

UTILITIES SERVICE BOARD MEETING

August 17, 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, Sam Frank, Julie Roberts, Jeff Ehman, Jason Banach, Pedro Roman, John Whikehart and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Phil Peden, Missy Waldon, Mike Bengtson, Michael Horstman, John Callahan and Tom Staley. Others present: Sue Mayer.

MINUTES

Board member Roberts moved and Board member Ehman seconded the motion to approve the minutes of the August 3rd meeting. Board member Ehman said the line at the end of the paragraph second from the bottom on page 2 of the minutes was intended as a question that Utilities Director Murphy responded to in the affirmative. With the mentioned change the motion carried, 6 ayes, 1 member absent, (Whikehart).

CLAIMS

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

Claims 0991061 through 0991115 including \$134,567.24 from the Water Operations & Maintenance fund for a total of \$134,467/24 from the Water Utility; Claims 0930600 through 0930641 including \$247,979.11 from the Wastewater Operations & Maintenance fund for a total of \$247,979.11 from the Wastewater Utility; and claims 0970061 through 0970065 for a total of \$56,470.73 from the Wastewater/Storm water Utility. Total claims approved – \$439,017.08.

Board member Frank asked about the claim for First National Bank which was for the first payment for a lease/purchase agreement for a Vactor truck. He asked for more information. Assistant Director of Finance Horstman said it was the first of 5 payments. Utilities Director Murphy said it is something that has been budgeted for. Board member Roberts asked what a Vactor truck is used for. Assistant Director of Engineering Bengtson said it is used to clean out sewers. Ms. Roberts asked if it is like a big vacuum, Mr. Bengtson agreed. Ms. Roberts asked where it gets emptied. Mr. Bengtson said at Dillman Road WWTP.

Board member Ehman asked about a large customer refund. Assistant Director of Finance Horstman said it was a matter of a decimal point being misplaced by 2 decimals causing a payment of \$3,400 rather than \$34.00.

Mr. Ehman then asked about the claim for Crowe Horwath. He was interested in whether this was related to the Costs of Service study and what percentage is complete if that's what it is. Utilities Director Murphy said it is for the study and he wasn't certain what percentage had been completed but he hopes to have the finished product in about 2 weeks. Crowe Horwath has been receiving more information from Utilities staff and Black and Veatch concerning pipe sizes and various other things.

Board member Banach said he had a follow up question to one of Mr. Ehman's questions. He asked how Old National Bank was chosen for the lease/purchase agreement for the Vactor truck. He wanted to know why the claim hadn't been for the company providing the truck and is there a reason for a lease/purchase over 5 or 6 years rather than buying it at once. Assistant Director of Finance Horstman said one of the reasons was to make better use of the cash which is a little tight at this time. Several different banks gave quotes for it and Old National was the local bank with the lowest percentage. Mr. Banach asked if it was a finance agreement. Mr. Horstman said it was. Br. Banach said the agreement appeared to be for 5 years, he wanted to know if this claim represented an annual payment. He commented that the total cost of the Vactor truck was about \$219,000 so the financing portion must be about \$20,000. He asked what the rate was. Mr. Horstman said it was 4.3%. Mr. Banach asked if it is usual for Utilities to go to an outside bank for a large purchase of this type. Mr. Horstman said normally, if the cash is available, things are paid for directly, but this is a very large purchase. Mr. Banach asked if this has been done before. Mr. Horstman said it has not happened anytime recently. Mr. Banach asked if Utilities is regulated in how they do this. Mr. Horstman said he thought the State Board of Accounts would have expected him to have sought out quotes from more than one vendor to supply the financing.

Board member Roman said he remembered approving this expenditure, possibly 1 ½ years ago. Utilities Director Murphy said it had been in the 2009 budget that had been approved by the USB. Mr. Roman asked if it was correct that the money was in the budget and normally the Vactor would have been paid for by cash then why is it being financed? Mr. Murphy said there is enough cash.

Motion carried, 7 ayes.

Wire transfers and fees for the month of June 2009:

Board member Roberts moved and Board member Roman seconded the motion to approve the wire transfers and fees for the month of June in the amount of \$682,899.35.

Motion carried, 7 Ayes.

Investments for the month of February 2009:

Board member Roberts moved and Board member Roman seconded the motion to approve the investments for the month of February 2009 in the amount of \$660,000.00.

Motion carried, 7 Ayes.

OLD BUSINESS:

Utilities Director Murphy reminded the USB that about a month ago he had made the suggestion that in 2010 the day on which the USB meets might be changed to Tuesday. He has checked with CATS to see if that would cause any difficulties for them filming the meetings. They said it would not. He said towards the end of 2009 a schedule for 2010 will be put together. If the USB passes the schedule it is all that would be required to change the day for the meeting. Board member Ehman asked if that would conflict with any other community regularly scheduled meetings. Mr. Murphy said Public Works meets once a month on Tuesdays. Mr. Ehman pointed out that Utilities' regularly scheduled meeting conflicts with Plan Commission meetings at this time. Mr. Murphy agreed, saying that is why ex-officio board member Micuda is frequently unable to attend USB meetings. Mr. Banach said that Friday at 7 p.m. would probably be the only time there isn't any conflict and he would not attend meetings at that time.

NEW BUSINESS:

No new business was presented

SUBCOMMITTEE REPORTS:

There were no subcommittee meetings.

STAFF REPORTS:

There were no staff reports.

PETITIONS AND COMMUNICATIONS:

Ex-officio board member Mayer thanked Superintendent of Operations Staley and all the other Utility staff who had worked on the Grant Street and Third Street project. They got it done before people started coming back to town and it was a really nice job.

ADJOURNMENT:

The meeting was adjourned at 5:14 p.m

L. Thomas Swafford, President