UTILITIES SERVICE BOARD MEETING
December 11, 2006

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, Julie Roberts, Susan Sandberg, John Whikehart and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Mike Bengtson, Mike Hicks, Jane Fleig, Mike Trexler and Adam Wason. Others present: Scott Dompke representing GRW, Mark Menefee representing Indiana University, Margaret Fette representing the Libertarian Party and Ben Beard representing Gentry Estates.

MINUTES

BOARD MEMBER VAUGHT MOVED AND BOARD MEMBER SANDBERG SECONDED THE MOTION TO APPROVE THE MINUTES OF THE NOVEMBER 27, 2006 MEETING. MOTION CARRIED. 4 AYES, 3 MEMBERS ABSENT, (EHMAN, HENKE AND WHIKEHART).

CLAIMS

BOARDMEMBER VAUGHT MOVED AND BOARDMEMBER ROBERTS SECONDED THE MOTION TO APPROVE THE CLAIMS AS FOLLOWS:

CLAIMS 0691754 THROUGH 0691806 INCLUDIING $42,105.90 FROM THE WATER OPERATIONS & MAINTENANCE FUND, $115,564.35 FROM THE WATER CONSTRUCTION FUND AND $16,603.87 FROM THE WATER SINKING FUND FOR A TOTAL OF $174,274.11 FROM THE WATER UTILITY; CLAIMS 0631143 THROUGH 0631179 INCLUDING $103,158.84 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND, $115,632.67 FROM THE WASTEWATER CONSTRUCTION FUND, AND $4,732.07 FROM THE WASTEWATER SINKING FUND FOR A TOTAL OF $174,274.11 FROM THE WASTEWATER UTILITY; AND CLAIM 0670089 FOR A TOTAL OF $1,938.19 FROM THE WASTEWATER/ STORMWATER UTILITY. TOTAL CLAIMS APPROVED – $399,735.88.

Board President Swafford asked about claim number 0691796 for Earth Data International. Utilities Director Murphy explained that this amount was for the Utilities portion of the new Ortho maps, (or fly over maps) which are being bought in conjunction with Indiana University and Monroe County.

MOTION CARRIED. 4 AYES, 3 MEMBERS ABSENT, (EHMAN, HENKE AND WHIKEHART).

APPROVAL OF THE AWARD RESOLUTION FOR THE CE MINI-BASINS 6 & 7 REHABILITATION PROJECT:

Assistant Director of Engineering Bengtson reported that the numbers on the biding for the lining of sewers were very favorable. The State Revolving Fund had approved $1,500,000.00 for the PER for this project. The engineer's estimate was for $1,300,000.00. The lowest bid came in at $766,000.00. There were two contractors who bid that are familiar to Utilities Engineers. Because there is some extra money in the SRF Mr. Bengtson said that they may be coming back with an adjustment that will allow them to cover other areas. He said that they are considering Highland Village which is a high

priority area. Because there is still some information to be collected Mr. Bengtson asked the USB for a qualified approval so they can proceed once everything has been gathered.

Board President Swafford asked Mr. Bengtson to identify the area that is referred to as mini-basins 6 & 7. Mr. Bengtson said that the area is bordered on the north by Atwater Avenue, on the south by Hillside, on the east by Eastside Drive and on the west by Walnut Street. This is an older part of Bloomington.

Utilities Director Murphy pointed out that this project is a part of what Utilities has agreed to do under the Agreed Order. It is specifically identified in the compliance plan.

BOARD MEMBER ROBERTS MOVED AND BOARD MEMBER SANDBERG SECONDED THE MOTION TO APPROVE THE AWARD RESOLUTION FOR THE CE MINI-BASINS 6 & 7 REHABILITATION PROJECT. MOTION CARRIED, 4 AYES, 3 MEMBERS ABSENT, (EHMAN, HENKE AND WHIKEHART).

APPROVAL OF THE LIEN PROCESS:

Board President Swafford stated that there had been a Finance Subcommittee meeting the previous week at which Assistant Director of Finance Horstman had presented the lien process. Mr. Horstman said that in the 2005 audit the State Board of Accounts had asked that the lien process policy be formalized. The policy that is used by Utilities is a little more definitive than is required by state law. There are a few more steps added that aren't really necessary. For example, the first step is a letter that is sent to the delinquent, it is then followed by a letter sent to the land owner informing them that a lien will be filed within 30 days if the balance is not paid. These steps aren't required but are the way that the lien process is being handled. Approval by the USB will make it a formal process.

Board member Vaught as the Chair of the Finance Subcommittee re-iterated that this is just a formalization of a process that is already in place. The Finance Subcommittee recommended approval.

BOARD MEMBER VAUGHT MOVED AND BOARD MEMBER ROBERTS SECONDED THE MOTION TO APPROVE THE LIEN PROCESS. MOTION CARRIED, 5 AYES, 2 MEMBERS ABSENT (EHMAN AND HENKE).

OLD BUSINESS:

Utilities Director Murphy pointed out that the next regularly scheduled meeting would fall on December 25th. He said that it seemed better that that meeting be scheduled early so the claim payments could be met. He recommended the date of December 21st when a quorum would be available.

BOARD MEMBER ROBERTS MOVED AND BOARD MEMBER SANDBERG SECONDED THE MOTION TO RESCHEDULE THE DECEMBER 25TH MEETING FOR DECEMBER 21ST. MOTION CARRIED, 5 AYES, 2 MEMBERS ABSENT, (EHMAN AND HENKE).

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

Board President Swafford noted that there had been a Finance Subcommittee meeting that has already been reported on. There was also an Engineering Subcommittee meeting with the Monroe County Plan Commission Executive Board. The County presented the Engineering Subcommittee with a map of where they would like to see growth in the County. Utilities staff will go over those plans then sometime after the first of the year there will be another meeting at which Utilities will make a recommendation on the plan. No action was taken at the Subcommittee meeting.

Utilities Director Murphy said that at the Finance Subcommittee meeting there had also been some discussion of writing off accounts of under $40 that have been overdue for more than 180 days. This will be on the agenda for the December 21st meeting.

STAFF REPORTS:

Budget Analyst Trexler made several comments about the financial statement. He pointed out that the net income is a little misleading because the 2nd bond payment of the year has not yet been paid. The bond payments are accrued in the cash sinking fund which is listed under restricted assets where there is also an investment sinking fund. If the two are added and then subtracted from the net income it gives a more accurate figure. Mr. Trexler also asked for any input on what the board would like to see in the financial statements.

Utilities Director Murphy told the USB that for the past semester the Utilities financial staff has been working with Thomas Rearick's SPEA to formalize the standard operating procedures for the department. This is something that the State Board of Accounts recommended. They have completed a brief overview of the tasks that go on in the department and who does them, then they created a fully detailed description of 3 of the positions. Over the next year this project should be completed for the rest of the department.

Special Projects Coordinator Hicks gave an update on the construction of the new administrative building. The contractor is still preparing the slab for the main building. Most of the activity has been the remodeling of the garage area. The storm sewer has been re-located, the sewer is in place and the parking lot has been restored. The construction is still on schedule.

PETITIONS AND COMMUNICATIONS:

Board member Vaught said that he is reaching the end of his term on the USB. He said that he has very much appreciated working with everyone. The Engineering department has done a great job even though they are often put in difficult situations. He thanked John Langley for guiding the board through the problems with PCB's. Mr. Vaught particularly commended Michael Horstman and Mike Trexler from the Finance Department for the solidity that they have brought to the finances of the Utilities department. He also expressed his admiration for the way Utilities Director Murphy has worked his way through many difficulties. The financial situation for the department has been greatly improved and Mr. Vaught credited Mr. Murphy for having guided that effort. Finally he thanked the USB and said that it had been a pleasure working with all of them. He believes that things are in good hands!

ADJOURNMENT:

The meeting was adjourned at 5:22 p.m.

L. Thomas Swafford, President