

## UTILITIES SERVICE BOARD MEETING

February 23, 2015

***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 5:00 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, Jim Sims, Sam Frank, Jeff Ehman, Tim Mayer, Ex-Officio, and Tom Micuda, Ex-Officio. Staff members present: Patrick Murphy, Efrat Feferman, John Langley, Tom Axsom, Missy Waldon, Tamara Roberts, Rachel Atz, Phil Peden, Jon Callahan, Mike Hlcks, and Kim Alexander.

Other: Jeff Underwood, Greg Small

### MINUTES

***Board Member Sims moved and Board Member Frank seconded the motion to approve the minutes of the February 9th meeting. Motion carried, 5 ayes, 1 member absent, (Banach).***

### CLAIMS

Before the claims were approved, Assistant Director of Finance Efrat Feferman presented a revision to the Claims list. The revised claim was for CWA Consulting Services, LLC. The invoice listed was for \$11,466.00 which was incorrect. This was the amount left on the contract rather than the invoice amount of \$6,174.00. She provided members with revised claims numbers.

***Board Member Roberts moved and Board Member Frank seconded the motion to approve the claims as follows:***

***Vendor invoices submitted to the Controller's Office on February 18th included \$105,337.42 from the Water Utility; \$79,923.95 from the Wastewater Utility; and \$2,826.02 from the Stormwater Utility. Total Claims approved, \$188,087.39.***

***Motion carried, 5 ayes, 1 member absent, (Banach).***

Board Member Frank asked for clarification on the CWA Consulting Services invoice (\$6,174.00). Deputy Director John Langley explained that this is for analyzing and estimating new local effluent limits as required by NPDES discharge permit. He also commended Tamara Roberts and Evelyn Brophy for their work gathering samples which provided a savings to Utilities.

Board Member Sims had a question regarding the claim for a refund lien payment that appeared to have been paid twice to Indiana University. Assistant Director of Finance Feferman noted that there are several claims like this throughout the list because frequently what happens is that a client will settle it with the County, and then pay it at the Utilities office as well. These are not reconciled until after the year end books are closed.

***Board Member Roberts moved and Board Member Frank seconded the motion to approve the ACH payments as follows:***

**Vendor invoices that will be submitted to the Controller's Office on February 19th included \$221,731.09 from the Water Utility; \$0.00 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$221,731.09.**

**Motion carried, 5 ayes, 1 member absent, (Banach).**

**Board Member Roberts moved and Board Member Frank seconded the motion to approve the utility claims as follows:**

**Utility bill invoices submitted to the Controller's Office on February 12th included \$1,066.52 from the Water Utility; \$9,880.49 from the Wastewater Utility; and \$0.00 from the Stormwater Utility. Total Claims approved, \$10,947.01.**

**Motion carried, 5 ayes, 1 member absent (Banach).**

**Wire transfers and fees for the month of January 2015:**

**Board Member Roberts moved and Board Member Frank seconded the motion to approve the wire transfers and fees for the month of January in the amount of \$707,154.62.**

**Motion carried, 5 ayes, 1 member absent, (Banach).**

**Board Member Roberts moved and Board Member Frank seconded the motion to approve the Customer Refunds as follows:**

**Customer Refunds submitted to the Controller's Office on February 11th included \$68.48 from the Water Utility; \$889.32 from the Wastewater Utility; and \$8.10 from the Stormwater Utility. Total refunds approved, \$965.90.**

**Motion carried, 5 ayes, 1 member absent, (Banach).**

**APPROVAL OF 2014 INTERDEPARTMENTAL AGREEMENT WITH THE CITY OF BLOOMINGTON**

**The USB Finance Subcommittee moved and Board Member Roberts seconded the motion to approve the 2014 Interdepartmental Agreement between the City of Bloomington and CBU.**

**Motion carried, 5 ayes, 1 member absent, (Banach).**

Assistant Director of Finance Feferman presented this agreement which provides for services rendered by departments of the City to Utilities, as well as payment in lieu of taxes. She noted that typically we like to have the annual agreement in place by the first quarter of the fiscal year, but with the turnover in the Controller's office in the past year or so, this is coming to the Board behind schedule. She indicated her department is on track for the 2015 agreement. The total for 2014 was \$1,514,431.96 which is an increase of \$79,345.25 from last year (5.5%). The increase in lieu of taxes was nearly \$44,000.00. That is calculated based on fixed assets at net book value within city limits, with many assets located outside of the city limits. The increase also reflects Stormwater improvements that were brought onto the books and a small increase in the general services that the City provides to us.

City Controller Jeff Underwood explained the basis for the agreement; he reiterated that only assets inside the city limits are taxed. Those values are supplied by CBU. The other part of the agreement is the shared services whereby the City provides services on behalf of Utilities, eliminating the need to go outside to procure those. Different percentages are applied for each department against their budgets; that determines those rates. The percentages for 2015 will be reviewed with Director Murphy and Ms. Feferman with adjustments made where applicable. He anticipates bringing the 2015 agreement to the Board in March or early April.

Board Member Ehman asked when the percentage allocations by department had last been revisited. Ms. Feferman added that they shift year-to-year a bit. Mr. Ehman suggested that it would be helpful to have more explanations for variations (e.g., Wastewater). He also suggested that it would be beneficial to know how the allocations have changed over time; if possible a paragraph description of what is provided by these different departments in order to understand changes from year-to-year.

Board Member Frank reported on the Finance Subcommittee that met previous to this meeting. They reviewed the Interdepartmental Agreement and made a recommendation to the full Board for approval. The Committee discussed reviewing the department percentages. Mr. Underwood committed to presenting the 2015 Agreement to the Board by March or April 2015. Mr. Ehman asked if the percentages were estimated given that the departments do not actually track their hours. Mr. Underwood responded that that was probably correct, although some of the departments (e.g., legal) do track their hours.

## **ANNUAL REPORT OF THE LABOR MANAGEMENT COMMITTEE**

Deputy Director Langley presented the annual report of the Labor Management Committee (LMC) for 2014. He indicated that things are going well, and that the comments on what they have accomplished in the past year appear on Page 3 of the report. He spoke to what was not in the report, and what they are looking forward to in 2015. The LMC is giving consideration to asking for the Board's approval to join the InWARN intergovernmental cooperation agreement that is sponsored by the State of Indiana. He plans to bring it to the Board soon for approval.

In 2015 they are looking forward to replacement of the ultraviolet disinfection system and upgrading electronic switch gear at Blucher Poole. At Dillman Plant, he referred to the budget items that include repainting of a clarifier and relining the equalization basin. They are also looking at a much smaller project to rehab the security gate system on the south end of the plant, and looking at financing and upgrading the actuators in the filter system. The actuator project will save significant energy costs.

## **APPROVAL FOR HALL SIGNS, INC. INDUSTRIAL WASTEWATER PRETREATMENT PERMIT**

***Board Member Roberts moved and Board Member Frank seconded the motion to approve the Halls Signs, Inc. Industrial Wastewater Pretreatment Permit.***

***Motion carried, 5 ayes, 1 member absent, (Banach).***

Pretreatment Coordinator Tamara Roberts requested approval for the Hall Signs Industrial Wastewater Pretreatment Permit. Some changes have been made. In December 2013 they had violations, and they have corrected those. Some of the changes made to the permit were the result of the different tanks they had, and the chemicals altered some of the sample locations. She increased the frequency for sampling metals. They have sampled for everything and all the samples came back well. Ms. Roberts stated that they are out of non-compliance at this point, and she expects them to stay in compliance. Board President Stafford asked her how often she samples. Ms. Roberts stated

that she samples once a year, unless there is a violation in which case she samples more often. They sample for the local limits twice a year. Mr. Stafford asked if we receive copies of these reports; Ms. Roberts indicated that we do receive monthly reports, depending on how often they discharge, by the 20th of the following month. If they have a violation, they are required to report it within 24 hours.

**OLD BUSINESS:**

N/A

**NEW BUSINESS:**

N/A

**SUBCOMMITTEE REPORTS:**

The Finance Committee met prior to this meeting; the report is included in the discussion regarding the Interdepartmental Agreement.

**STAFF REPORTS:**

Director Murphy reported on the Common Council's approval last week of the ordinances for refinancing of our sewer and water bonds (2006) which will afford CBU savings of approximately \$700,000 and \$480,000, respectively. In other news, there has been a full week of dealing with frozen pipes and frozen meters. Mr. Murphy indicated that we will be moving forward on the rate increase that was delayed last year. We have had a conversation with our rate consultant and will be coming back to the Board with what we know and how we will wish to implement that. Within the next month, the State Board of Accounts will most likely be here and we look forward to that.

President Stafford commented on the article that appeared in the Herald-Times from Jon Callahan, Public Affairs Specialist, about the do's and don'ts of frozen water pipes and meters. He noted that it was good to have this type of communication in front of the public so that it helps Mr. Axsom and his crews deal with issues. Mr. Stafford thought it was a good, timely article for the paper.

Board Member Sims had a comment regarding Mr. Langley's report on the LMC. He commented on the section about the 14th Annual LMC Retreat (Page 1) and the guest speaker, Diane Dormant (IU Professor). He thought this was an excellent part of the program. Mr. Langley noted that her specialty is about understanding and predicting what things take place when an organization is changed.

**PETITIONS AND COMMUNICATIONS:**

N/A

**ADJOURNMENT:**

The meeting was adjourned at 5:33 p.m.

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L. Thomas Swafford, President