

UTILITIES SERVICE BOARD MEETING

September 23rd, 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, Sam Frank, Pedro Roman, Julie Roberts, Jason Banach, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, John Langley, Tom Axsom, Michael Horstman, Jon Callahan, Mike Hicks, Mike Bengtson, and Phil Peden. Others present: Sue Mayer, Andrew Perry, Angie Steeno, and Bill Riggert.

MINUTES

Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the September 9th meeting. Motion carried, 5 ayes, 2 members absent (Ehman, Whikehart).

CLAIMS

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

Vendor invoices that will be submitted to the Controller's Office on September 23rd included \$220,735.75 from the Water Utility. Total Claims approved, \$220,735.75.

Motion carried, 5 ayes, 2 members absent (Ehman, Whikehart).

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 September 27th included \$332,737.88 from the Water Utility; \$318,970.72 from the Wastewater Utility; and \$96,842.13 from the Stormwater Utility. Total Claims approved, \$661,550.73.

Motion carried, 5 ayes, 2 members absent (Ehman, Whikehart).

Wire transfers and fees for the month of July 2013:

Board member Roberts moved and Board member Roman seconded the motion to approve the wire transfers and fees for the month of July in the amount of \$294,206.62.

Motion carried, 5 ayes, 2 members absent (Ehman, Whikehart).

OLD BUSINESS:

N/A

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Murphy introduced Angie Steeno of Crowe Horwath, who reviewed the Cost of Service Study (COSS) that is underway. Ms. Steeno wished to update the board on progress.

The COSS is comprised of two components. The first is the revenue requirements, and identifying the needs of the utility, followed by the cost of service study itself, which allocates costs of the revenue requirement to the different customer classes. The test year period for the study will be August 2012 through September 2013. As soon as financial books are closed for September 2013, there will be a twelve month period to build the report. The timing of the test year is driven by the IURC, who would have to approve any rate changes that result from the COSS. The IURC has a requirement that the test year be no earlier than six months. This puts a lot of pressure internally on staff to complete monthly processes quicker than usual, but this can be viewed as a benefit. Once CBU gets to the approval process, that can take much longer with the IURC than it would were it simply under local control.

The type of information Crowe Horwath has already begun collecting includes financial statements, consumption usage and patterns for each of the customer classes, details of assets, and more. Ms. Steeno commended CBU on working with her to get her the data most efficiently. She understand CBU is utilizing a new financial management system and that this is the first time it is being pushed to provide detailed information in various ways, so that Crowe Horwath can complete their analysis most efficiently. The Information Technology Services Department has been very cooperative in working with CBU as well, and writing reports to generate data most efficiently.

Ms. Steeno reported anticipating coming back to the Board in January. Between now and then they will be analyzing data and working with CBU to make sure policy decisions are incorporated and any concerns of the Board are addressed, before taking any action to the City Council and then the IURC itself. There will be a lot of work to do in the upcoming months.

Board Member Roman clarified that according to the IURC, once the test year period ends we have six months from that date to file for any rate changes. Ms. Steeno confirmed. By the end of March or early April CBU would be in position to present something to the IURC to begin the process.

Director Murphy thanked Ms. Steeno for the update. He also relayed that on Wednesday, CBU's 2014 budget is up for its first reading and then review before the Committee of the Whole. The final approval vote is on October 9th.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:11 p.m.

L. Thomas Swafford, President