

UTILITIES SERVICE BOARD MEETING
9/23/2024

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CALL TO ORDER

Board President Parmenter called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting took place in the Utilities Service Boardroom at the City of Bloomington Utilities Service Center, 600 East Miller Drive, Bloomington, Indiana.

Board members present: Megan Parmenter, Kirk White, Jim Sherman, Seth Debro, Molly Stewart, Jeff Ehman, Matt Flaherty, David Hittle

Board members absent: Amanda Burnham

Staff present: Matt Havey, Kat Zaiger, Jose Fuentes, Steven Stanford, Mark Menefee, James Hall, Chris Wheeler, Dan Hudson, Phil Peden, Hector Ortiz Sanchez, Kevin White, Daniel Frank, Isabel Quiroz, Nolan Hendon, Dan Hudson, Kriste Lindberg, Isabel Quiroz Michel

Guests present: Gretchen Knapp

PETITIONS AND COMMUNICATIONS: None

MINUTES

Board member Ehman noted that he was not listed as present for the meeting and requested it be updated.

Board member Sherman moved, and Board Vice President Debro seconded the motion to approve the minutes of the 9/09/2024 pending corrections. Motion carried, six ayes

CLAIMS

Standard Invoice Questions

Ehman noted the charges for Core & Main, LP at the bottom of page two for annual fee for pressure profile application, and questioned what the charges are related to. CBU Director Zaiger noted that the pressure profile system allows CBU to track pressure levels in the water system. Ehman questioned if this was isolated to Water. CBU Assistant Director - Transmission and Distribution (T&D) - Hall advised that Wastewater charges are billed using the information from the water meters. Ehman noted that the application is tracking information that relates strictly to Water and charges should only be applied to the Water account. CBU Assistant Director - Havey advised that the account will be updated. Ehman questioned the charges for Jacobi Carbon charges that were larger than usual. Zaiger advised that CBU is currently using a more expensive coconut carbon that helps manage with taste and odor issues and this will be a temporary added expense. Ehman questioned the charges for Macallister on page six for generator repairs at the East Booster station noting that it is listed as LS and requested to clarify if this is related to a booster or a lift station. Havey advised that all CBU lift stations and boosters are placed in the same tracking file and abbreviated to LS. Parmenter noted charges on page two as they related to ongoing discussions concerning the Interlocal agreement and vehicle repair and maintenance expenses, noting two charges from Bloomington Ford for vehicle

service maintenance. Parmenter questioned charges on page 9 for the State of Indiana for unemployment, and questioned if this was a regular expense that she had not noticed before. Havey advised the CBU is a 'pay-as-we-go' entity, and when an employee qualifies for unemployment CBU reimburses those charges.

Sherman moved, and Debro seconded the motion to approve the Standard Invoices:

Vendor invoices included \$423,947.27 from the Water Fund, \$72,162.59 from the Water Construction Fund, \$777,109.81 from the Wastewater Fund, \$21,312.97 from the Stormwater Fund.

Motion carried, six ayes. Total claims approved: \$1,294,532.64.

Sherman moved, and Debro seconded the motion to approve the Utility Bills:

Invoices included \$29,563.53 from the Water Fund and \$66,412.65 from the Wastewater Fund.

Motion carried, six ayes. Total claims approved: \$95,976.18.

Sherman moved, and Debro seconded the motion to approve the Wire Transfers, Fees, and Payroll for \$469,527.88. Motion carried, six ayes.

Sherman moved, and Debro seconded the motion to approve the Customer

Refunds: Customer Refunds included \$30.70 from the Water Fund, \$2,249.18 from the Wastewater Fund.

Motion carried, six ayes. Total refunds approved: \$2,399.88

.Sherman moved, and Debro seconded the motion to approve the Special Check Run:

Customer Refunds included \$2,072.64 from the Water Fund, \$1,709.73 from the Wastewater Fund. 520.88 from the Stormwater Fund.

Motion carried, six ayes. Total refunds approved: \$4,303.25

CONSENT AGENDA

CBU Interim Director - Zaiger presented the following items recommended by staff for approval:

- a. Price Electric, Inc., \$6,560.00, Circuit installation for new tower equipment at Kinser Pike Skate Park
- b. Electric Plus, Inc., \$4,995.00, Installation of generator switch at West Booster Station
- c. Industrial Air Centers, Inc., \$4,431.00, Repair of two air compressors at Monroe Plant
- d. Eco Friendly Mechanical, Inc., \$5,490.00, Air conditioning unit at Washington Street Warehouse

Consent agenda was approved as presented. Total approved pending Controller approval: \$21,476.00

REQUEST APPROVAL OF MOU BETWEEN CBU AND ITS FOR UPGRADES AT BLUCHER POOLE

CBU Utility Engineer - Menefee presented the MOU between ITS and CBU. Menefee advised that the memo relates to the upgrading of control systems at the Blucher Poole Wastewater Treatment Plant. ITS will coordinate the installation of fiber optic cable and upgraded network switches, and CBU will pay the invoices once work is completed.

Sherman moved, and Debro seconded the motion to approve the MOU between CBU and ITS for Upgrades to Blucher Poole. Motion carried, six ayes.

REQUEST APPROVAL TO FIND HEPACO, LLC TO NOT BE A RESPONSIBLE BIDDER

city Legal Assistant - Wheeler advised that CBU reached an impasse with Hepaco regarding certain terms in their contract, specifically related to limitations of liability, indemnification, and insurance policy requirements. Since an agreement cannot be reached, the contract cannot be finalized. Wheeler requested the board declare Hepaco, initially selected as the winning bidder, as not responsible, allowing the project to proceed by moving to the next bidder. Ex Officio Hittle questioned if the vendor will be noted and prevented from future bids. Wheeler noted that he was uncertain what the Controller would do under these circumstances, and noted that it is likely they'll be scrutinized more closely during potential future bids. Wheeler noted that each department has standardized terms and conditions that Legal would expect to see, so if the company has issues with CBU, it will likely have issues reaching a contract with any other departments in Bloomington.

Sherman moved, and Debro seconded the motion to find Hepaco, LLC to not be a Responsible Bidder. Motion carried, six ayes.

OLD BUSINESS: None

NEW BUSINESS: Board member White reported on the quarterly cybersecurity staff meeting that took place on 9/11. White advised that the meeting was productive and covered a range of topics, including the utility's participation in an Indiana utility regulatory survey, SCADA applications, and future staffing plans, such as the inclusion of an Instrumentation and Control Specialist in the 2025 budget to enhance cybersecurity. White highlighted the importance of CBU's relationship with city of Bloomington ITS staff, as both entities work together to maintain robust and secure systems. White noted that the meeting also covered cybersecurity training for staff, ensuring they stay updated on issues like phishing scams, adding that in light international cybersecurity threats, staying vigilant is crucial. White intends to continue attending the quarterly meeting and plans to provide another report following the next cybersecurity meeting. Parmenter noted the previous Property & Planning Subcommittee that took place on September 9th and requested that a follow-up meeting be scheduled to allow more time to discuss topics that were still on the agenda.

SUBCOMMITTEE REPORTS: None

STAFF REPORTS:

Zaiger presented the following staff notes:

CBU welcomed the following new employees,

- Ashley Cranor - Asst Accounts Payable Clerk

Completed Certifications & Licensure:

- CPR/AED/Adult First Aid Certifications were earned by 18 employees from Dillman Road, Engineering, Finance, and Environmental Programs
- Adam Dishman earned his Wastewater Operator Class IV License.
- Cassandra Allen (MN) - Surface Water Production 1 Certification

PETITIONS AND COMMUNICATIONS:

Zaiger noted that a memo was sent to the board from the Office of the Mayor (OOTM), clarifying how city annexation works, particularly in relation to sewer connections. There have been several appeals to the board, leading to discussions and confusion on the topic. The memo was intended to address lingering questions and provide clarification. While acknowledging that the board has not had much time to review the memo, Zaiger indicated they were open to any questions from the board, with Deputy Mayor Gretchen Knapp also available to assist with answers. Ehman thanked OOTM for the memo and the prompt response after comments at the previous meeting. Ehman noted that it provides more details regarding the city's policy and how it handles requests that come within the context of CBU's Rules and Regs, specifically page 43. Ehman noted the recent appeal from the Westside Church and requested clarification on the USB's role regarding this kind of appeal. Wheeler detailed that the board's authority has been significantly reduced in situations like Westside Church, largely due to how Section 24 of the rules and regulations currently functions. In cases of voluntary annexation, the process of extending sewer connections is streamlined because CBU's engineering department reviews and ensures the feasibility of the work prior to annexation. This means that once annexation occurs, the connection proceeds without further board involvement. However, in the absence of voluntary annexation, the board must evaluate whether there is a valid waiver allowing connection. The difficulty arises because recent litigation has severely limited or outright eliminated the city's ability to enforce these waivers. Wheeler highlighted that the state has altered how these contracts are treated, diminishing the board's discretionary authority to oversee and enforce waivers. Previously, the board could review the director's discretionary decision under six criteria, but with the erosion of the second part of Section 24, this is no longer possible. Given these changes, Wheeler believes Section 24 needs to be rewritten to align with the current administrative policy. Wheeler advised that a drafted version is under review by Corporation Counsel, and he hopes to present it to the board soon. Wheeler acknowledged that this is a complex issue but tried to clarify the rationale behind the changes. Sherman noted the proposal made by the legal representative of the Westside Church and questioned if that proposal had been considered. Wheeler addressed the proposal discussed at the last meeting regarding the possibility of voluntary annexation without contiguity, presented by Mr. Carmin.

This proposal involved creating deed restrictions or covenants that would commit property owners to annexation in the future. However, the city rejected the proposal because such covenants function similarly to waivers, which have already faced enforcement issues in court. Wheeler advised that given the current state of annexation litigation, the city is not pursuing this approach. White expressed appreciation to OOTM for clarifying annexation policies, as it helps the USB balance city policy with the interests of ratepayers and those opposed to installing new septic tanks. White emphasized the need to communicate this information clearly to the public, especially to developers and property owners planning new projects. White questioned how the city's stance would be communicated, suggesting that it might involve County Planning since it applies to areas outside the city limits. White also voiced appreciation that the city is open to discussing voluntary annexation with property owners, ensuring they understand that annexation is necessary for access to city utilities. White stressed the importance of making the city's expectations clear to avoid confusion. Parmenter noted the absence of 'ratepayers' in a section of the memo discussing the protection of the city's infrastructure capacity and responsibilities to taxpayers. While the memo mentions the city's taxpayers, Parmenter emphasized that ratepayers, who also support the infrastructure, should be acknowledged. Deputy Mayor - Knapp explained that the decision to avoid specifically mentioning 'ratepayers' in the memo was deliberate. While ratepayers may include people outside city limits who receive services through "will serve" agreements, the city aims to prevent extending services to non-contiguous areas based on good faith that they might one day be annexed. Doing so could strain infrastructure capacity, potentially leaving contiguous neighborhoods, which could be annexed, without access to city services. Knapp emphasized that while maintaining infrastructure is a ratepayer issue, it's also a broader city issue. The city's priority is ensuring its utilities serve city residents. She confirmed that the city will continue to honor "will serve" letters but won't extend services to areas that are not contiguous and willing to be annexed. Knapp noted that the city has consistently communicated this position to avoid making exceptions that could lead to further complications. Parmenter questioned if there was any scenario in which someone didn't already have a "will serve" or meet the contiguous criteria if the city would be in favor of allowing connection. Knapp advised no and emphasized the importance of consistency. Sherman clarified that some residents who are contiguous are eligible to voluntarily annex and questioned if it made sense for the city to communicate this policy. Knapp acknowledged that while the city is open to annexing properties that are contiguous, she's cautious about how aggressively this is promoted. The city is building a relationship with the county, and pushing a "hard sell" on annexation could potentially strain that relationship. However, she emphasized that information about annexation is public, and the public has the right to be informed about their options without the city actively marketing annexation to residents.

ADJOURNMENT: Parmenter adjourned the meeting at 5:34 pm


Megan Parmenter, President

10/7/24
Date