

# UTILITIES SERVICE BOARD MEETING

March 30, 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 5:00 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: Tom Swafford, Sam Frank, Pedro Roman, Julie Roberts, Jason Banach, John Whikehart and ex-officio members Tim Mayer and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Phil Peden, Vickie Renfrow, Mike Bengtson, Mike Hicks, Jon Callahan, and Jane Fleig. Others present: John Skomp representing Crowe Horwath, Jack Wittman representing WHPA and Sue Mayer.

## MINUTES

***Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the March 2<sup>nd</sup> and March 13th meetings. Motion carried, 5 ayes, 2 members absent, (Jeff Ehman and John Whikehart).***

## CLAIMS

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

***Claims 0990406 through 0991414 including \$123,554.48 from the Water Operations & Maintenance fund, \$10,300.00 from the Water Construction fund and \$1,050.00 for water hydrant meter rental for a total of \$134,904.48 from the Water Utility; Claims 0930206 through 0930256 including \$280,733.02 from the Wastewater Operations & Maintenance fund for a total of \$280,733.02 from the Wastewater Utility; and claim 0970016 for a total of \$1,150.07 from the Wastewater/Storm water Utility. Total claims approved – \$416,787.57.***

Board President Swafford asked about the lease payment number 11 for Dillman Road. He wanted to know if the savings rate has been according to the contract and how many payments are left. City Attorney Renfrow explained this is the energy savings project that was begun at Dillman Road WWTP in 2003. There is a special provision under Indiana law that allows major energy savings projects if the provider of services guarantees a certain level of energy savings over the course of the contract pay off period. In this case it is a 10 year period with about half of it completed. Every year there is an audit and each year they have exceeded their requirements for energy savings.

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

***Investments for the month of February 2009:***

***Board member Roberts moved and Board member Roman seconded the motion to approve the investments for the month of February 2009 in the amount of \$660,000.00.***

***Motion carried, 5 Ayes, 2 members absent, (Jeff Ehman and John Whikehart).***

**APPROVAL OF A RESOLUTION TO REIMBURSE EXPENDITURES FOR ADDITIONS AND IMPROVEMENTS TO CBU'S WATERWORKS:**

City attorney Renfrow explained that this resolution sets out Utilities' intent to reimburse the expenses that have been incurred with regard to the Monroe Water Treatment Plant Expansion and the new South East Water Supply Line Project, if and when bonds are issued to go forward with the project. Ms. Renfrow said board member Roman had made some suggestions concerning the version of the resolution that had been sent out in the packet. He felt it should be clarified that additional approval would be required from the Common Council. The bond counsel at Bingham McHale suggested changes in the language that have been included in a new version of the resolution. He said the focus of the resolution is the intent to reimburse, not a binding commitment to issue the bond.

Board member Frank, as chair of the Finance subcommittee, reported the committee had examined this resolution along with the agreement with Crowe Horwath. They unanimously recommended that both these items be approved by the USB.

***Board member Roberts seconded the recommendation of the Finance subcommittee that the Resolution to Reimburse Expenditures for Additions and Improvements to CBU's Waterworks be approved. Motion carried, 6 ayes, 1 member absent, (Ehman).***

#### **APPROVAL OF AN AGREEMENT FOR CONSULTING SERVICES WITH CROWE HORWATH:**

John Skomp, representing Crowe Horwath, explained the company used to be called Crowe Chizek but changed the name to Crowe Horwath so they could align with their international affiliate. This happened last September.

Mr. Skomp said the agreement being considered is for consulting services to do a cost of services study to re-align the rates of the water utility. The contract is also for running the various scenarios that are needed and to take the findings through the process at the Indiana Utilities Regulatory Commission. That process entails filing a petition and written evidence with the IURC. They will also testify at the IURC hearings as well as answering the questions of the Office of the Utility Consumer Councilor.

***Board member Roman seconded the recommendation of the Finance Subcommittee that the Agreement for Consulting Services with Crowe Horwath be approved.***

Board member Roberts asked if there was an end date for the contract or an amount not to be exceeded. Mr. Skomp said there is not an end date since the IURC will control the time table. He hopes to have it finished by the end of this year.

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

#### **OLD BUSINESS:**

Utilities Director Murphy introduced Jack Wittman to update the USB on the progress of the Water Conservation Plan.

Mr. Wittman said the 1<sup>st</sup> draft of the document that describes the plan of action for conservation is done. At this time there needs to be some discussion with the USB on the document and the plan itself. He suggested meeting with the USB in 30 – 40 days to discuss the material in the first draft. An hour to two should be enough time.

Board President Swafford asked if the document could be provided to the USB before the work session so they can become familiar with it. Mr. Wittman said that would be possible given a little time. He said they would need some of the information in advance if they are to be able to give feed

back. However, there is a lot of material that is “back story” that would not be of interest to the USB. The document is about 200 pages long but an extract can be created from it for the USB to examine in advance.

Mr. Swafford suggested the work session could be held before or after the regular USB session on either April 13<sup>th</sup> or April 27<sup>th</sup>. Utilities Director Murphy mentioned that the Interdepartmental Agreement is planned for the agenda on the 13<sup>th</sup>. This is the earliest it could be available since the accounting books weren’t closed until the end of the first quarter. There had been some requests that this agreement be provided earlier in the year than has been the case in the past. There should be a Finance Subcommittee meeting before the agreement is brought to the entire USB.

Mr. Swafford suggested the work session be after the regular session on April 27<sup>th</sup>. He asked Mr. Wittman to provide written information about the plan by April 13<sup>th</sup>.

Mr. Wittman suggested that any questions USB members have about the document be addressed to him before the work session.

Ex-officio board member Mayer said he would be out of town on April 27<sup>th</sup> but he would read the document and contact Mr. Wittman about any questions he might have.

Utilities Director Murphy asked if the Finance Subcommittee could meet on April 13<sup>th</sup> at 4:30, before the regular session. This was agreed to.

**NEW BUSINESS:**

No new business was presented.

**SUBCOMMITTEE REPORTS:**

The Finance Subcommittee met. The report was given earlier in this meeting.

**STAFF REPORTS:**

There were no staff reports.

**PETITIONS AND COMMUNICATIONS:**

There were no petitions or communications.

**ADJOURNMENT:**

The meeting was adjourned at 5:23 p.m.

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**L. Thomas Swafford, President**