Utilities Service Board Regular Meeting

7/27/2026

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Call to Order

Board President – White 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: Kirk White, Seth Debro, Amanda Burnham, Jim Sherman, Megan Parmenter, Lynne Coyne

Board members absent: Matt Flaherty, Molly Stewart

Staff present: Daniel Hudson, Matt Havey, Kelsey Thetonia, Chris Wheeler, Phil Peden, Katherine Zaiger, Steven Stanford, Hector Ortiz Sanchez

Guests present: Geoff McKim

Petitions and Communications: None.

Minutes

Debro moved, and Sherman seconded the motion to approve the minutes of the Regular Meeting held on 7/13/2026. Motion carried, four ayes.

Claims

Debro moved, and Sherman seconded the motion to approve the Standard Invoices:
Invoices included $425,443.40 from the Water Fund, $825.00 from the Water Sinking Fund, $762,789.25 from the Water Construction Fund, $514,286.58 from the Wastewater Fund, $156,191.96 from the Wastewater Construction Fund, $61,646.40 from the Stormwater Fund, and $378.50 from the Stormwater Construction Fund.

Motion carried, four ayes. *Total claims approved: $1,921,561.09*

Debro moved, and Sherman seconded the motion to approve the Utility Bills for 7/16/2026:

Invoices included $43,300.22 from the Water Fund, $5,670.77 from the Wastewater Fund, and $55.28 from the Stormwater Fund.

Motion carried, four ayes. *Total revised claims approved: $49,026.27*

Debro moved, and Sherman seconded the motion to approve the Utility Bills for 7/23/2026:

Invoices included $1,890.36 from the Water Fund, $2,635.05 from the Wastewater Fund, and $233.26 from the Stormwater Fund.

Motion carried, five ayes. *Total revised claims approved: $4,758.67*

Debro moved, and Sherman seconded the motion to approve the Wire Transfers, Fees, and Payroll:

Motion carried, five ayes. Total claims approved: *$577,670.48*

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

Invoices included $2,050.55 from the Water Fund, $1,349.02 from the Wastewater Fund, $10.00 from the Stormwater Fund and $0.00 from the Sanitation Fund.

Motion carried, five ayes. Total claims approved: *$3,409.57*

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

Invoices included $5,642.58 from the Water Fund, $30.00 from the Wastewater Fund, and $1,557.84 from the Stormwater Fund.

Motion carried, five ayes. Total claims approved: *$7,230.42*

Consent Agenda:

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

a. Shambaugh & Son, LP dba Precision Controls of Indy, $12,361.98, Extension of expiration date for HVAC work at Utilities Service Center
b. VET Environmental Engineering, LLC, $11,441.95, Water main relocation site investigation at West Jed and West Joy Streets
c. MacAllister Machinery Co., Inc., $5,185.91, Replace control panel on switchgear for generator at Blucher Poole Waste Plant

Consent Agenda was approved as recommended by staff. Total approved: $28,989.84 (non-chemical contracts)

Request Approval of 2024 Interdepartmental Agreement between City of Bloomington and CBU

Assistant Director - Finance – Havey presented a summary of the interdepartmental cost allocations between the City of Bloomington and City of Bloomington Utilities (CBU) for 2024 and 2025. Havey explained that CBU, the Mayor's Office, the Controller's Office, and Public Works collaborated to establish a more transparent allocation process that more accurately reflects services provided by the City to CBU.

Havey reviewed each departmental allocation and the rationale for the changes, including:

- Eliminating allocations for the Clerk's Office, Common Council, Economic and Sustainable Development, Planning, Police, and Fire, as these departments were determined not to directly support utility operations.
- Retaining Engineering's allocation due to right-of-way permitting and coordination services.
- Revising Human Resources costs to be based on CBU's headcount.
- Calculating Information Technology costs based on utility hardware and personnel.
- Basing Risk Management allocations on the amount of staff time devoted to utility-related claims and workers' compensation formulas.
- Revising Controller's Office allocations using formulas rather than fixed percentages.
- Continuing reimbursement for sanitation billing based on actual labor, printing, and postage costs.
- Explaining that Legal allocations reflect one full-time attorney and a portion of a paralegal, while Mayor's Office allocations are based on the proportional salaries of the Mayor, Deputy Mayor, and Communications Manager.

Controller – McKim explained that several 2025 allocations increased due to temporary impacts from union negotiations and noted that those costs are expected to return closer to 2024 levels in future years.

Havey reported that the revised allocation methodology reduced CBU's interdepartmental charges by approximately $840,000 in 2024 and approximately $661,000 in 2025 compared to the 2023 methodology.

Board Member – Parmenter and Board Member – Burnham thanked staff for providing a detailed, transparent methodology and noted that the revised process addressed concerns the Board had raised over several years regarding interdepartmental cost allocations. Board member questions focused on:

- How reimbursements for Controller's Office and sanitation billing are calculated.
- Whether actual postage, labor, and billing costs will continue to be tracked annually.
- Fleet maintenance costs, which remain outside the interdepartmental allocation spreadsheet and continue to be billed under the existing methodology.
- The status of ongoing discussions regarding a revised Fleet cost allocation formula.

Board Member – Burnham and Board Member – Debro expressed concern that discussions regarding Fleet cost allocation have continued for several years without resolution and emphasized the importance of reaching an equitable formula for CBU ratepayers. Havey and McKim acknowledged the concern, explaining that discussions remain ongoing and that any revised methodology would likely first affect the 2027 or 2028 budget cycle.

Debro moved, Sherman seconded to approve the 2024 Interdepartmental Agreement between CoB and CBU. **Motion carried, five ayes.**

Request Approval of 2025 Interdepartmental Agreement between City of Bloomington and CBU

Debro moved, Sherman seconded to approve the 2025 Interdepartmental Agreement between CoB and CBU. **Motion carried, five ayes.**

Request Approval of Conflict of Interest Disclosure

Board President – White recused himself from discussion and voting on the conflict of interest disclosure, and the meeting was temporarily presided over by Board Member – Debro. City Attorney – Brittingham presented the disclosure, explaining that White had entered into a contract with the Mayor's Office for services unrelated to his duties as a Utility Service Board member. Brittingham explained that Indiana law requires a conflict of interest disclosure to be filed with the State of Indiana and Monroe County and approved by the governing body before the contract may proceed. The Board had no questions.

Parementer moved, Sherman seconded to approve the Conflict of Interest Disclosure. **Motion carried, five ayes.**

Request Approval of the 2027 Budget Recommendation

CBU Director – Zaiger presented the proposed 2027 budget, noting that this was the Board's first of two opportunities to review the budget before final adoption. Zaiger encouraged Board members to provide comments during the meeting or afterward by email.

Zaiger reported that CBU currently employs 191 full-time and four permanent part-time employees. The proposed 2027 budget reflects an overall increase of approximately $7.56 million over the 2026 budget. Major budget priorities include:

- Implementation of the approved water rate increase.
- Continued modernization of the Monroe Water Treatment Plant.
- Water distribution system improvements.
- Wastewater treatment plant upgrades.
- Stormwater infrastructure improvements.
- Resumption of planning for the Winston Thomas Service Center.

Zaiger reviewed major accomplishments during 2026, including:

- Rehabilitation of the Monroe Water Treatment Plant fluoride system and pump improvements.
- Wastewater treatment upgrades at the Blucher Poole and Dillman plants.
- Release of the Clear Creek Renewal feasibility study.
- Completion of the Winslow Rain Garden project.
- Completion of an E. coli sampling study to guide future illicit discharge investigations.

Zaiger also highlighted updates to the customer assistance program, explaining that revised eligibility requirements now allow consecutive assistance for qualifying customers and permit customers to apply for assistance after service disconnection. Zaiger noted that participation has increased significantly and that CBU remains on pace to utilize the program's annual $100,000 budget.

The presentation continued with a review of major 2027 capital priorities, including:

- Water booster station modernization and neighborhood water main replacements.
- Electrical, SCADA, and cybersecurity upgrades at the Monroe Water Treatment Plant.
- Dewatering system improvements at the Blucher Poole Wastewater Treatment Plant.
- Phase II electrical upgrades at the Dillman Wastewater Treatment Plant.
- Lower Cascades stormwater culvert improvements.
- Clear Creek Renewal Project.
- Winslow Sports Complex stormwater detention improvements.
- Continued design work for the Winston Thomas Utility Service Center.

Zaiger also highlighted funding opportunities supporting future projects, including:

- A $5 million State Revolving Fund loan through the Indiana Finance Authority for lead service line replacement and water main improvements.
- $2.5 million in congressional funding for booster station improvements.
- Potential federal funding for the Dillman relief sewer and Clear Creek Renewal Project through FEMA's Building Resilient Infrastructure and Communities (BRIC) program.

The Board reviewed projected utility revenues and departmental budgets for the water, wastewater, and stormwater utilities. Staff explained that:

- Water revenues reflect implementation of the approved water rate increase.
- Sewer and stormwater revenues include conservative projections for possible future rate adjustments.
- Personnel increases primarily reflect cost-of-living adjustments (COLA) and negotiated union wage increases.
- Increased capital funding is possible because additional projects can now be funded with cash following the water rate increase.
- Reductions in interdepartmental costs reflect the revised allocation methodology previously approved by the Board.

Board discussion focused on the proposed Winston Thomas Utility Service Center. Board members asked when the Board would be asked to make a final decision regarding construction and expressed concern that planning and design expenditures have continued over several years without a formal vote authorizing construction. Zaiger and Assistant Director - Engineering – Peden clarified that:

- Existing design and construction management contracts were previously approved.
- Design is approximately 50% complete.
- Work was paused pending completion of the water rate case.
- Future contract amendments related to updated hourly rates will return to the Board for approval.
- Construction itself has not yet been authorized by the Board.
- Funding for the project was incorporated into the approved water rate case, but future construction decisions remain subject to Board approval.

Board members requested that the Winston Thomas section of the budget narrative be revised to more clearly distinguish approved design activities from any future construction approvals. They also requested that the Property & Planning Subcommittee revisit the project to review its status, discuss long-term facility needs, and receive an updated presentation before any final construction decisions are made.

Debro moved, Sherman seconded to approve the 2027 Budget Recommendation. **Motion carried, five ayes.**

Request Approval of Service Agreement with Ingersoll-Rand Industrial U.S., Inc.

Assistant Director - Operations – Ortiz Sanchez presented a service agreement with Ingersoll Rand for preventive maintenance of three compressors at the Monroe Water Treatment Plant. He explained that the compressors are critical to plant operations.

Debro moved, Sherman seconded to approve the service agreement with Ingersoll-Rand. **Motion carried, five ayes.**

Request Approval of Emergency Service Agreement with Wyn Industries, Inc.

Capital Projects Manager – Hudson presented an emergency service agreement with Wyn Industries for replacement of liners in two alum storage tanks at the Monroe Water Treatment Plant. Hudson explained that the emergency work was necessary to maintain reliable chemical storage and treatment operations in compliance with IDEM requirements. Hudson noted that Wynn Industries had recently completed similar work successfully and that the pricing was consistent with previous projects.

Debro moved, Sherman seconded to approve the emergency service agreement with Wyn Industries, Inc.. **Motion carried, five ayes.**

Request Approval of Change Order Number 4 with Kokosing Industrial, Inc.

Hudson presented Change Order No. 4 for the Kokosing contract's Site Safety and Process Improvements Project at the Dillman Wastewater Treatment Plant. Hudson said the change order included several field modifications related to compressor discharge piping repairs, heat tracing, pipe coating, and credits associated with disposal of lead-contaminated materials. The change order increased the contract by $65,335, resulting in a revised contract amount of $5,214,109. Hudson noted that this is expected to be the final change order for the project.

***Debro moved, Sherman seconded to approve Change Order Number 4 with Kokosing Industrial, Inc.* Motion carried, five ayes.**

Request Approval of Service Agreement with Wessler Engineering, Inc.

Hudson presented a service agreement with Wessler Engineering for construction administration services related to the filter media replacement and filter control upgrade projects. Services include shop drawing review, field observation, contractor coordination, startup and commissioning assistance, and project closeout support.

***Debro moved, Sherman seconded to approve the 2024 Interdepartmental Agreement between CoB and CBU.* Motion carried, five ayes.**

Old Business: None.

New Business:

Board Member – Burnham thanked CBU staff for their work during Bloomington’s move-in season, recognizing the increased workload associated with establishing utility service for hundreds of new customers. Burnham also encouraged customers to enroll in CBU's meter monitoring system to receive alerts for unusually high water usage and potential leaks.

Subcommittee Reports: None.

Staff Reports:

Zaiger welcomed Arielle Simmons as the new temporary part-time Stormwater Inspector.

Zaiger also recognized Liz Carter, MS4 Coordinator, for earning her Certified Professional in Erosion and Sediment Control (CPESC) certification and Kolton Hardin for earning his Commercial Driver's License (CDL-B).

Petitions and Communications: None.

Adjournment:

White adjourned the meeting at 6:17 pm.

Signed by:
Kirk White
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8/11/2026

Kirk White, President

Date