UTILITIES SERVICE BOARD MEETING
December 17, 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 5:02 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, Pedro Roman, Jason Banach, Jeff Ehman, and ex-officio members Tim Mayer and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Mike Bengtson, Tom Axsom, Jon Callahan, and Phil Peden. Others present: Sue Mayer.

MINUTES

Board member Roberts moved and Board member Ehman seconded the motion to approve the minutes of the December 3rd meeting. Motion carried, 6 ayes, 1 member absent, (Whikehart).

CLAIMS

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

Vendor invoices submitted to the controller's Office on December 17th included $220,882.00 from the Water Utility; $19,699.00 from the Wastewater Utility; and 0.00 from the Wastewater/Storm water Utility. Total Claims approved, $240,551.00.

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

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 12th included 3,003,695.49 from the Water Utility; $595,924.47 from the Wastewater Utility; and $34,063.52 from the Wastewater/Storm water Utility. Total Claims approved, $3,633,683.48.

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

REVIEW OF END OF YEAR ACCOUNTS:

Assistant Director of Finance Horstman said he is asking the USB to approve writing off bad debt in accordance with Indiana Code section 36-9-23-33 subsection L. Utilities staff would like to expense 706 uncollectible wastewater accounts that are at least 90 days overdue, with an outstanding balance of less than $40. The total value to be written off is $14,193.22. This

section of the Indiana Code allows a Utilities Service Board to write off a wastewater fee or penalty that is worth less than $40.

Pursuant to the resolution passed by the USB on October 29, 2007, Utilities staff would like to expense 786 uncollectible water accounts that are at least 90 days overdue with an outstanding balance of less than $40. The dollar value to be written off is $11,029.02. Mr. Horstman recommended approval of this request.

Finance Subcommittee Chair Frank said the committee had met before the regular session and they support a recommendation to go forward with these write offs.

Board member Ehman asked what would happen if someone decided to pay their bill after it had been written off. Mr. Horstman said he would be happy to take their money.

Board President Swafford pointed out that even though they have been written off, the balance is still on their account, so if they should want new water service they will have to pay it off.

Board Vice President Roberts said Utilities had been told to do this by the State Board of Accounts. Mr. Horstman said it is a way to clean up the records. A lot of these accounts are under $1. This cleans all of that up. It isn't cost efficient to pursue such small balances.

Board member Banach asked if a lien is put on the property even though the amounts are so minimal. Mr. Horstman said that is correct. Board President Swafford said some of them would go to the collection agency.

Board Vice President Roberts seconded the recommendation of the Finance Subcommittee. Motion carried, 6 ayes, 1 member absent, (Whikehart).

APPROVAL OF AN AGREEMENT WITH M.E. SIMPSON FOR LARGE WATER METER EVALUATION AND MAINTENANCE:

Superintendant of Operations Axsom said this contract is for the testing of the large water meters which are 3" up to 10". There are 220 of them that need to be tested. Every year the wholesale water meters, and any meters using over 500 units should be tested. That is 148 meters per year, which costs $45,880. Previous tests have shown a failure rate of 20% with the large meters, so it is important they be tested. The contract is for $91,760, not to be exceeded, and covers two years.

Board member Ehman asked if the 20% failure rate is while they are in service. Mr. Axsom said that is right, but just because they failed it doesn't mean they stopped altogether. It could be that they slowed down, although they could have stopped working at all. That's why it is so important to have the testing done. It has been three years since any of them have been tested.

Board President Swafford said all of M.E. Simpson's employees would have photo ID's. They will be going into a lot of different places so it is important to insure they always have the ID's. Mr. Axsom said he will be meeting with them every week, and will stress the importance of that. Mr. Swafford asked who would be the contact person from Utilities. Mr. Axsom said he would be.

Board member Roberts moved and board member Ehman seconded the motion to approve the Agreement with M.E. Simpson for Large Water Meter Evaluation and Maintenance. Motion carried, 6 ayes, 1 member absent, (Whikehart).

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

Board President Swafford reminded everyone there will not be a meeting on December 31st. The next meeting will be on January 14th.

Board member Roman asked if there should be a meeting of the Administrative Subcommittee to nominate officers for next year. Mr. Swafford said it is not necessary. Mr. Roman said he had spoken to most of the members of the USB, and there is a consensus to have Board President Swafford and Board Vice President Roberts continue in their positions.

Board member Roman moved and board member Banach seconded the motion that Board President Swafford be President in 2013, and Board Vice President Roberts be Vice President in 2013. Motion carried, 6 ayes, 1 member absent, (Whikehart).

SUBCOMMITTEE REPORTS:

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

STAFF REPORTS:

Utilities Director Murphy told the USB that all the pipes and culverts on Walnut St. are finished. All that is left to be done is the street scrape. The Griffy Dam project has begun. It has a timeline because of the CDBG funds that were awarded for this project. Board member Ehman asked if it had to be completed by next October. Mr. Murphy said the completion date is December.

Director Murphy said another milestone had been reached in the Agreed Order. The CMOM program was updated with Greeley and Hansen, and the Westside lining project has been finished. There are several other projects that were funded through that bond that still need to be addressed. These are a SCADA system for Dillman Road, which will be about $1,000,000. The design work for the EQ basin is being done. The 2013 budget included money for design work for the Jordan River Culvert, and for a storm water master plan. Some money has been earmarked to review the storm water rates. Mr. Murphy thanked the USB for their diligence and support during 2012.

PETITIONS AND COMMUNICATIONS:

Board President Swafford thanked the Utilities staff. Ex-officio board member Mayer thanked the staff for the presentation they made at the Committee of the Whole meeting last week. He said the Council will meet again this week and he assumes, based on member's comments, they will approve the changes to Title X.

ADJOURNMENT:

The meeting was adjourned at 5:19 p.m.

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L. Thomas Swafford, President