

## UTILITIES SERVICE BOARD MEETING

February 2, 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 member Whikehart called the regular meeting of the Utilities Service Board to order at 5:01 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: John Whikehart, Jeff Ehman, Pedro Roman, Jason Banach and ex-officio members Tim Mayer and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Mike Bengtson, Michael Horstman, Tom Staley, Jon Callahan and Mike Trexler. Others present: Sue Mayer.

Board member Whikehart explained that the reason he is presiding over the meeting is because both the President and Vice President are absent. In that situation the Chair of the Administrative Subcommittee, John Whikehart, presides over the meeting

### MINUTES

***Board member Ehman moved and Board member Roman seconded the motion to approve the minutes of the January 19<sup>th</sup> meeting. Motion carried, 4 ayes, 3 members absent, (Sam Frank, Julie Roberts and Tom Swafford).***

### CLAIMS

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

***Claims 1030052 through 1030073 including \$56,699.63 from the Water Operations & Maintenance fund for a total of \$56,699.63 from the Water Utility; Claims 1090106 through 1090162 including \$23,822.69 from the Wastewater Operations & Maintenance fund for a total of \$23,822.69 from the Wastewater Utility; and claims 1070002 through 1070006 for a total of \$17,310.00 from the Wastewater/Storm water Utility and \$17,624.31 from the Wastewater/ Storm water Construction fund for a total of \$34,934.31 from the Wastewater/Storm water Utility. Total claims approved – \$115,456.63.***

***Motion carried, 4 ayes, 3 members absent, (Frank, Roberts and Swafford).***

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

***Claims 1090113 through 1090164 including \$19,477.30 from the Water Operations & Maintenance fund and \$400.00 for water hydrant meter rental for a total of \$19,477.30 from the Water Utility; Claims 1030055 through 1030071 including \$18,982.77 from the Wastewater Operations & Maintenance fund for a total of \$18,982.77 from the Wastewater Utility; and claim 1070003 for a total of \$6.68 from the Wastewater/Storm water Utility. Total claims approved –\$38,866.77.***

***Motion carried, 4 ayes, 3 members absent, (Frank, Roberts and Swafford).***

**Board member Roman moved and Board member Ehman seconded the motion to approve the Special Run claim as follows:**

**Claim 1090165 for a total of 92,974.00 from the Water Utility, \$110,401.40 from the Wastewater Utility, and \$19,482.60 from the Wastewater/Storm water Utility. Total of claim approved – \$19,482.60.**

Board member Banach reminded the USB that at the previous meeting he had asked if the insurance would cover a major main break. Utilities Director Murphy had said there would probably be an emergency rate increase. Mr. Banach asked why Utilities is paying for insurance.

Deputy Director of Finance Horstman explained the insurance would pay for damages caused by Utilities, such as one of the vehicles running into somebody. The insurance this claim is for is liabilities and any casualties that Utilities might be responsible for. Mr. Banach asked if Utilities is not a part of the Civil City's policy. Mr. Horstman said Utilities is a part of the City's policy. This claim is the proportional share for Utilities.

City Controller Trexler explained that this claim is for the Utilities' portion of the overall coverage that the City, Transit and Utilities are all a part of. The policy covers all the assets, vehicles, etc. Mr. Banach asked how much the Civil City pays. Mr. Trexler said the total is somewhere in the range of \$650,000. Mr. Banach asked if Utilities is paying about a third of the total. Mr. Trexler said it is based on assets and Utilities has a lot of assets. Transit also has a lot of assets so they and Utilities pay a larger portion. Mr. Banach asked who determines that proration. Is it the insurance company or is it done internally in the City? Mr. Trexler said the Controllers' Office determines it. It is just one big policy that gets split up by the City based on the coverage and the actual assets. Mr. Banach asked Mr. Horstman if he is comfortable with Utilities' share. Mr. Horstman said he is.

Controller Trexler said Mike Rouker in the Risk Management Department manages these policies. He recommended that the USB contact Mr. Rouker if they have any more questions.

**Motion carried, 4 ayes, 3 members absent, (Frank, Roberts and Swafford).**

**Wire transfers and fees for the months of September, October, November and December 2009:**

**Board member Roman moved and Board member Ehman seconded the motion to approve the wire transfers and fees for the months of September, October, November and December in the amount of \$969,817.84.**

**Motion carried, 4 Ayes, 3 members absent, (Frank, Roberts and Swafford).**

#### **AGREEMENT FOR BANKING SERVICES:**

City Controller Trexler said this is a long standing agreement. Utilities used to bank with Irwin Union Bank who was bought out last year by First Financial Bank. The Civil City and Utilities have always had separate banking contracts. Mr. Trexler said the Legal Department and Corporation Counsel Robling had done a terrific job in negotiating this contract. Typically there is a two year renewal after the beginning term of the contract. That means the contract can automatically be renewed after two years. Because of the change over in the bank it seemed to

be a good time to renegotiate the contract. All the local banks who felt they could manage Utilities' business were consulted. First Financial gave the best rates and was the most stable and best suited to handle the business.

There were three factors in the decision; first, an excellent interest rate of 1.25% or the Fed rate plus five points, whichever is higher, was negotiated for all the investments for the first year. This is much better than would be available otherwise. After the first year, if there are no additional negotiations, it will drop down to the Fed rate plus five points. There is a plan for renegotiation after the first year.

As a demonstration of how much they wanted to retain the City and Utilities business, the bank offered a 25% discount on all the transaction fees which is significant. They also offered a courier service which is preferred since it is better if City and Utility employees don't spend time carrying around bags of money. The courier service provides more safety and security.

This contract is for four years, and will either be renegotiated or extended after that. Because the bank has changed ownership and there are some new practices and procedures the contract includes very strong exit clauses.

Board member Roman commented that he has followed this situation closely and he likes this bank and is very satisfied that Utilities will be continuing to work with them. He thanked Mr. Trexler, Mr. Horstman and the Legal Department for their work on this.

Ex-officio board member Micuda asked what the status was with the Civil Cities' arrangements with this bank. Mr. Trexler said this had been a joint negotiation and the same rates will apply for the City.

Board member Whikehart asked if Utilities' customers will be able to pay their bills at the bank. Mr. Trexler said he did not think so. It causes a lot of extra problems with having so many different methods of receipts coming in.

***Board member Roman moved and board member Ehman seconded the motion to approve the agreement for banking services. Motion carried, 4 ayes, 3 members absent, (Frank, Roberts and Swafford).***

#### **REVISED INDUSTRIAL PRETREATMENT PERMIT FOR ALL SOURCE PACKAGING GROUP:**

Utilities Deputy Director Langley explained that he is asking the USB to approve a sampling frequency reduction for this permit. The Federal Pretreatment regulations cover the manufacture of liquid detergents. There are limits in effect in this permit for surfactants, biological oxygen demand, total suspended solids, oil, grease and pH. Mr. Langley said he is asking for a reduction in sampling frequency from quarterly to semi-annually. Utilities takes a third sample during the year. The charges for that are billed back to the company. He is requesting this because the company has been diligent in complying with the Pretreatment Ordinance reporting requirements and there is no evidence in their discharge of any problem with the parameters that are controlled under their permit.

Ex-officio board member Micuda asked if there are any other permit applicants that have the same frequency requested in the permit or is it unusual based on this particular applicant's diligence. Mr. Langley said it isn't really unusual. If there had been any indication that the company was unable to control or was in any way releasing any of the conditions in the permit

he would asking for an increase in sampling frequency. The reduction is consistent with what has been done with other companies. After it has been demonstrated for 12 to 18 months that they can meet the limitation a reduction in sampling frequency may be granted.

***Board member Roman moved and board member Ehman seconded the motion to approve the revised Industrial Pretreatment Permit for All Source Packaging Group. Motion carried, 4 ayes, 3 members absent, (Frank, Roberts and Swafford).***

**REVISED INDUSTRIAL PRETREATMENT PERMIT FOR COOK POLYMER TECHNOLOGY:**

Deputy Director of Utilities Langley said this is just a name change in the permit. The duration of it is not being lengthened. Sabin Corporation has been bought by Cook Technology. All the same requirements and monitoring frequencies will be in effect.

***Board member Roman moved and board member Ehman seconded the motion to approve the revised Industrial Pretreatment Permit for Cook Polymer Technology. Motion carried, 4 ayes, 3 members absent, (Frank, Roberts and Swafford).***

**THE EXTENSION OF THE CONTRACT FOR TRAINING AND FACILITATION OF THE CITY OF BLOOMINGTON, INDIANA LABOR MANAGEMENT COMMITTEE:**

Deputy Director of Utilities Langley said this is a continuation of a contract Utilities has had with Lee Balliet for around eight years. He is the external advisor to the Labor Management Committee. He is a Professor Emeritus of Labor Studies at Indiana University. Mr. Balliet provides an independent look at what the committee is doing and guidance and advice in a lot of different areas. The contract provides for an hourly rate of \$80.00, not to exceed \$7,200 and it will expire on February 2<sup>nd</sup>, 2011.

Board member Whikehart said that over the years this has been a successful and mutually beneficial relationship. Mr. Langley said Utilities has the oldest existing Labor Management Committee in the State of Indiana.

***Board member Roman moved and board member Ehman seconded the motion to approve the contract for Training and Facilitation of the City of Bloomington, Indiana Labor Management Committee. Motion carried, 4 ayes, 3 members absent, (Frank, Roberts and Swafford).***

**OLD BUSINESS:**

No old business was presented.

**NEW BUSINESS:**

No new business was presented.

**SUBCOMMITTEE REPORTS:**

There were no subcommittee meetings.

**STAFF REPORTS:**

There were no staff reports.

**PETITIONS AND COMMUNICATIONS:**

There were no petitions or communications.

**ADJOURNMENT:**

The meeting was adjourned at 5:22 p.m

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**L. Thomas Swafford, President**