

UTILITIES SERVICE BOARD MEETING

February 2, 2009

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 Vice President Roberts called the regular meeting of the Utilities Service Board to order at 5:01 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: Julie Roberts, Sam Frank, Jeff Ehman, Pedro Roman, Jason Banach, John Whikehart and ex-officio members Tim Mayer and Tom Micuda. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Tom Swafford, Phil Peden, John Callahan, Mike Bengtson, Mike Hicks and Jane Fleig. Others present: Sue Mayer.

MINUTES

Board member Roman moved and Board member Ehman seconded the motion to approve the revised minutes of the January 20th meeting. Motion carried, 4 ayes, 3 members absent, (Banach, Swafford & Whikehart).

CLAIMS - PAYABLES

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

Claims 0990123 through 0990180 including \$22,693.00 from the Water Operations & Maintenance fund for a total of 22,693.00 from the Water Utility; Claims 0930068 through 0930102 including \$588,739.87 from the Wastewater Operations & Maintenance fund for a total of \$588,739.87 from the Wastewater Utility; and \$27,391.02 from the Wastewater/Storm water Utility. Total claims approved – \$638,823.91.

Motion carried, 4 ayes, 3 members absent, (Jason Banach, Tom Swafford and John Whikehart).

CLAIMS

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

Claims 0990112 through 0990184 including \$62,088.73 from the Water Operations & Maintenance fund for a total of \$62,088.73 from the Water Utility; Claims 0930059 through 0930101 including \$90,878.99 from the Wastewater Operations & Maintenance fund for a total of \$90,878.99 from the Wastewater Utility; and total of \$6.16 from the Wastewater/Storm water Utility. Total claims approved – \$152,973.88.

Motion carried, 5 Ayes, 2 members absent, (Swafford and Whikehart).

OLD BUSINESS:

Board member Roman asked Utilities Director Murphy if Utilities is looking into accessing some of the Stimulus Package. Mr. Murphy said the staff has been putting together a project list for this. When the package is actually passed there will be more information about the necessary processes. Mr. Roman suggested getting in touch with people at the State level to let them know of CBU's interest.

Mr. Roman then asked if there had been any progress on the Conservation Plan. Mr. Murphy said it is close to being finished. There are two more outreach groups that need to be consulted. One is the wholesale customers and the other is the Chamber of Commerce. A date has been set for meeting with the wholesale customers. Mr. Roman suggested that Ron Walker of the BEDC also be consulted. Mr. Murphy said he will be sure they are consulted.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

Assistant Director of Finance Horstman reminded the USB that there had been some questions about Utilities' investments at the last meeting. One of the questions was what type of safety net is there for the money that has been invested. There is the FDIC insurance which covers \$100,000 and is going up to \$250,000. Utilities also works with the City Controller on investments. The funds are invested in what are called public funds which are certified by the State Treasurer. These funds yield a little bit less, the banks that participate in it pay some money into a fund or pool which can be used to re-pay any defaults. There are 10 – 12 banks that bid on everything Utilities is investing. It's not the best investment but they are insured. Most of the investments are sweep accounts where there is an agreement, that was bid, with local banks. The City Controller's Office has an agreement with the State Treasurer's Office so there are agreements for all of Utilities' investments. The investments are mainly in CD's and also some money market accounts. The rate of return on the sweep accounts are between .5% and 1% and the rate of return from banks on CD's is 1% to 2%. This is considerably down from last year when the interest rates were 4% to 5%.

Board member Banach asked if Utilities has any accounts where the deposits are in excess of the insurance. He also asked how the State pool works. Mr. Horstman said the Treasurer of the State has what are called public funds, which are statutory. Banks that wish to participate must pay a fee into this pool of funds. Any public entity in Indiana can invest in these funds and they are insured that any defaults will be paid out of the pool of funds. Mr. Horstman believes there is quite a bit of money in the pool since there haven't been any defaults for a long time. Mr. Banach asked where Utilities has the bulk of the cash. Mr. Horstman said the City combines its money with Utilities most of it is invested in CD's. Mr. Banach asked if the City Controller works with Utilities to invest this money or if they dictate the investments. Mr. Horstman said they work with Utilities. They will call and ask what funds are available. Normally they get a better rate if their funds are combined with Utilities. Mr. Banach asked if

Utilities get interest due to them or if the City keeps it. Mr. Horstman assured him the interest comes to Utilities.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:12 p.m.

L. Thomas Swafford, President