

UTILITIES SERVICE BOARD MEETING

May 14, 2007

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 5:02 p.m. The meeting was held in Conference Room 100B at the Indiana University Research Park at 501 North Morton Street in Bloomington, Indiana.

Board members present: Tom Swafford, Tim Henke, John Whikehart, Jason Banach, Julie Roberts, Jeff Ehman and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Mike Trexler, Trianna Johnson, Adam Wason, Mike Hicks, Adrian Reid, Phil Peden and Mike Bengtson. Others present: Mark Menefee representing Indiana University, Ben Beard representing Gentry Estates and Sue Mayer.

MINUTES

Board member Henke moved and Board member Roberts seconded the motion to approve the minutes of the May 14, 2007 meeting. Motion carried. 6 Ayes. 1 member absent, (Roman).

CLAIMS

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

Claims 0790668 through 0790738 including \$92,201.89 from the Water Operations & Maintenance fund and \$228,207.35 from the Water Construction fund for a total of \$320,409.24 from the Water Utility; Claims 0730381 through 0730428 including \$238,150.15 from the Wastewater Operations & Maintenance fund and \$234,272.99 from the Wastewater Construction fund for a total of \$472,423.14 from the Wastewater Utility; and claim 0770047 through claim 0770049 for a total of \$1,789.67 from the Wastewater/Stormwater Utility. Total claims approved – \$794,622.05.

Board member Ehman asked about the claim for CDI, Inc. He said he was curious about the division between water and wastewater. It is usually a 60% and 40% division but this time it was even. Budget Analyst Trexler explained that the division for this reflects how the funding was done. Half came from a water bond and the other half came from a wastewater bond.

Board President Swafford asked about the claim for American Electrical Testing. Deputy Director Langley explained that there is an annual inspection of a sub-station that goes into all of the switch gear at Dillman Road. He said he believes that this is done for insurance purposes but he isn't certain about that. He will check on it. Mr. Swafford asked if similar inspections are done at the other plants. Mr. Langley replied that there is an occasional inspection at Blucher Poole and Monroe.

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

APPROVAL OF THE WATER/WASTEWATER ASSISTANCE PROGRAM CONTRACT WITH C.A.P:

Assistant Director of Finance Horstman explained that the contract is between the South Central Community Action Program and the City of Bloomington Utilities Department. It's for the 2007 calendar year. The purpose of the program is to provide eligible low income families with assistance for paying past due Utility bills. The program budget is \$20,000.00. Initial start up costs comes to

\$2,500.00. Mr. Horstman had recommended some changes to reports that CAP provides to Utilities to increase the accountability. They followed his recommendations so the fee for that will be reimbursed. There is also a 10% fee that Utilities pays to CAP for administering the program. The program has been approved by the City of Bloomington Legal Department.

Board member Henke asked how long Utilities has been participating in this program. Mr. Horstman said that there are records showing it goes back to 2001 but he thinks it has actually been longer than that. Mr. Henke asked if CAP utilizes the entire amount allocated. Mr. Horstman replied that in 2005 they used about \$7,900 and in 2004 about \$12,500. They have never used up all the funds that are available.

Board member Roberts asked if the left over funds roll over into the next year. Mr. Horstman said they do not.

Board member Banach clarified that Utilities budgets for this program and CAP acts as an agent to administrate the program. Mr. Banach wondered if Utilities has ever considered implementing an option for the rate payers to have a Helping Hand program similar to the one that Duke Energy has. There is a line on the bill that allows a rate payer to contribute to a fund for assistance for eligible low income families.

Assistant Director of Finance Horstman and Utilities Director Murphy both said that they are not aware of Utilities having ever had a program like that. Mr. Murphy said that it is useful to have CAP administer the program. Mr. Banach suggested considering allowing the rate payers to contribute to the funding for this program.

Board member Ehman asked if the figures Mr. Horstman had given for the costs in the previous years was all for assistance. Mr. Horstman said that is the case. Mr. Ehman wanted to know if this is the first time that funds have been made available for CAP's administrative costs. Mr. Horstman said they have received help with administrative costs in the past but this is the first time they have been reimbursed for out of pocket programming costs. What was being asked for was a significant change and CAP needed help to take care of it.

Budget analyst Trexler explained that in the past a check has been written to CAP for the funds in the program. Now they are issued vouchers. Utilities Director Murphy said that the State Board of Accounts had issues with checks being issued to CAP. The new system gives greater accountability.

Board member Banach asked how this program works. He wondered if Utilities refers customers who can't pay their bills to CAP.

Customer Service Coordinator Trianna Johnson explained that Customer Service does refer people to CAP to see if they can offer them assistance. There are also several other agencies such as Township Trustees and United Ministries that customers may be referred to.

Board member Banach asked if the only agency that Utilities funds directly is CAP. Ms. Johnson confirmed that is the case. She said that CAP determines their client's eligibility. Mr. Banach said that there must be many reasons to not be administering this program in-house. Budget Analyst Trexler said that it is not legal for a public utility to administer a program like this. Utilities must rely on a non-profit for this program because there could be a conflict of interest if Utilities did this directly.

Board member Roberts moved and board member Banach seconded the motion to approve the Water/Wastewater Assistance Program Contract with CAP. Motion carried. 6 ayes. 1 member absent, (Roman).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Capital Projects Coordinator Hicks gave an update on the new Service Center Building. He said that the contractor is slightly behind on the project but has been very actively trying to catch up. The exterior masonry work is about 70% done. They will begin the flooring this week starting at the south end and progressing to the north.

Utilities Director Murphy offered to take any of the USB members on a tour of the building if they want to.

PETITIONS AND COMMUNICATIONS:

Utilities Director Murphy also reminded the USB that the next regularly scheduled USB meeting falls on Memorial Day so it will be rescheduled for Tuesday, May 29th. He also said that a Finance committee meeting will be scheduled soon to look at the budget. Board President Swafford reminded Mr. Murphy that an Engineering Subcommittee needs to be scheduled soon.

ADJOURNMENT:

The meeting was adjourned at 5:20 p.m.

L. Thomas Swafford, President