

UTILITIES SERVICE BOARD MEETING

May 6, 2013

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 5:10 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, John Whitehart, Jason Banach, Sam Frank, Pedro Roman, Jeff Ehman, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Jon Callahan, Mike Bengtson, Nancy Axsom, and Tom Axsom. Others present: Sue Mayer.

MINUTES

Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the April 22nd meeting. Motion carried unanimously.

CLAIMS

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

Vendor invoices submitted to the Controller's Office on May 10th included \$1,392,202.28 from the Water Utility; \$100,872.78 from the Wastewater Utility; and \$2,022.21 from the Wastewater/Storm water Utility. Total Claims approved, \$1,495,097.27.

Motion carried unanimously.

OLD BUSINESS:

Director Murphy reported on an item from a prior meeting which was to be continued. A month ago, the Board heard from Upland Brewery regarding an appeal of their surcharges for the month of November 2012. In the meanwhile, Mr. Murphy has toured their facilities and was hoping to meet with their representatives to have some questions answered, as well as to have Pretreatment Coordinator Roberts explain to them Utilities' process and charges more fully, so that staff could come back with a recommendation. This meeting will occur on Wednesday (May 8th).

NEW BUSINESS:

None

SUBCOMMITTEE REPORTS:

Chair of the Administrative Subcommittee Whitehart reported that the committee met at 4:45 pm that day to consider an appeal from Mr. Matt Cascio about a sewer back-billing. Mr. Cascio failed to appear for that meeting, and staff reported to the subcommittee the facts of the appeal. The facts appear to be that as of March of 2012, it became known that Mr. Cascio had not been receiving sewer-only billing on ten different properties. He had been receiving water services from another

entity. In May 2012 Utilities billed him, following a Section 6.3 rule, for one year of sewer fees, waiving sixteen years worth of sewer fees. Utilities also determined that he would not be charged any hook-on fees, waiving another \$5,000 in prior fees. Mr. Cascio ignored the bill for a year. In Feb., a lien was filed on the property, which is when the petitioner contact Utilities. Mr. Cascio did not appear to tell his side of the story today, but the facts of the matter are pretty evident by what was presented. Under the Reasonable Committee Member rule, the Administrative Subcommittee recommends that Mr. Cascio's appeal be denied and that \$7,958.17 as of April 2013 be collected, in addition to any charges incurred since then.

Board Member Roman asked for the background on this case. Director Murphy informed that Mr. Cascio had a development with ten units, off of Smith Rd. There was no sewer line by the property, though there is one down by Moore's Pike, so he proposed to Utilities to have an interceptor force main with a manhole and hook into Utilities' line for sewer service. Assistant Director for Engineering Bengtson added that we had an existing gravity sewer at that location. Mr. Cascio's proposal was to lay a force main from that connection point to his units. He should have come in with each individual unit as he built them up to that force main. The force main would have been his as it was serving houses under common ownership. So, the connection he made should have had an individual application for each of these units as they came online, and that's when the charges would have been in our system. Mr. Roman stated that each one of those houses is an illegal hook-up to our system. Mr. Bengtson concurred. The initial hook-on to the force main was via a set of plans approved by Utilities. If each would have gone through the regular process they would have been in our billing system. Mr. Roman reiterated that the problem is that they are not in our billing system because they failed to obtain the proper permit. That's where the system broke down. Mr. Bengtson added that part of the problem is that he applied for water with a different entity. Were they Utilities' water customers, he would have gotten in the system that way. Mr. Roman recapped that Mr. Cascio had ten illegal hook-ups, without the \$500 hook-up fee for each, and has not had a sewer bill in seventeen years. He is unsure why we don't bill him for those years, as well as the \$500 hook-up fee per each. Board President Swafford reminded that the rules only allow Utilities to go back one year for mistakes of this nature. Mr. Roman wondered if that was one year for billing, but not for the hook-up fees. Is there a state code that could be construed to that regard? It seems this is rewarding illegal hook-ups, whereas someone who fails to pay their water bill for two months gets a disconnect notice.

Director Murphy suggested this can be reviewed. He reminded that this appeal hearing was at the customer's request. He did not show up. The Board does not have to take any action, but staff did have opportunity to engage the Board in this conversation and gain their opinions. Mr. Murphy will speak to the Legal Department regarding the hook-on charges.

Board Member Ehman can understand why we waived the sewer fee for seventeen years. He does not understand the rationale for waiving the hook-on fees. Mr. Ehman amended motion to include the \$500 hook-up fee per each of ten units, in addition to current charges. Mr. Roman seconded the motion.

In discussion, Board Member Banach stated that if there was a rational basis for waiving those fees, then he would not support this amendment.

Director Murphy stated at this point that he understands the will of the Board, and can do further research and take steps to implement that.

Board Member Whikehart asked a procedural question regarding the intent of the Board's actions and whether they are amending staff's direction towards the petitioner. Mr. Whikehart suggested continuing this motion while Mr. Murphy does some further research.

Mr. Ehman withdrew his amendment to the original motion until further research regarding the hook-on fees is done by staff.

Board member Whikehart moved and Board member Banach seconded the motion to support the Administrative Subcommittee's recommendation to deny the customer appeal. Motion carried unanimously.

STAFF REPORTS:

Director Murphy reported all projects proceeding smoothly.

PETITIONS AND COMMUNICATIONS:

None

ADJOURNMENT:

The meeting was adjourned at 5:26 p.m.

L. Thomas Swafford, President