

UTILITIES SERVICE BOARD MEETING

September 14, 2010

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 5:01 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: Tom Swafford, Sam Frank, Jeff Ehman, Pedro Roman, Jason Banach and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Tom Staley, Jon Callahan, Jane Fleig and Mike Hicks. Others present: Sue Mayer.

MINUTES

Board member Roman moved and Board member Ehman seconded the motion to approve the minutes of the August 31st meeting. Motion carried, 5 ayes, 2 members absent, (Roberts and Whikehart).

CLAIMS

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

Claims 1090998 through 1091054 including \$142,702.61 from the Water Operations & Maintenance fund and \$850.00 for water hydrant meter rental for a total of \$143,552.61 from the Water Utility; Claims 1030598 through 1030642 including \$217,501.60 from the Wastewater Operations & Maintenance fund for a total of \$217,501.60 from the Wastewater Utility; and claims 1070042 through 1070047 for a total of \$44,723.34 from the Wastewater/Storm water Utility. Total claims approved – \$405,777.55.

Board President Swafford asked about the claim for Keller Heating and Air Conditioning. Utilities Deputy Director Langley explained that this is a new heating and cooling device for the sludge press room at Blucher Poole WWTP. It is a highly corrosive environment which explains why the unit is so expensive. It is also quite large. It is specially made for that type of environment but he expects to have to replace it again in about five years.

Mr. Swafford asked if there was any way to protect it from the corrosive environment. Mr. Langley said there wasn't because it is sucking in air from the inside and outside.

Board President Swafford then asked about the claim for Crider and Crider for a sidewalk project. Utilities Engineer Fleig said this project had actually been completed last year although the bill didn't come until early this year. It is part of the City Council sidewalk funds. The sidewalk was put in along Henderson and Thornton. Ms. Fleig said she had been holding the bill because Crider had only submitted a number without any details. She told them she needed a breakdown to make sure it was all related to storm water costs. It has taken this long to get that but she has now confirmed it was all storm water expenses so the bill is ready to be paid.

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

Wire transfers and fees for the month of June 2010:

Board member Roman moved and Board member Ehman seconded the motion to approve the wire transfers and fees for the month of June in the amount of \$678,372.29.

Motion carried, 5 Ayes, 2 members absent, (Roberts 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:

Utilities Director Murphy reminded the USB that Utilities owns a piece of property on West Third Street just east of the Swifty gas station. It is a house that was built to encompass a water booster pump for Westinghouse. The pump was put in the basement of the house to make it fit into the neighborhood better. Westinghouse/ABB is no longer on site so this booster pump isn't needed. Mr. Murphy would like to begin the process of hiring two appraisers to appraise the property so it can be sold. This would have to be approved by the USB, the Mayor would have to sign off on it, and it would then go to the City Council. State Statute requires at least two appraisals. Mr. Murphy would just like to get the process started.

Board member Ehman asked where the funds from the sale would go. Mr. Murphy said they would go to Utilities' water fund. Mr. Ehman asked how many other surplus properties are owned by Utilities. Mr. Murphy said he doesn't know but this is one whose value has increased over time. Mr. Ehman said Utilities owns many pieces of property in the Lake Lemon watershed. He asked how this particular property was chosen for sale. Mr. Murphy said it has been discussed among the staff for awhile. It seemed to be the one that is easiest to access. He also said maintaining it is an unnecessary expense.

Board member Banach asked about the process. He wanted to know if the USB will have to declare it surplus. Utilities Director Murphy said City Attorney Renfrow had recommended he bring the matter before the board so it would be included in the minutes. Once the appraisal is completed the USB will have a public hearing that will be noticed. This can be done at one of the regular meetings. The USB will then make a recommendation to the Mayor who will then forward it to the Council. The statute also says the USB should decide whether a broker or auctioneer should be hired to assist in the sale. If so the broker or auctioneer would be compensated from the proceeds of the sale. Mr. Murphy read part of the relevant statute. If the high bid is more than 90% of the value of the property the USB may sell it to that bidder. If the high bid is less than 90% of the value of the property the USB must publish another notice of sale before the sale can occur. The USB may also reject all bids.

Mr. Banach pointed out the statute references "the" appraisal whereas Mr. Murphy had mentioned two appraisals. Mr. Murphy said the statute requires two appraisals. Mr. Banach

asked how the appraisals are managed. Are they averaged or is it the higher of the two? How is the value determined? Mr. Murphy said the statute requires two appraisers to do a joint appraisal for one value. Mr. Banach asked how the appraisers will be selected. Mr. Murphy said Utilities has used local appraisers in the past. He read the section of the statute about hiring appraisers. Board President Swafford said Utilities staff would be familiar with a number of appraisers. Mr. Murphy said the person who deals with property acquisitions uses appraisers.

Board member Banach said other than the process he wanted to state that he agrees with the comment made by board member Ehman. He thinks it would be a good idea to look at an inventory of properties that are no longer used by Utilities and have no practical value. There may be no reason to hold on to these assets and there is a cost for the upkeep of these properties.

Board member Ehman said his recollection from the last time this was discussed is there was a list of properties but it would require some time to clean up the deeds and figure out who exactly had title to these properties.

Board member Roman said he went to the County Recorder's and Auditor's offices to look for deeds for Utilities' properties. He found leases for CBU, CUD, City of Bloomington Utilities Department, and USB of the City of Bloomington. There was even one for the Waterworks of Bloomington. Some of the deeds were for Public Works. Those properties were probably acquired before the City of Bloomington Utilities Department was created. They should have been transferred to the new department

PETITIONS AND COMMUNICATIONS:

Board President Swafford said he had seen a lot of pipe at the S.R. 45/46 construction site. He asked who from Utilities' staff is monitoring that.

Utilities Engineer Fleig said Utilities does have an inspector from the Engineering Department on site. She is over seeing the project and the inspector reports to her. Every two weeks there is a meeting. There was one earlier this day where they learned the waterline work had just started. The connections to the existing water main haven't started yet but they are getting ready to. Most of what is happening is Utility work; clearing the right of way and relocating utilities. The water line relocation is a part of the by-pass project as are the other utilities.

ADJOURNMENT:

The meeting was adjourned at 5:20 p.m

L. Thomas Swafford, President