

# UTILITIES SERVICE BOARD MEETING

April 27, 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 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 Department Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Julie Roberts, Sam Frank, Jeff Ehman and Pedro Roman. Staff members present: Patrick Murphy, John Langley, Jon Callahan, Tom Staley, Missy Walden, Michael Horstman, Mike Bengtson, Danny McConnell, ?, Mike Hicks and Michael Potter. Others present: Lee Balliet.

## MINUTES

***Board member Roberts moved and Board member Roman seconded the motion to approve the minutes of the April 13<sup>th</sup> meeting. Motion carried, 5 ayes, 2 members absent, (Banach and Whikehart).***

## CLAIMS

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

***Claims 0990481 through 0990533 including \$193,991.95 from the Water Operations & Maintenance fund for a total of \$193,991.95 from the Water Utility; Claims 0930257 through 0930289 including \$141,168.41 from the Wastewater Operations & Maintenance fund for a total of \$141,168.41 from the Wastewater Utility; and claims 0980017 through 0970023 for a total of \$14,961.40 from the Wastewater/Storm water Utility. Total claims approved – \$350,121.76.***

Board member Ehman asked about a particularly large refund to a customer for over payment. Assistant Director of Finance Horstman explained the customer had put the decimal point in the wrong place when he paid. The bank would not agree to reverse the transaction so it had to be refunded.

Mr. Ehman then asked about the payment to the State of Indiana for use of water from Lake Monroe. Mr. Horstman said It is a monthly charge. Mr. Ehman asked if the amount being paid had changed over time and if there is a contract. Utilities Director Murphy said the contract is for 20 years and had been renewed a couple of years ago. The amount is set at \$33.00 per million gallons. It changes based on usage.

***Motion carried, 5 ayes, 2 members absent, (Banach and Whikehart).***

## LABOR MANAGEMENT COMMITTEE ANNUAL REPORT:

Deputy Director Langley introduced two representatives of the Labor Management committee who were present. They were John Hodge, a senior wastewater treatment operator at Dillman

Road WWTP, and Danny McConnell, the chief maintenance coordinator at the Dillman Road plant. Mr. Langley also introduced the LMC's professional advisor, Dr. Lee Balliet.

Mr. Langley explained why the LMC is valuable. The committee has existed for 7 years and it is a program that works. The best thing that happens is labor and management sit down and talk to each other to iron out any differences or make any clarifications that are needed. They meet once a month for a couple of hours. The employees are happier than they were before the LMC was established.

Mr. Langley mentioned some of the highlights from the past year. They have continued to sponsor safety programs throughout the year. For these programs they draw on City employees to do some of the training. WWTP employees do some training about their areas of expertise. People are also brought in from outside. Barbara Smith who is President of the Water & Environment Association did a technical presentation on nitrification and some of the technical equipment. In March there was a very valuable training on what a Material Safety Data Sheet is. It explains the hazards and the properties of the chemicals the WWTP employees are exposed to and work with every day.

Monthly plant walk throughs with the Risk safety manager have been reestablished.

Along with the LMC intern, Katie Carter, the LMC planned, financed and put together a math class through Indiana University Continuing Education which was targeted at the math WWTP operators need when doing their daily jobs. This will also apply to the annual certification operators must have.

Some management training was done this past year at the request of the plant work force. There was a session on management principals, training sessions, conflict resolution and listening in the work place. There was also a 3 – 4 hour session on recognizing and learning from diversity in the work place. It was a very good experience for a lot of people.

Danny McConnell thanked the USB for their support for the last 7 years.

Board member Roberts asked about an item about coordinated meetings with engineers. She wanted to know if it had been useful. Mr. McConnell said it had been. In the past there was very little communication with the engineers. It's very beneficial.

Board President Swafford thanked Mr. McConnell, Mr. Hodge and Mr. Langley.

**REQUEST FOR APPROVAL OF THE SCHULTE INDUSTRIAL WASTE PRETREATMENT PERMIT:**

Utilities Deputy Director Langley said this is a housekeeping change in the permit. It is for a new metal treating process and the attendant pretreatment and monitoring. Schulte is adding an additional system to the existing one. They held a permit for the existing process and have been in compliance since they received it. In order to add flexibility Schulte is adding a second pretreatment and metal finishing line that will be monitored separately from the first one. Mr. Langley said he supports this permit.

Board President Swafford asked if there had been any problems or issues with the previous permit. Mr. Langley said the new permit more accurately describes the activities at Schulte.

Schulte requested Utilities to inspect and approve their manufacturing process. They use batch systems so they are able to verify compliance before they discharge. Larger manufactures with higher flows are unable to do that. They can't store the water long enough. Schulte has been fine with compliance.

***Board member Roberts moved and board member Roman seconded the motion to approve the Schulte Industrial Waste Pretreatment Permit. Motion carried, 5 ayes, 2 members absent, (Banach and Whikehart).***

**OLD BUSINESS:**

No old business was presented.

**NEW BUSINESS:**

No new business was presented.

**SUBCOMMITTEE REPORTS:**

There were no subcommittee meetings.

**STAFF REPORTS:**

Assistant Director of Finance Horstman said he was going to talk about the financial statements that were in the packet. The situation he is going to talk about is the result of the last audit. Although it was a clean audit there were some discussion items about things the SBA would like to see changed or improvements that could be made. One of the items was the capitalization threshold. In 2006 the USB approved a change in the threshold from \$5,000 to \$10,000. Any item that is bought or created that is worth less than \$10,000 is written off as an expense during that year. Anything over \$10,000 is depreciated over the appropriate period of time. Going forward from 2006 these practices were used. The State Board of Accounts asked that this process be retroactive. All the items that were under \$10,000 should be written off before the next audit. The financial statement shows negative 3.9 million under water and negative 2.5 million under wastewater. The Controller's office is aware of this and don't seem to have any problems with it. Utilities' finances affect the City's.

Board President Swafford asked if there is an itemized list of what had been written off. Mr. Horstman said there is.

Board member Roman asked if this is a mandate from the State Board of Accounts or is it general accounting practice. Mr. Horstman said it is a general accounting practice. Adopting the higher threshold was a decision made by Utilities alone. Both the City and the Transit system use a \$10,000 threshold.

Mr. Roman asked if this is the same for the City. Mr. Horstman said it is.

Board President Swafford asked if the State Board of Accounts had made any other request. Mr. Horstman said they had asked that the USB approve Utilities' investments which they have done for the past year.

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Utilities Director Murphy said this year's audit seems to be going well. He attributed this to Assistant Director of Finance Horstman and his staff.

**PETITIONS AND COMMUNICATIONS:**

There were no petitions or communications.

**ADJOURNMENT:**

The meeting was adjourned at 5:23 p.m.

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**L. Thomas Swafford, President**