in the savings account but no risky investments.

REQUEST FOR APPROVAL OF NON-RECURRING RATES AND CHARGES REPORT

Sherman moved and Burnham seconded the motion to accept recommendation; motion carried, 6 ayes (1 member absent: Ehman).

SUBCOMMITTEE REPORTS: Planning & Property subcommittee met on October 11th to follow up on Real Estate Asset book and presentation by CBU employee Mike Carter. Also addressed request for sewer extension into Area B by Mike Carmin. Recommendation by subcommittee is to deny request due to capacity issues. Carmin was given opportunity to present the case for sewer extension. He said the karst features, the high cost of housing in the area, and the surrounding development with sewer. Without sewer extension, only 5 lots could be developed.

REQUEST FOR SEWER EXTENSION

Sherman moved and Burnham seconded the motion to accept recommendation to deny request; motion carried, 6 ayes (1 member absent: Ehman).

Board asked if rational was based only on capacity issues. Kelson answered that previous requests have been denied and the main issue is limited capacity at Dillman. Sherman aked would any similar requests be denied. Banach said the subcommittee discussed the problem of saying yes to one request would be that others would then expect to be granted sewer requests outside the city limits. Burnham asked if the property could still be developed and the answer is yes, with septic tanks.

OLD BUSINESS: N/A

NEW BUSINESS: Welcome new USB member Jean Capler!

STAFF REPORTS: CBU Director Kelson reported that the news recently published a story of a boy falling into a manhole. A boy did fall into a storm inlet that was moved aside possibly by a vehicle hitting it. The boy did not see the hole and fell in while walking. CBU secured the grate and inspected all aspects of the project that was done by public works and took care of any other deficiencies noted. The CBU equipment in the photos was from the crew working. The project should have had a CBU inspection at the time is was completed. Public is encouraged to call Control at 812-339-1444 to report safety concerns.

PETITIONS AND COMMUNICATIONS: Frank said he appreciates the historical photos being put up in the Board room.

ADJOURNMENT: The meeting was adjourned at 5:54 p.m.

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Samuel K. Frank, President