

## UTILITIES SERVICE BOARD MEETING

July 15<sup>th</sup>, 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 5:02 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Julie Roberts, Jeff Ehman, Sam Frank, Jason Banach, John Whitehart, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, John Langley, Mike Bengtson, Tom Axsom, Michael Horstman, Mike Hicks, Jane Fleig, 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 July 1st meeting. Motion carried, 6 ayes, 1 member absent (Roman).***

### CLAIMS

***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 July 19th included \$772,450.26 from the Water Utility; \$146,523.27 from the Wastewater Utility; and \$12,916.51 from the Stormwater Utility. Total Claims approved, \$931,890.04.***

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

Board Member Banach commented on the restocking of first aid supplies, referring to a claim to Cintas Corporation for Blucher Poole from May 30, 2013. It has been his experience that automatic restocking programs tend to result in more frequent restocking. Director Murphy commented that the administration has noticed that increase and has already begun taking steps to address the matter.

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

***Vendor invoices that will be submitted to the Controller's Office on July 15th included \$220,735.75 from the Water Utility. Total Claims approved, \$220,735.75.***

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

***Board member Roberts moved and Board member Ehman seconded the motion to approve the wire transfers and fees for the month of May 2013 in the amount of \$1,119,394.34.***

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

## **REQUEST FOR APPROVAL OF RESOLUTION 13-02 VEHICLE LEASE PURCHASE**

Director Murphy presented this item, which had been previously discussed by the USB. He apologized for the oversight in not bringing this item to the USB initially, as it had moved out of CBU and to the Legal Department when the USB commented on the need to first approve such contracts via a resolution. It is the policy of staff to have the Board approve these types of resolutions, and in fact this resolution is needed for the disbursement of funds.

Board Member Banach inquired whether the purchase was via a competitive bid process and Mr. Murphy confirmed. Additionally, most of the vehicles are through local vendors who bid competitively.

***Board member Roberts moved and Board member Ehman seconded the motion to approve Resolution 13-02 Vehicle Lease Purchase.***

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

### **OLD BUSINESS:**

N/A

### **NEW BUSINESS:**

N/A

### **SUBCOMMITTEE REPORTS:**

N/A

### **STAFF REPORTS:**

Engineer Peden presented for approval Payment Certificate No. 3 for Dave O'Mara Contractors, for the construction of the Lake Griffy Dam Improvements, in the amount of \$116,855.39 to be processed out of grant funds. The total completed and stored to date is \$260,047.90 of the \$1,403,545.40 project.

The intake tower was taken down last week, with a process that utilized a diamond-coated sharp cable to slowly wince it. It took a full day and a half to topple the tower. Throughout the next week, workers will be pouring the inboard concrete slope. About ten boards were completed today, with double that projected for tomorrow. There is a progress meeting scheduled for tomorrow, and Mr. Peden can further update the USB following that. The timeline for project completion is November, but the contractor is still optimistic that it will be finished ahead of schedule, in August.

Board Member Ehman inquired about the frequency of staff's onsite visits to the project. Mr. Peden stated that he visits the site every day. Additionally CBU inspectors, as well as a representative from our engineering company, visit frequently.

***Board member Roberts moved and Board member Ehman seconded the motion to approve Payment Certificate No. 3 for the Lake Griffy Dam Improvements project.***

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

Director Murphy shared information on the City of Bloomington's budget process. The City is moving the annual budget hearings from July to August, as a permanent process change. Budget hearings are scheduled to begin August 19<sup>th</sup>. This move assists with improving the budget process in a couple of ways, as the City Controller works diligently to balance funds. The move of the process into August allows for a better projection of COIT funds distribution, for one. Additionally, negotiations with AFSCME, which impacts CBU, as well as Fire Department negotiations, are ongoing. The Controller has referenced the Interdepartmental Agreement. Mr. Murphy does not anticipate any changes on that. Mr. Murphy will inquire with the Finance Subcommittee regarding schedules, as typically that committee has reviewed the budget prior to the full board.

Mr. Murphy also informed that interviews have begun for the new Conservation and Energy Resource Manager position. CBU received 27 applications externally and 7 internally. Water Quality Coordinator Rachel Atz and Mr. Murphy have chosen the group for the initial round of interviews and anticipate a second round, and possibly even a third. The City's Sustainability Coordinator, Jacqui Bauer, as well as Board President Swafford were asked to participate in the second round. There are some very good candidates, both internally and externally, and this organization will be well-served by whomever accepts the position.

Board Member Whikehart inquired about an item in the Labor Management Committee Report, which is handed out to the USB monthly. There is a reference to a refund from SCI REMC. Deputy Director Langley explained that CBU was approached by this service provider at Blucher Poole and told that since our upgrade in 2007, they had applied the incorrect power factor to that plant's energy bill, resulting in a rebate of almost \$750,000, which will be reimbursed in monthly credits to us. Board Member Banach asked for the budgeted amount for power at Blucher Poole, and Mr. Langley stated he will get that figure for the USB. Mr. Banach inquired as to the plan for those funds. Mr. Murphy replied that they will be applied towards relief of the operating budget, and thereby reflected in Extensions and Replacements. Mr. Murphy considered asking for interest on the amount due back, but was advised against it.

Board Member Ehman inquired how this error was discovered. Mr. Murphy explained that CBU had been reviewing bills and asking questions of the provider as part of an effort to study energy costs. It is unclear if this triggered the provider to find the error, but they approached staff independently. Board Member Whikehart clarified the terms of the repayment. It will be in the form of monthly credits over 36 months. Mr. Murphy confirmed with the Accounting Department that the first credit had been applied.

**PETITIONS AND COMMUNICATIONS:**

N/A

**ADJOURNMENT:**

The meeting was adjourned at 5:27 p.m.

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**L. Thomas Swafford, President**