

Utilities Service Board Regular Meeting

9/21/2026

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Call to Order

Board President – White called the regular meeting of the Utilities Service Board to order at 5:04 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, Molly Stewart, Seth Debro, Amanda Burnham, Jim Sherman, Megan Parmenter, Lynn Coyne

Board members absent: Matt Flaherty

Staff present: Katherine Zaiger, Matt Havey, Chris Wheeler, Steven Stanford, James Hall, Daniel Hudson, Hector Ortiz Sanchez, Kevin White, Ginger Davis, Jane Fleig

Guests present:

Petitions and Communications:

President, Greater Bloomington Chamber of Commerce – Spoonmore addressed the Board regarding Habitat for Humanity of Monroe County's appeal concerning the withholding of water meters for homes under construction in Phase 2 of Osage Place. Spoonmore stated that the Chamber supports Habitat's role in providing affordable homeownership opportunities and noted that Phase 2 includes 39 homes. Spoonmore clarified that the Chamber was not taking a position on the engineering issues involving the drainage swale or suggesting that CBU's stormwater standards be disregarded. Rather, the Chamber's concern was the connection between an unresolved Phase 1 issue and the withholding of water service for Phase 2 homes, which Spoonmore stated are separately permitted and bonded. He emphasized the importance of transparent and clearly communicated regulatory processes and expressed concern about the impact of delayed water service on future homeowners. Spoonmore encouraged the Board to grant Habitat's appeal and allow water service to proceed while the remaining issues are addressed through the appropriate process.

Minutes

Stewart moved, and Sherman seconded the motion to approve the minutes of the Regular Meeting held on 9/8/2026. Motion carried, six ayes.

Claims

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

Invoices included \$409,156.35 from the Water Fund, \$47,107.56 from the Water Construction Fund, \$197,482.27 from the Wastewater Fund, \$825.00 from the Wastewater Sinking Fund, \$241,274.50 from the Wastewater Construction Fund, and \$22,692.94 from the Stormwater Fund.

Motion carried, six ayes. Total claims approved: \$918,538.62

Stewart moved, and Sherman seconded the motion to approve the Utility Bills for 9/10/2026:

Invoices included \$98,101.49 from the Water Fund, \$81,879.96 from the Wastewater Fund, and \$45.86 from the Stormwater Fund.

Motion carried, six ayes. Total revised claims approved: \$180,027.31

Stewart moved, and Sherman seconded the motion to approve the Utility Bills for 9/17/2026:

Invoices included \$1,145.71 from the Water Fund, \$5,836.19 from the Wastewater Fund, and \$78.53 from the Stormwater Fund.

Motion carried, six ayes. Total revised claims approved: \$7,060.43

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

Motion carried, six ayes. Total claims approved: \$581,217.20

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

Invoices included \$21.88 from the Water Fund, \$2,400.29 from the Wastewater Fund, \$0.00 from the Stormwater Fund, and \$526.90 from the Sanitation Fund.

Motion carried, six ayes. Total claims approved: \$2,949.07

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

Invoices included \$3,050.25 from the Water Fund, \$4,547.56 from the Wastewater Fund, and \$4,472.87 from the Stormwater Fund.

Motion carried, six ayes. Total claims approved: \$12,070.68

Consent Agenda:

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

- a. Bruce's Welding and Fabrication, LLC., \$19,500.00, Install access structures for pipe gallery at Monroe Water Treatment Plant
- b. Brehob Corporation, \$6,115.09, Replacement of VFD for solids feed pump at Dillman Wastewater Treatment Plant
- c. Troy Risk, \$9,850.00, Clear Creek corridor environmental assessment

- d. Substation Electrical Testing Company (SETCO), \$4,122.00, Install fuses and transformer for high voltage grounding resistor at Monroe Water Treatment Plant

Consent Agenda was approved as recommended by staff. Total approved: \$39,587.09

Presentation of Appeal from Habitat for Humanity

Operations Director, Habitat for Humanity of Monroe County – Bennett presented Habitat’s appeal of CBU’s administrative determination to withhold water service and meters for homes under construction in Phase 2 of Osage Place. Bennett stated that Habitat was appealing the process used to withhold water service rather than the engineering issues involving the western drainage swale. Bennett argued that Habitat did not receive timely written notice of the determination and did not learn that water service would be withheld until approximately seven months after what Habitat believed was the initial determination. Bennett referenced a December 28, 2025, communication from Assistant Director - Engineering – Peden to Habitat’s engineer stating that Phase 2 water service applications and meters would be withheld until the Phase 1 swale was rectified. Bennett stated that Habitat was not verbally notified until June 17, 2026, and that subsequent requests for a written determination resulted in Director Zaiger providing the December 2025 communication on September 2, 2026.

Bennett further stated that Bloomington Municipal Code establishes specific notice procedures, including written notice to the property owner and information concerning the nature of a violation and appeal rights. Bennett reviewed CBU’s April 16, 2024, notice of violation and September 17, 2024, Phase 2 preconstruction packet, noting that neither document specifically identified the western drainage swale as an outstanding issue related to the withholding of Phase 2 water service. Bennett also stated that Habitat had not been provided evidence demonstrating that the western drainage swale was undersized. Bennett explained that Habitat had pursued redesign of the swale to address vegetation washout and provide a maintainable backyard environment, rather than because Habitat believed the swale was undersized. Bennett emphasized that Phase 1 and Phase 2 are separately permitted and bonded projects and requested an immediate stay of CBU’s determination to withhold water service.

City Legal – Wheeler explained CBU’s development review and inspection process. He stated that plans for the stormwater infrastructure had been submitted and approved in approximately 2020–2021, but CBU later determined that the western storm swale had not been constructed in accordance with the approved plans. Because homes had subsequently been constructed on both sides of the swale, the original design could no longer be implemented as planned. CBU and Habitat had therefore worked through several alternatives. Wheeler said the most recent proposal had involved a combination of grading and an underground pipe, but Habitat subsequently submitted a proposal using only an underground pipe. CBU’s review of that

proposal identified concerns regarding potential clogging, upstream flooding, and other design issues that remained to be resolved.

Wheeler stated that withholding water meters for outstanding deficiencies is part of CBU's standard development and utility-infrastructure procedures. Wheeler explained that CBU had not issued a formal notice of violation because it considered the matter to be an unresolved deficiency in the approved design versus the infrastructure installed, rather than an established violation. Wheeler stated that if Habitat declined to correct the deficiency, CBU could issue a formal notice of violation and would then follow the applicable notice procedures. Wheeler characterized the appeal as premature and requested that the Board deny it while CBU and Habitat continued working toward a resolution.

Board members discussed whether the appeal should be denied or tabled to allow additional information to be submitted. Board Member – Sherman asked Habitat whether the underground-pipe approach was acceptable. Bennett confirmed that it was Habitat's preferred approach and reiterated that the appeal concerned the withholding of water meters and the procedure used to do so, rather than the engineering solution itself.

Utilities Engineer - New Development and Permitting – Davis explained CBU's concerns with the latest underground-pipe proposal. Davis noted that proposed inlets located between homes could become clogged, potentially causing water to leave the swale and enter homes whose finished-floor elevations are below the adjacent swale. Davis also identified a concern that the current pipe slope could result in water velocities exceeding CBU standards. Davis stated that the issues appeared to be fixable and that CBU had proposed lowering some inlets and making additional grading and pipe-design changes.

Board members clarified that the immediate issue before them was whether CBU had followed the applicable procedures in withholding the meters. Wheeler reiterated that CBU had not issued a notice of violation because it had been working with Habitat to correct a deficiency rather than formally declaring a violation. Board members questioned whether the distinction between a deficiency and a violation affected Habitat's ability to receive notice, noting that the practical result was the same—the meters were being withheld.

Wheeler proposed that both parties submit proposed findings for the Board's consideration before the next meeting. The Board discussed allowing seven days for the parties to submit their proposed findings and another seven days for the Board to review the material. Bennett stated that Habitat agreed to the proposal but did not support delaying a decision beyond the next meeting because the lack of water service was a critical issue for the project. The Board also discussed the effect of granting the appeal. Wheeler explained that granting the appeal would require CBU to issue the meters separately from the outstanding stormwater concerns, while Habitat stated it would continue working with CBU on the drainage swale.

Board members further discussed whether there would be a direct negative effect from issuing the meters while the drainage issue remained unresolved. Wheeler stated that he was not aware

of a direct negative effect to CBU other than the continued existence of the improperly installed stormwater infrastructure and the need to rely on Habitat to complete the corrective work. Davis's earlier comments identified potential flooding concerns for homeowners if the drainage system remained unresolved.

Bennett again emphasized that Habitat was appealing the procedure used to withhold water service, not asking the Board to determine the engineering design.

The Board asked whether the homes were otherwise ready for occupancy. Bennett stated that two homes were not yet ready but were expected to be ready in approximately two weeks. Board members requested that staff provide a timeline of the communications and interactions between CBU and Habitat so the Board could review both sides of the matter.

Burnham moved to table the appeal. Burnham made a friendly amendment to reconsider it at the October 5th USB meeting, Debro seconded. Motion carried, six ayes.

Request Approval of Resolution 2026-16 for the Salaries of Appointed Officers, Non-Union, and AFSCME Employees for CBU for 2027

City Legal – Wheeler presented Resolution 2026-16 regarding the 2027 salaries of CBU appointed officers, non-union employees, and AFSCME employees in the absence of City Legal – Brittingham. Wheeler explained that state statute requires the Utility Services Board to review and approve the salaries before they are forwarded to the Common Council for final adoption. HR Director – Pechac participated remotely to answer questions.

Board Member – Parmenter asked whether the listed changes represented new or reclassified positions. Zaiger explained that adjustments were primarily intended to align the current organizational chart with the salary ordinance and clean up classifications established through previous salary ordinances. Zaiger also explained that the changes were part of the City's periodic classification review, which evaluates job complexity and the appropriateness of classifications. Parmenter requested that an updated organizational chart be provided at a future meeting.

Stewart moved, Sherman seconded to approve Resolution 2026-16. Motion carried, six ayes.

Request Approval of Easement to Duke Energy, Inc. at Winston-Thomas (for National Guard Armory Property)

City Legal – Wheeler presented an easement for Duke Energy at the Winston Thomas site to serve the National Guard Armory property. Wheeler explained that Duke would cross a small portion of CBU-owned property to provide electrical service for electric vehicle charging ports. As with prior Duke easements, CBU requested changes to Duke's standard language to establish and maintain the utility infrastructure within the defined easement area.

Stewart moved, Debro seconded to approve the Easement to Duke Energy. Motion carried, six ayes.

Request Approval of Change Order Number 1 with Kokosing Industrial, Inc.

Capital Projects Coordinator – Kevin White presented Change Order No. 1 with Kokosing Industrial under the Guaranteed Savings Contract for the lift station improvement project. The original project rehabilitated approximately 10 lift stations and came in around \$1.5 million under budget. After other generator-related purchases, including additional generators and a mobile generator, approximately \$700,000 remained available for additional lift station improvements.

The proposed \$1,300,200 change order, increasing the not-to-exceed contract amount to \$7,807,437, will allow CBU to completely rebuild the Westwood Lift Station on Glen Oaks Drive off Curry Pike. Kevin White stated that Westwood is one of CBU's five largest-flow lift stations and is difficult for crews to maintain when it is out of service. The project will include new pumps, a new control panel, a larger incoming sanitary sewer pipe, and a new generator. The Board noted that the project addresses previously identified generator and system vulnerabilities.

Stewart moved, Parmenter seconded to approve Change Order No. 1 with Kokosing Industrial. Motion carried, six ayes.

Request Approval of On-Call Agreement with Woods Electrical Contractors, Inc.

Assistant Director - Finance – Havey presented an on-call agreement with Woods Electrical Contractors for electrical, telecommunications and data-cabling services. The agreement provides for \$20,000 annually, with two additional one-year renewal periods.

Stewart moved, Sherman seconded to approve the on-call agreement with Woods Electrical Contractors . Motion carried, six ayes.

Request Approval of Service Agreement with T.Y. Lin International

Capital Projects Manager – Hudson presented a service agreement with T.Y. Lin International for design of a receiving and weighing station at the Dillman Wastewater Treatment Plant. Hudson explained that the recently revised hauled wastewater rate structure requires more accurate measurement of the quantity of septage delivered to Dillman. The proposed system would allow CBU to weigh incoming loads and base charges on actual quantities rather than the nominal capacity of a hauler's tank. The design cost is \$114,940.

Board Member – Kirk White asked about the expected return on investment. Hudson said CBU staff had visited a similar facility in Kentucky and were told the investment could have approximately a one-year payback, although Hudson believed a two- to three-year payback was

more realistic. Hudson clarified that the \$114,940 agreement covered design only and that construction costs had not yet been determined.

Stewart moved, Sherman seconded to approve agreement with T.Y. Lin International. Motion carried, six ayes.

Request Approval of Amendment Number 1 with T.Y. Lin International

Capital Projects Manager – Hudson presented Amendment No. 1 to T.Y. Lin's existing agreement concerning the five-year and 10-year Dillman capital plans. T.Y. Lin requested additional time, extending the work through the end of November. The amendment carries no additional cost.

Stewart moved, Sherman seconded to approve Amendment Number 1 with T.Y. Lin International. Motion carried, six ayes.

Old Business: None.

New Business:

CBU Director – Zaiger reported on the September 18 storm-related power outage at the Monroe Water Treatment Plant. The outage began at approximately 6:00 p.m. The plant's backup generator was operational and capable of running the plant at approximately 50% capacity, but additional electrical issues at the intake tower prevented the plant from treating and pumping water for approximately 10½ hours. Staff eventually restored intake pumping at reduced capacity, initially reaching approximately 18 MGD.

Zaiger reported that an alum feed pump was damaged by a power surge and a replacement pump was also damaged, requiring staff to implement a temporary alum-feeding solution. A brief turbidity increase above 1 NTU, combined with critically low tank levels, resulted in issuance of a countywide boil water advisory. CBU collected samples throughout the distribution system, which returned clear results, allowing the advisory to be lifted on the morning of September 21. Water pressure remained somewhat reduced while the system's tanks were refilled, but normal pumping capacity of approximately 22 MGD had been restored. Zaiger commended plant operators, maintenance staff, and other employees for their calm and quick response to the outage.

Parmenter asked how CBU determined that the boil water advisory could be lifted despite the time required for water to move through the distribution system. Zaiger explained that plant turbidity readings returned to normal quickly and that CBU subsequently collected samples at multiple points throughout the distribution system before lifting the advisory.

Parmenter asked about generator improvements and whether the recently approved water rate case would provide funding for improvements at Monroe. Assistant Director - Operations – Ortiz Sanchez explained that the Monroe generator transfer is manually controlled rather than automatically transferred as at many other CBU facilities. Staff determined during the outage that the battery backup had run out, and the system's last signal indicated conflicting utility and generator conditions. Sanchez stated that the experience provided staff with information that will improve future troubleshooting.

Zaiger explained that electrical and control-system improvements are a significant component of the capital improvements included in the water rate case. Planned projects include multiple electrical upgrades and comprehensive SCADA upgrades at Monroe. Zaiger also reported that CBU had received a \$2.3 million EPA grant specifically for backup-generation and control-system improvements.

Board Member – Kirk White referenced a similar power outage in June 2023 and emphasized the need for a comprehensive after-action review of the September outage. Kirk White identified the interaction between Duke Energy, the plant's electrical systems, generators, SCADA, and electronic controls as areas that should be examined to determine points of failure. He noted that the system has approximately 10–12 hours of water storage and emphasized the importance of being able to respond within that period, particularly during emergencies such as a fire. White also recommended strengthening CBU's emergency communications procedures so that clear instructions for customers are prepared and readily available during future outages and boil water advisories.

Kirk White and Ex-Officio Board Member – Coyne left at this time (6:33 pm). Kirk White passed the gavel to Board Member – Stewart to preside over the remainder of the meeting

Parmenter asked how customers could ensure they receive emergency notifications. Zaiger explained that CBU used the Everbridge system and its customer contact information for the initial notifications. Customers with current contact information received the alerts, while incorrect or missing customer information required CBU to use the emergency management system as an additional notification method. Parmenter suggested including a notice, QR code, web link, or telephone number with paper utility bills to encourage customers to update their contact information. Zaiger stated that staff continues to direct customers who contact CBU about the outage toward the appropriate process for updating their information.

Board Member – Burnham commented that the emergency notifications and subsequent press releases were effective and timely, while noting that customers are responsible for maintaining current contact information. Burnham also observed that emergency response procedures can be thoroughly practiced while still encountering unexpected failures during an actual event. Burnham commended CBU staff for their quick response, collaboration and team work during the outage.

Zaiger expressed gratitude for the entire CBU team and further recognized some CBU staff members who responded to the outage, including Monroe Water Treatment Plant Superintendent Shane Ira, Communications Manager Daniel Frank, maintenance staff including Tony Eads, and the assistant directors who maintained frequent communication throughout the incident. Zaiger expressed appreciation for the coordinated response and problem-solving by staff.

Parmenter subsequently asked about manganese levels and recent water discoloration concerns. Sanchez reported that manganese levels in the raw water were trending around approximately 0.7–0.8, with some fluctuation, and indicated that levels were improving. Staff expected that cooler temperatures and additional rainfall would help conditions continue to improve.

Subcommittee Reports: None.

Staff Reports:

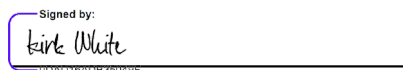
Zaiger recognized Kurtis Richardson for an internal move to an Engineering Field Tech Locator position. Zaiger also recognized James White, Madison Abel, and Adam Hutzler for obtaining their wastewater Class IV certifications.

Petitions and Communications:

Former USB Member – Roberts spoke as a member of the public regarding the recent water emergency. Roberts congratulated CBU on its response and offered suggestions for improving public communication. She recommended stronger coordination with the county during emergencies, including providing customers with specific conservation instructions when water supplies are limited. Roberts also supported conducting an after-action review and recommended clearly explaining to the public that samples were collected throughout the distribution system before the boil water advisory was lifted. Roberts suggested using simple, easily understood graphics and language in emergency communications and improving coordination so that customers receive consistent information through multiple channels.

Adjournment:

Board Member – Stewart adjourned the meeting at 6:47 pm.

Signed by:

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Kirk White, President

10/6/2026 | 2:59 PM EDT

Date