

UTILITIES SERVICE BOARD MEETING
7/14/2025

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CALL TO ORDER

Board President Debro called the regular meeting of the Utilities Service Board to order at 5:01 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, Jeff Ehman, Molly Stewart, Amanda Burnham, Matt Flaherty

Board members absent: David Hittle

Staff present: Kat Zaiger, Matt Havey, James Hall, Phil Peden, Hector Ortiz Sanchez, Chris Wheeler, Dan Hudson, Steven Stanford, Kelsey Thetonia, Mark Menefee, Joel Pontius, John Arbuckle, Caden Swanson, Jane Fleig, Elizabeth Carter

Guests present: None

PETITIONS AND COMMUNICATIONS: None

MINUTES

White moved, and Sherman seconded the motion to approve the Regular Meeting minutes of the 6/30/2025. Motion carried, seven ayes.

CLAIMS

Standard Invoices Questions

Board Vice President White questioned the charges for legal services with Barnes & Thornberg for the Leonard's Linen Property, specifically if this aimed to recoup expenses for hazardous material cleanup at the former building site. USB Director - Zaiger confirmed but noted that Assistant City Attorney - Wheeler is mostly dealing with this issue, so the current status is unknown. White questioned if the charges for Everbridge on page three were for emergency communications and if this was a new agreement or renewal. Zaiger confirmed that it is for emergency text communication and that the charges listed are for renewal. White questioned the 'Release of final retainage' charge to Milestone Contractors. CBU Assistant Director - Finance - Havey advised that CBU holds money back on certain projects until a final review is performed to ensure the work that was completed is up to standard. Once the inspection is completed, the funds are released. Board member Ehman questioned the charge for Hoosier Transfer Station, specifically why it was not all assigned to stormwater. Havey advised that it can be corrected. Ehman questioned the charge for Jasper Electric Motors and questioned why it was charged to water. CBU Assistant Director - Hall explained that this charge was related to the replacement of a motor at a booster station and should be charged to water. Ehman questioned the invoice for Mark Osbourne for 'password creation for city employees'. Zaiger advised this was related to improving passwords for plant operators.

White moved, and Board member Sherman seconded the motion to approve the Standard Invoices:

Invoices included \$268,782.35 from the Water Fund, \$13,799.50 from the Water Construction Fund, \$141,068.53 from the Wastewater Fund, \$90,241.65 from Wastewater Construction Fund, and \$44,744.80 from the Stormwater Fund.

Motion carried - seven ayes. Total claims approved: \$558,636.83

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

Invoices included \$90,121.23 from the Water Fund, \$105,195.35 from the Wastewater Fund, and \$26.47 from the Stormwater Fund.

Motion carried - seven ayes. Total claims approved: \$195,343.05

White moved, and Sherman seconded the motion to approve the Wire Transfers, Fees, and Payroll for \$620,499.63. Motion carried - seven ayes.

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

Refunds: Customer Refunds included \$1,041.05 from the Water Fund and \$5,232.31 from the Wastewater Fund.

Motion carried - seven ayes. Total refunds approved: \$6,350.17

CONSENT AGENDA

Zaiger presented the following items recommended by staff for approval:

- a. Harrell-Fish, Inc., \$3,250.00, Backflow preventer repairs at Blucher Poole
- b. Resurgent Elevator, LLC, \$20,000.00, On call elevator services
- c. Bruce Home Improvements, Inc., \$10,000.00, On call services for garage doors services
- d. VET Engineering, \$2,350.00, Phase one environmental study in proposed acquisition of real estate located at 6570 S. Old state Road 37
- e. GAI Consultants, Inc., \$20,900.00, Structural inspection of three limestone arch culvert structures and report of findings
- f. Control Freaks Consulting, LLC, \$4,984.00, Installation of blower at Blucher Plant
- g. Affordable Fence, Inc., \$14,860.00, Installation of new gates for Monroe Water Plant

The consent agenda was approved as presented. Total approved: \$76,344.00

REQUEST APPROVAL OF RESOLUTION 2025-12 TO DETERMINE SURPLUS PROPERTY

Havey advised that this resolution will designate items not being used as surplus for auction or disposal. Havey clarified that one item was listed as a blown motor for a lift station and it was in fact a blown engine for a generator at the lift station. Debro noted that there was a typo on the agenda and packet regarding the resolution number and requested it be corrected prior to signature. Board member Stewart noted that the exhibit listed on the resolution was not included in the packet.

White moved, Sherman seconded to approve Resolution 2025-12 - seven ayes.

REQUEST APPROVAL OF EMERGENCY AGREEMENT WITH BLUESTONE TREE

CBU Assistant Director - Thetonia advised that the contract was related to the June tornado that affected the southern part of Bloomington. Thetonia advised that the tornado downed trees in the area, some of which were covering a sewer line and others fell into the creek. There were also several hazardous trees near private residences. Due to the immediate risk posed to nearby properties, the situation was declared an emergency, and Bluestone Tree was contracted to clear the debris. White questioned if CBU self-insures, or if the City had a larger policy that will cover this type of work. Havey advised that CBU could look into whether or not this could be covered by insurance. White questioned if this was a storm drainage area and questioned if it would come from the stormwater fund. Thetonia advised that it will come from the Wastewater fund because the parcel is owned by CBU specifically because of wastewater assets on the property.

White moved, Sherman seconded to approve agreement with Bluestone Tree - seven ayes.

REQUEST APPROVAL OF ACKNOWLEDGEMENT OF ENCROACHMENT

Zaiger noted that there is an encroachment issue between CBU and the property owners of 6517 Snug Harbor Lane. During a recent survey for a property sale, the owners discovered that some of their structures, including a corner of their pool, extended onto CBU property. Zaiger advised that after discussions, both parties agreed that the owners could keep the corner of the pool on CBU land as long as they removed other encroaching structures and did not expand or improve the pool area. This agreement follows past precedent and does not negatively impact CBU, allowing the owners to move forward with their property sale.

White moved, Sherman seconded to approve Acknowledgement of Encroachment - seven ayes.

REQUEST APPROVAL OF LETTER OF ENGAGEMENT WITH BARNES & THURNBERG

Havey presented the item and advised that CBU would like to use Barnes and Thornburg for water bond council when it becomes necessary.

White moved, Sherman seconded to approve Letter of Engagement with Barnes & Thurnberg, seven ayes.

REQUEST APPROVAL OF AMENDMENT TO RESIDENTIAL STORMWATER GRANT FOR 808 AND 816 W KIRKWOOD AVE

CBU MS4 Coordinator - Carter presented the amendment, noting that this and the following item cover two similar do-it-yourself grant amendment requests. The one for 808 and 816 West Kirkwood Avenue was awarded in 2023, and another for a South Madison project was awarded in 2024. Carter advised that both projects are requesting additional funds due to increased material costs. In the South Madison case, the rain garden they built did not properly redirect overflow away from the driveway, which had been the original drainage issue. They now seek extra funding to construct a conveyance system to direct overflow to an unimproved alley. Carter added that the Kirkwood project needs more funds primarily due to rising material prices over

the past two years and has already received a timeline extension. Carter noted that the grant recipients in both cases are graduate students working on the project as their schedules allow. Parmenter noted that she was unaware of an instance in the past where a Residential Stormwater Grant recipient was given more funds and questioned if that had occurred before and how funding exists. Parmenter also questioned if others who had applied for an RSG were denied, or if they were made aware that they could request more money should the need arise. Carter advised that prior to 2023, all of the available funding was used. In 2023 the budget was \$100,000.00 and roughly \$46,000.00 was used. In 2024 there was a \$75,000.00 budget and around \$57,000.00 was appropriated. Since there was money remaining in the budget when the RSG recipients brought the requests to CBU, Carter spoke with leadership and decided to bring it to the USB for approval. Burnham noted that she agreed that the funds should be provided if they are available to provide to these projects, but questioned if the surplus for these projects carried over for several years. Burnham questioned if after a certain amount of time, if funding that had not been used for a program like RSG, could the fund be reassigned to another project. Havey confirmed. Parmenter questioned when the project is likely to be completed. Carter advised that CBU typically expects these projects to be completed within a year, but advised that one recipient was unable to get the plants required for his project in 2025 and was told that they would be available in 2026, so through no fault of his own, the project has been delayed. Situations like this are why CBU is typically flexible with DIY recipients of the grants. Parmenter questioned how long the funds are being set aside for these types of projects. Burnham also questioned what a reasonable amount of time would be to leave these funds set aside. Havey clarified that CBU's budget for these projects should technically be reset each year, so the funds being allocated as part of these amendments would be pulled from the 2025 budget. Stewart questioned if the budget had gone down again for 2025's budget. Carter advised no, the budget remains at \$75,000.00. Parmenter questioned if CBU should have a hard deadline of 2 years for project completion, so that CBU only holds the funds for these projects for a more limited time. Carter agreed that two years might be a good deadline for projects such as these.

REQUEST APPROVAL OF AMENDMENT TO RESIDENTIAL STORMWATER GRANT FOR 1101 SOUTH MADISON STREET

White moved, Sherman seconded to approve the Amendments for both Residential Stormwater Grants for 808 and 816 W Kirkwood Ave., and 1101 South Madison Street - seven ayes

OLD BUSINESS: None

NEW BUSINESS:

Zaiger provided an update on the Consumer Confidence Report, specifically addressing the low levels of fluoride in Bloomington's drinking water. The report showed fluoride levels ranging from 0 to 0.48 mg/L, with an average of 0.09 mg/L, well below the recommended 0.7 mg/L for oral health. Zaiger advised that this is an ongoing issue dating back to late 2019 or early 2020 and is due to persistent mechanical problems with the fluoride tanks and feed system, including repeated leaks. While some repairs have been made, including a 2022 contract for tank lining and equipment replacement, the system has remained inconsistent. Zaiger emphasized that the utility has not intentionally reduced fluoride levels and remains committed to restoring proper

fluoridation. A permanent, safe, and sustainable solution is planned as part of larger chemical building improvements included in the upcoming Capital Improvement Plan (CIP) and rate case. Zaiger added that CBU and the administration are committed to public health and long-term reliability rather than relying on short-term fixes. White noted that the USB has approved several agreements related to chemical feeds lines and questioned if those were related to this issue. Zaiger advised that the chemical feed line project White was referencing are more related to chemicals used in primary treatment for clean, safe drinking water. Zaiger added that an add-on to that agreement did include the replacement of fluoride lines in the chemical room, leading to where fluoride is added to the finished water. White questioned the timeline for restoration of fluoridation. Zaiger advised that CBU is currently examining the storage tank to determine the exact origin of the leak. It was believed that the leak could be coming from joints or gaskets but now it appears that there is another leak from the tank that was lined in 2022. Now CBU plans to test the tank to determine the source of the leak and if additional lining of the tank would help and get CBU to a later stage in the CIP for 2027. White questioned if that timeline means no significant improvement until 2027. Zaiger noted the recent contract to clean out the storage tank and advised that the project was in preparation for a contractor to inspect the tank again. If the tank can be sealed, that would restore service until CBU can perform more comprehensive improvements in 2027. White noted that the USB should be watching for the report from the contractor regarding the inspection of the tank. Sherman noted that the fluoride level in the water has been below health recommendation levels for a lengthy period of time, and until someone brought it to Sherman's attention, he was unaware of the issue, nor were other members of the USB. Sherman expressed disappointment in not being informed about the issue earlier. Zaiger agreed. Burnham questioned if there were potential environmental risks associated with the chemical leak. Zaiger advised no, adding that the storage tank has secondary containment. Burnham noted that fluoride is an additive that CBU adds to the water, and is not a part of the primary treatment process. Zaiger confirmed, adding that it does not contribute to the safety of the water. Burnham questioned if it is a required additive. Zaiger advised no. Burnham noted that CBU provides this as a bonus to the water system. Zaiger confirmed. Burnham questioned if it is better or worse to shut it off until consistent service can be restored. Zaiger advised that it has been shut off, and the fluoride listed in the report is purely residual that is naturally occurring in the Bloomington water supply. Burnham questioned if the reports had been shared with the USB and if not, requested a copy be shared. Parmenter questioned the warranty on the tank lining that was completed in 2022. Zaiger advised that there was no warranty due to the age of the tank. Parmenter questioned the cost of replacing the tank. Zaiger advised that she was uncertain on the cost of the tank itself, but advised that removing the tank to replace it would involve removing either a portion of the roof, or a section of wall from the facility, or completely disassembling the tank in the building. Parmenter echoed Sherman's concerns regarding the lack of communication regarding this matter and noted that while this project seems very costly, CBU has spent a lot of time and effort exploring a new service center, and perhaps the fluoride issue should have been addressed or prioritized differently. Zaiger agreed, but also noted that CBU has voiced that the plant requires repairs and improvements. Wessler has performed a business risk exposure analysis of all projects that need to be completed at the plant, and since fluoride is a secondary process, the completion of that work did not rank as highly compared to other projects related to the primary treatment

process. Zaiger noted that the chemical feed lines that treat the water for safety have a serious impact if there is an issue, but the fluoride system is something that does not have the same impact. Ehman noted that he appreciated staff's transparency about an issue. Ehman recommended that CBU do a better job of explaining the Community Confidence Report (CCR) to the USB and the community at large, including discussing specific trends or substances in the report. Debro recommended this be added to the topics discussed at the next year's board retreat. Burnham noted that in previous years reporting, it may have been reported as a 0.7 mg/L when that was in reality a one day high of 0.7 mg/L and voice appreciation for the current staff being transparent about the issue and noted that it shows the integrity of the current staff and leadership at CBU. Ehman addressed that the 2022 and 2023 numbers were not posted in the previous CCR's and noted that not liking the numbers is no reason to not publish them and voiced uncertainty about why that decision was made, concluding that there is new leadership in place and CBU will move forward from this issue. Zaiger advised that Dave Askins with B-Square Bulletin has reached out to CBU and Zaiger has provided information regarding the situation and expects an article to be published soon. Debro questioned if 2022 and 2023 were the years that fluoride was not included in the CCR. Zaiger confirmed. Debro questioned if it was fair to say that the decision to not include fluoride in the water was not a political choice. Zaiger confirmed. Parmenter requested Zaiger speak on the record regarding the recent mineral issue in the water. Zaiger advised that the recent discoloration issue in the water was completely unrelated to fluoride. Lake Monroe is currently 13 feet above normal level and as the lake level rose, water was being drawn from a deeper, less oxygen-rich layer, which caused more manganese to appear. Zaiger advised that while chemical treatment was used to address it, it reached its limits without fully resolving the issue. As a result, CBU made a physical change to draw water from a different depth. Zaiger added that although this adjustment requires additional treatment modifications, it appears to have resolved the issue, with current water quality readings showing improvement. Importantly, samples taken throughout the distribution system remained below the EPA's health advisory limit for manganese, indicating that the issue was primarily aesthetic and not a health concern. Parmenter questioned when CBU expects to adjust the column back to the normal level. Zaiger advised that it will depend on the depth of the lake. Parmenter questioned if as the water lowers, the current configuration might lead to other effects that would need to be countered. Zaiger confirmed and noted that this technique could also be used to potentially avoid the usual taste and odor issues that CBU experiences in the fall. Ex Officio Flaherty noted that in previous years the report was shared with a url and the document attached to that has been replaced, and questioned where the 2022 and 2023 reports could be found. Zaiger advised that the Water Quality page on CBU's website has copies of the old reports on the bottom right. Debro requested an update on Utility Access. Zaiger advised that CBU is preparing to move away from Esuite and move to Utility Access for online account management and payments. Benefits include a better user interface, the ability to link to multiple accounts, linked with Sensus water usage data, and a more accessible platform. Sherman questioned if people will have to create a new account. Havey advised yes, the first time you will have to create a new user name and password. Parmenter questioned if AuqaPay users will still need to make any changes. Havey advised no, that is a separate system and there will be no changes. Burnham questioned if leak alerts that have already been set up will have to be reset. Havey was uncertain. Burnham questioned when the service will begin. Havey advised August

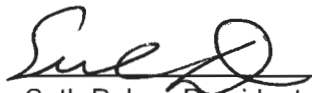
4th. Zaiger noted that this platform also provides the opportunity to adjust notification methods. Parmenter questioned if current new residents are being directed to the old Esuite platform, or if they are able to sign up with Utility Access now. Havey advised that they will still be directed to the old platform until the August 4th start date.

SUBCOMMITTEE REPORT: Sherman advised that the Finance Subcommittee meeting covered two items. First, upcoming changes to septic and grease hauling services were discussed. These will include a proposed rate increase, as current charges do not cover expenses, and a simplified process for haulers to eliminate a current two-step system. These changes aim to better meet financial needs and streamline operations but will come before the board again at a later date before being put into effect. The second item was a preliminary update on the 2026 budget, noting a likely shortfall in water-related funding. A more detailed presentation will be shared with the full board at the Finance Subcommittee meeting on July 28, with all board members invited to attend to avoid repeating the presentation at the board meeting.

STAFF REPORTS: Zaiger advised that Daniel Frank was promoted to CBU Communications Manager.

PETITIONS AND COMMUNICATIONS: None

ADJOURNMENT: Debro adjourned the meeting at 6:03 pm


Seth Debro, President

7/28/2025
Date