

UTILITIES SERVICE BOARD MEETING
8/11/2025

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CALL TO ORDER

Board President Debro 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, Amanda Burnham, Matt Flaherty, Molly Stewart

Board members absent: Jeff Ehman, David Hittle

Staff present: Kat Zaiger, Michelle Waldon, Hector Ortiz Sanchez, Chris Wheeler, Dan Hudson, Steven Stanford, Nolan Hendon, Kelsey Thetonia, Jose Fuentes, Daniel Frank

Guests present: None.

PETITIONS AND COMMUNICATIONS:

None

MINUTES

White moved, and Sherman seconded the motion to approve the Regular Meeting minutes of the 7/28/2025. Motion carried, five ayes.

Board member Stewart arrived - 5:03 p.m.

CLAIMS

Standard Invoices Questions

Board member Burnham questioned the Frontline Leadership course listed on the Standard Invoices. CBU Director - Zaiger advised that it is a course offered by the Indiana University to improve interpersonal and overall leadership skills among management at CBU. Debro questioned if the class had already taken place. CBU Assistant Director - Transmission & Distribution (T&D) Hall advised that the course takes place on September 10th or 11th. White questioned if it was through SPEA or another school at IU. Zaiger advised that it is being hosted by the Kelley School of Business.

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

Invoices included \$510,136.74 from the Water Fund, \$5,446.05 from the Water Construction Fund, \$492,734.46 from the Wastewater Fund, \$30,381.12 from Wastewater Construction Fund, and \$154,990.20 from the Stormwater Fund.

Motion carried - six ayes. Total claims approved: \$1,193,688.57

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

Invoices included \$39,895.64 from the Water Fund, \$100,263.88 from the Wastewater Fund, and \$71.63 from the Stormwater Fund.

Motion carried - six ayes. Total claims approved: \$127,114.62

White moved, and Sherman seconded the motion to approve the Wire Transfers, Fees, and Payroll for \$600,329.86. Motion carried - six ayes.

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

Refunds: Customer Refunds included \$275.28 from the Water Fund and \$1,643.85 from the Wastewater Fund.

Motion carried - six ayes. Total refunds approved: \$1,919.13

CONSENT AGENDA

Zaiger presented the following items recommended by staff for approval:

- a. JBR/ALE Mechanical, LLC, \$20,000.00, On call HVAC and plumbing service at all CBU locations
- b. BBC Pump & Equipment Co. Inc., \$20,000.00, On call service for pumps for plant, booster stations and lift station equipment
- c. Elemech, \$1,500.00, Bulk water station software IT support
- d. Applied Technical Services, \$20,000.00, On call service for material and metal tank test
- e. Substation Electrical Testing Co., \$20,000.00, On call service for high and low voltage
- f. Ava's Waste Removal, Inc., \$780.00, Recycling pick-up at Blucher Waste Plant
- g. Atlas Technical Consultants, Inc., \$5,812.68, Dillman plant groundwater monitoring and reporting to IDEM
- h. Economy Termite and Pest Control, Inc., \$1,400.00, Spraying for spiders at Dillman Plant

Consent Agenda was approved as presented. Total approved: \$89,492.68

REQUEST APPROVAL OF AMENDMENT NO.1 WITH BREHOB CORPORATION

CBU Purchasing Manager - Fuentes presented the amendment noting that Brehob provides service to air compressors and cranes. One of the air compressors at the Monroe Treatment Plant is continually running and to ensure enough funds remain in the on-call agreement CBU is requesting approval of this amendment.

White moved, Sherman seconded to approve Amendment No.1 with Brehob Corporation. - six ayes.

REQUEST APPROVAL OF 2026 BUDGET RECOMMENDATION

Zaiger presented the 2026 Budget Recommendation outlining the following:

Successes

In water operations, CBU completed filter media replacement and solids handling upgrades at the Monroe Water Treatment Plant, advanced its chemical feed line project (adding resiliency and redundancy with completion expected in 2026), and added a new backwash pump. A full asset inventory and business risk analysis were also completed to guide capital planning. Worker safety improved with the launch of a respiratory protection program, and multiple tanks at Monroe were cleaned for the first time. The state-certified lab is now ready to accept drinking water samples for lead testing.

In wastewater, Blucher Poole saw fiber optic and server upgrades, along with design and programming for new instrumentation to be completed this year. At Dillman, the capacity expansion project to reach 19 MGD is ahead of schedule for construction in 2025, and the bar screen replacement was completed.

In stormwater, CBU implemented a street sweeping program with routes designed to improve water quality, partnered on rain gardens for the Winslow Street project, launched a new stormwater management permit system, and was accepted into the IDEM Clean Communities Program, which provides recognition, regulatory benefits, and grant advantages. Additionally, six residential stormwater grants were awarded, totaling nearly \$57,000.

In customer service, CBU provided over \$17,000 in assistance year-to-date and expanded eligibility criteria. Walk-in service was reinstated at the service center with safety systems in place, and a 24/7 self-service kiosk will be installed by year's end. Communication systems were expanded: text alerts now reach all customers (not just opt-in users) through Everbridge, ensuring boil advisories and critical notices are widely distributed, while Tyler Notify provides urgent billing updates.

Challenges

Zaiger highlighted significant challenges. The water fund is strained, with operating and project costs rising sharply since the last rate case, which was based on 2019 pre-pandemic data. CBU is carefully managing cash flow and may need a loan from the wastewater utility if delays in the new rate case persist.

The service center and garage are undersized, with staff and equipment outgrowing current facilities and critical materials left exposed to weather. Aging infrastructure remains another concern: chemical feed systems and tanks are over 20 years old, electrical and instrumentation systems at Monroe are outdated, and the fluoride delivery system has been unreliable since 2019 due to persistent tank leaks. Short-term fixes are being tested, but a larger capital improvement project is planned for 2027.

Opportunities

Despite these challenges, CBU is making progress on the Winston Thomas service center redevelopment. Nearly \$1.6 million has been spent on demolition, site remediation, and design. Floodplain work is underway, including securing a no-rise certification, and the site is positioned for future development. Progress is also being made on the delayed water rate case. With new data in hand, public input is scheduled to begin at the August 25 Utilities Service Board meeting, with additional meetings before submission to the City Council. Filing with the IURC is targeted for October.

Budget Overview

The **2026 budget request totals \$57.7 million**, broken down as follows:

- **Transmission and Distribution:** \$7,465,775 (13%)
 - **Operations:** \$12,599,856 (22%)
 - **Environmental:** \$2,226,884 (4%)
 - **Engineering:** \$2,276,416 (4%)
 - **Administration:** \$1,674,802 (3%)
 - **Finance:** \$4,569,819 (10%)
 - **Bond Payments:** \$15,376,781 (27%)
 - **Interdepartmental Payments*:** \$10,160,859 (17%)
- (* - includes 2024 and 2025 Interdepartmental Agreement)

Budget Adjustments

- **Water:** Personnel down 13.1% (due to corrections of prior errors but with room for compensation adjustments); supplies down 15.1% (more accurate chemical and main break estimates); other services up 44.3% (reflecting interdepartmental charges). A projected **shortfall of \$508,000** could require borrowing from wastewater reserves if rate adjustments lag.
- **Sewer:** Personnel down 17% (error corrections); supplies up 24.4% (chemical estimates and reclassifications); other services up 50.1% (higher interdepartmental charges and reclassified costs).
- **Stormwater:** Personnel up 9.1% (better accounting of staff time spent on stormwater); supplies down 44% (aligned with actuals); other services up 4.2% (reflecting larger stormwater projects).

Conclusion

Zaiger closed by emphasizing that the proposed budget allows CBU to continue providing safe, sustainable, and high-quality water, wastewater, and stormwater services while addressing infrastructure needs and financial pressures.

Debro supported the format of the presentation, noting that it was easier to follow than the previous presentation. Burnham questioned when CBU began purchasing chemicals through the reverse auction system. Zaiger advised that CBU began using that method in either 2023 or 2024. Burnham noted the mention of the Winston Thomas property and asked if CBU has received responses from a list of questions submitted to the Office of the Mayor regarding a portion of the Winston Thomas property being used for a Department of Public Works building. Zaiger advised that CBU has received responses and they will be shared with the board. Parmenter noted that the updated presentation addressed many of the concerns noted in the previous meeting, but requested more attention be given to the Interdepartmental Agreement to emphasize the amount that CBU pays to the City by perhaps adding an individual slide for that information. Zaiger questioned if Parmenter would prefer an additional slide be added to the presentation or another separate presentation for the Interdepartmental Agreement. Sherman noted that it should be included where it is, but more detail could help clarify how much money this involves. Zaiger noted that it will account for 17% of the budget. Stewart questioned if that was normal. Zaiger advised that it includes the 2024 and 2025 Interdepartmental payments, which will bring CBU current. White suggested listing the specific services that the Interdepartmental Agreement includes, ie. Fleet Maintenance, ITS, HR, etc. Zaiger advised that a slide will be added to outline the specific cost of each of these services. Ex Officio Flaherty noted the press release related to the Water Rate Case and mentions of the Water fund being low on cash and questioned if there is a correlation between those two things. Zaiger confirmed. Flaherty recommended making the connection between more apparent in the presentation and explain the need for periodic rate increases. Sherman questioned if CBU will continue to need to borrow from Sewer to pay for Water and vice versa during each of the rate cases going forward, or if it is possible to increase rates enough to avoid this cycle. CBU Finance Manager - Waldon advised that this is normally the strategy, but with the delays caused by the data collection process required for the water rate case, this was unavoidable. Zaiger noted that she will elaborate that this is a one time loan and once the rate case is approved the loan will be paid back and the accounts will be squared. Waldon noted that historically the Sewer side has not run into financial issues ahead of the rate case. Zaiger advised that there are several factors that contribute to the issue.

White moved, Sherman seconded to approve the 2026 Budget Recommendation. - six ayes.

OLD BUSINESS: None

NEW BUSINESS: None

SUBCOMMITTEE REPORT: None

STAFF REPORTS:

Zaiger outlined the schedule for the following public meetings related to the Water Rate Case:

- Monday, Aug. 25 at 5 p.m. - The Utilities Services Board will review the proposed rate changes. Anyone is welcome to attend and speak.
- Friday, Aug. 29 at 5 p.m. - CBU will host a public information session at the Utilities Services Center (600 E. Miller Drive) to discuss the proposal, answer questions, and hear more community feedback.

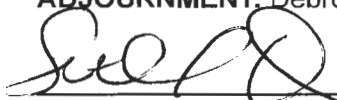
- Monday, Sept. 8 at 5 p.m. - The Utilities Services Board will vote on the proposed rate changes. Anyone is welcome to attend and speak.

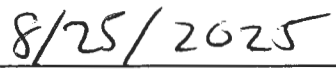
White questioned if this information was included in the bill for this month. Zaiger advised that it did not make it into this month's bill but can be added to the following month, and flyers and other resources will be made available shortly. Flaherty recommended mentioning this during the budget session on 8/25, since many people watch those sessions. Flaherty also noted that he'll be sure to mention this during the Council Report. White recommended adding this to the next bill to at least catch the 9/8 meeting. Parmenter questioned how members of the public who attend the meetings will be able to provide feedback, specifically if they would be given the opportunity to speak during the meeting, or would that occur at a subsequent meeting. Zaiger advised that the first meeting will be the first opportunity for the public to hear the initial proposal and the meeting on Friday will be more of an open dialogue ahead of the following USB meeting on the 9/8 where the any final comments can be heard before the USB will vote to approve the Rate Case. Zaiger also noted that there will be Zoom links available for each meeting.

Burnham noted an email she received for the new Utility Access portal and shared that it is an easy to use payment solution and recommended CBU customers sign up for the new payment portal. Sherman noted that he attempted to sign up the previous week and experienced issues. Burnham advised that earlier in the day it had work, so the issue was most likely resolved.

PETITIONS AND COMMUNICATIONS: None

ADJOURNMENT: Debro adjourned the meeting at 5:54 pm


Seth Debro, President


Date