

UTILITIES SERVICE BOARD MEETING

January 3, 2012

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, Julie Roberts, Sam Frank, Jeff Ehman, Jason Banach, John Whikehart, and ex-officio members Tim Mayer, and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Tom Axsom, Mike Hicks, Phil Peden, and Jon Callahan. Others present: Sue Mayer, and Grace and Molly Frank.

MINUTES

Board member Roberts moved and Board member Ehman seconded the motion to approve the minutes of the December 20th meeting. Motion carried, 6 ayes, 1 member absent, (Roman).

CLAIMS:

Board member Roberts moved and Board member Frank seconded the motion to approve the ACH payments as follows:

Vendor invoices that will be submitted to the controller's Office on January 3rd included \$492,363.00 from the Water Utility; \$0.00 from the Wastewater Utility; and 0.00 from the Wastewater/Storm water Utility. Total Claims approved, \$492,363.00.

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

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

Vendor invoices submitted to the controller's Office on December 28, 2011, included \$253,907.10 from the Water Utility; \$101,537.90 from the Wastewater Utility; and \$207.09 from the Wastewater/Storm water Utility. Total Claims approved, \$355,652.09.

Board member Ehman asked about the claim for New World Systems Corp. He asked if Justin Dupree is a Utilities employee. Assistant Director of Finance Horstman said Mr. Dupree is a consultant. Mr. Ehman asked if he is being paid to come here to train Utilities' staff. Mr. Horstman said that is correct. Mr. Ehman said he had read the minutes of the last meeting in November and there was some discussion about whether or not a contract was needed with New World Systems. He said he couldn't tell how that had been resolved. Mr. Horstman said the City has a contract with New World, and Utilities is a part of that contract. There is a specific Utility module for CBU's use, as well as all the financial modules. This contract was approved by the City Council. Mr. Ehman asked if that is a different arrangement than the one with Oracle. Mr. Horstman said the contract for Oracle was through the City with Utilities paying a portion of it.

Board President Swafford said he noticed there were some land acquisition payments. Utilities Director Murphy pointed out that the ACH payment was for a significant purchase of a piece of land to site the new water tower on. That will probably be the single biggest purchase of property and easements for the SE Water System Improvements. Those are proceeds that are paid out of the bond for the project. Any of these payments are reimbursable against the bonds for the Water Plant Expansion/SE Water System Improvements and Water Tank.

Board member Roberts asked where the water tower will be and how many acres of land are being acquired for it. Capital Projects Manager Hicks said the location will be addressed off Harrell Rd. It is just south of Rohrer Rd. It is a four acre parcel, and contiguous with that is a strip of about 100 ft. off the south end of another parcel.

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

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

Board member Banach said there has been a lot of discussion lately about public use of credit cards. He said he had asked Utilities Director Murphy about internal controls and procedures. The USB only sees overall totals, not detailed transactions. He said he doesn't know they need to see those. Mr. Murphy had said he and his Assistant Directors review the credit card claims for appropriateness when they go through. That gave him a level of comfort.

Utilities Director Murphy said he is comfortable that both the City and Utilities have internal controls in place that allows for the provision of oversight. The employees are also informed of the appropriate use of credit cards. Board President Swafford commented that Julie Martindale seems to buy a lot of chemicals. Mr. Murphy said it is about \$27,000 worth. Mr. Banach said he knows the USB is informed of the big purchases. Mr. Murphy said there is a cut-off of \$300.00. Mr. Banach said he thinks that is a good idea. This is something his employer takes very seriously and he wants to see CBU do the same.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Utilities Director Murphy reminded the USB the next meeting will be on Tuesday due to Martin Luther King day.

Mr. Murphy said the City Council had approved the sewer rate hike in a 9-0 vote. He thanked the USB for their leadership and the staff for their work on this. It will bring Utilities back to a level playing field.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:10 p.m.

L. Thomas Swafford, President