

**UTILITIES SERVICE BOARD MEETING**  
**6/20/2023**

***Utilities Service Board meetings are available at CATSTV.net.***

**CALL TO ORDER**

Board Vice President Parmenter called the regular meeting of the Utilities Service Board to order at 5:06 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, Jeff Ehman, Seth Debro, Jim Sherman, Ex Officio Scott Robinson

**Board members absent:** Amanda Burnham, Kirk White, Molly Stewart, Ex Officio Jim Sims

**Staff present:** James Hall, Matt Havey, Hector Ortiz-Sanchez, Daniel Frank

**Guests present:** None

**MINUTES**

***Board member Debro moved, and Board member Sherman seconded the motion to approve the minutes of the June 5th meeting. Motion carried, four ayes.***

**CLAIMS**

**Standard Invoice Questions:**

Board member Ehman questioned the charge for First Financial/Credit Card for the Customer Service Certificate Program, specifically if the total amount of the \$1,600.00 was billed to Water in error and if the cost should have been split between Water and Wastewater. Assistant Director - Finance - Havey advised that the charge should have been split between Water and Wastewater and the error can easily be corrected. Parmenter noted charges for the paint brushes being used for fire hydrant painting and advised that her HOA property manager recently explained that hydrants are color coded based on output to aid fire fighters. Parmenter questioned if City of Bloomington Utilities(CBU) was responsible for painting this color coding system on all fire hydrants, or if individual property owners are responsible in some cases. CBU Assistant Director - Transmission and Distribution (T&D) - Hall advised that if the hydrants are owned by CBU, CBU is responsible for painting them. If the hydrants are part of a private system, then the property manager is responsible for painting. Hall further explained that hydrants that are on a private system are often painted a different color, for example Indiana University paints their hydrants red. In the past some HOA's have requested to paint the hydrants in their neighborhoods, but it is not allowed because the paint used by CBU is considered hazardous, so CBU does not want to expose people to it or force them to deal with disposal if they failed to use all the paint while repainting. Ehman questioned how often a hydrant needs to be painted. Hall was uncertain of a specific timeline, as factors such as exposure to direct sunlight could cause the lifespan of paint to vary. Sherman questioned why CBU opted to use a paint that is considered hazardous. Hall advised that the paint possesses some reflective properties that help with visibility, but as a result, contains some heavy metals.

Parmenter questioned if there is an identifying marker on the hydrant that verifies it is a CBU asset. Hall advised that it is noted in the GIS. Parmenter questioned a transaction on page 9 for Rogers Group that has two charges with identical invoice numbers and descriptions, but the invoice amount is different. Hall advised that one charge is coming from the Water and Wastewater Operation and Maintenance accounts and one charge is coming out of the Water Construction Fund, so what likely happened was that part of rock that was invoiced was delivered to the Service Center for inventory and the rest was delivered to a Capital Project so it would have to be broken up in this way to track what fund the payment was being pulled from.

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

Vendor invoices included \$230,801.27 from the Water Fund, \$5,107.46 from the Water Construction Fund, \$205,348.57 from the Wastewater Fund, and \$10,616.94 from the Stormwater Fund.

***Motion carried, four ayes. Total claims approved: \$451,874.24.***

**Utility Bills Question:**

Parmenter questioned the Smithville Telephone charge for \$716.00 at the Blucher Poole Wastewater Plant. Parmenter reviewed previous bills for the plant and noted that the May and April charges were the same, in March the bill was \$1,710.00, in February it was \$140.00, in January it was \$191.00, and from April of 2022 to October of 2022 the bill hovered around \$188.00 to \$190.00. Parmenter requested an explanation for the jump in cost of this bill. Havey advised that he can look into the issue and report his findings. Ehman also requested that while Havey is looking into this matter, to determine what accounts for the variability in the billing amount.

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

Invoices included \$119,819.75 from the Water Fund and \$94,597.18 from the Wastewater Fund.

***Motion carried, four ayes. Total claims approved: \$214,416.93.***

***Debro moved, and Sherman seconded the motion to approve the Wire Transfers, Fees, and Payroll for \$425,018.59. Motion carried, four ayes.***

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

***Refunds:*** Customer Refunds included \$151.00 from the Water Fund and \$3,229.96 from the Wastewater Fund.

***Motion carried, four ayes. Total refunds approved: \$3,380.96.***

***Debro moved, and Sherman seconded the motion to approve the Bond Payments:*** Bond Payments included \$39,841.52 from the Water Fund, \$3,026,789.84 from the Water Sinking Fund, \$187,184.76 from the Wastewater Fund, and \$768,059.40.

***Motion carried, four ayes. Total refunds approved: \$4,021,875.52.***

## **CONSENT AGENDA**

Hall presented the following items recommended by staff for approval:

- a. Atlas Technical Consulting, LLC, \$5,220.00, Statistical analysis of Dillman Groundwater
- b. Omni Management, LLC, \$13,020.00, Maintenance and repairs on autoclave

**Consent Agenda approved as presented. Total approved: \$18,240.00**

## **REQUEST FOR APPROVAL OF 2020 INTERDEPARTMENTAL AGREEMENT BETWEEN THE CITY OF BLOOMINGTON CIVIL CITY AND THE CITY OF BLOOMINGTON UTILITIES DEPARTMENT**

Due to technical issues with his microphone, City of Bloomington - Deputy Controller - McMillian was unable to join the meeting. Havey suggested that CBU staff collect questions during the meeting and send them to McMillian after the meeting to receive answers. Parmenter clarified that the issue will be tabled for the next meeting and the Board will ask what questions they have and any answers that require a response from McMillian will be provided during the next meeting. Parmenter requested a brief synopsis of what the Interdepartmental Agreement (IA) included. Havey advised that Civil City provides support functions to CBU such as Human Resources, Risk Management, Legal, etc. and the Controller's Office assigns a percentage of each department's budget that is used to provide services for CBU. CBU in turn charges the Civil City for several services that it provides, such as handling the billing for Sanitation and providing 24-hour emergency phone service out of the Control Office. Sherman questioned if this is typically performed yearly. Havey advised yes. Sherman noted the dates of the two items on the agenda covered 2020 and 2021, and questioned why these are only just now coming to the Board. Havey advised that Civil City is just behind on completing them. Debro advised that there was high turnover in the office that handles this and it is just now getting caught up, and this was discussed in a previous meeting. Ehman questioned an aspect of the solar payment included in the IA, noting this quote from the minutes of the previous meeting, "Kelson advised that the contracts that paid for the panels were funded through a contract at City Hall and an Interdepartmental Agreement set CBU's payment based on its generating capacity over the whole City. For example, if the City creates 4MW and CBU creates 2.1MW, then CBU pays 2.1 divided by 4 of the whole contract." Ehman noted that this is a very understandable formula and at face value it seems fair, however, if you think about the number of systems the City has and the number of systems CBU has, then it is called into question. For example if one homeowner generates 1MW and another homeowner generates .5MW and the first homeowners solar system cost \$12,000.00, the second homeowners system is not going to cost \$6,000.00 dollars, but rather something closer to \$9,000.00 dollars because there are other associated cost for things like the inverter, hook up fees, and services charges. Given this example it calls into question what kind of deal CBU is getting in regards to the solar panels, but that is something that needs to be explored. Ehman noted that the charges for the Solar Panels for the 2020 and 2021 were the exact same, so either one number is estimated, or both are because solar conditions differ for each year. Ehman requested to know how this number was reached, and to see the data that was used to create the charges for solar panels on the IA. Ehman also

requested basic information about each of the city-wide solar systems that have been installed, including:

- 1.) How many panels are at each site?
- 2.) How much energy is being generated at each site?
- 3.) If the amount generated is unavailable, at least a projected output given the size of each site?

Ehman also requested a copy of the current agreement with the Civil City to determine how long this lease is in effect, and if it is meant to solely recoup the cost of the system, or if CBU is paying beyond that. Ehman noted that he is making these requests to determine if CBU is getting a fair deal under the current agreement. If one of the amounts presented for the solar charges comes from data, and the second charge is estimated based on that, Ehman would have no issue agreeing with the charges, since it was explained at the previous meeting that the City and Utilities are having issues with retrieving data regarding solar output. Parmenter noted in Section 8: Payments for Solar Panel Lease Costs states, "CBU shall pay a total of \$237,057 for costs incurred by Civil City's Solar Panel Lease for CBU, but questioned why the bond payments approved earlier in the meeting included \$230,000.00, and what is the relationship between the bond payments and the charges in the IA. Parmenter referred to a reference made in Section 2 regarding a 'payment schedule in Exhibit A'. Parmenter requested a copy of the Exhibit A document as it was not included in the meeting packet. Parmenter noted Exhibit B that was included in the packet and Havey advised that this sheet is a breakdown of what percentage of each department's budget was charged to CBU as an expense. Parmenter noted in Section 3, it states "the amount owed is based on the net asset value as determined by a recently completed inventory of CBU assets located within the City", and questioned if CBU has access to this inventory. Havey advised yes, it is available. Parmenter questioned if it was different from the appraisal. Havey advised yes, it is different. Parmenter requested a copy of it be made available prior to the following meeting as well. Ehman advised that ten years ago the USB looked over this inventory line by line, just to check to see that all of the assets being listed within the City were indeed within City limits. Ehman questioned if the report was in a similar format. Havey advised that CBU can make it into whatever format is needed. Parmenter noted in Section 5: Payments for Fleet Maintenance Costs, included \$513,199 for costs associated with upkeep of CBU vehicles. Parmenter questioned a charge from the Standard Invoices earlier in the meeting in the amount of \$50,062.83 for parts and repairs, which implies that this is being paid for maintenance. Havey explained that the amount included in the claims is an agreed upon charge based on a three year average of expenses that is paid monthly to Fleet Maintenance, and the rate is reevaluated every year. Parmenter questioned if the \$50,000 being paid in the claims approved during this meeting are included in the IA in some way. Havey advised yes, that amount is included. Parmenter requested clarification on what amount is still owed by CBU to Civil City at this time. Havey advised that everything on the list is owed, with the exception of Fleet Maintenance charges of around \$500,000.00 per year, and fuel charges that are handled through a separate agreement with the Controller's office. Debro requested clarification concerning what part of the \$52,000.00 that is paid monthly is included in the \$500,000.00 noted in the IA. Havey advised that \$52,000.00 is that amount, simply broken down into twelve payments. Parmenter noted that if Fleet Maintenance charges have already been paid monthly, then that line item should be excluded from the amount that is still owed to

Civil City. Havey confirmed yes, that charge is handled separately. Parmenter questioned if Civil City is still requesting funds for Fleet Maintenance. Havey advised no, the charges for Fleet Maintenance are handled monthly and separately from the rest of the charges for the IA that is billed annually. Ehman clarified that the current charge of \$50,000 per month comes out closer to \$600,000.00 per year, which is a slight increase from \$513,000.00 from two years ago. Havey confirmed. Parmenter questioned when will the USB handle the 2023 Interdepartmental Agreement. Havey noted that CBU will still need to address the 2022 Interdepartmental Agreement first. Parmenter noted that it is more important to get current and handle the 2022 retroactively as the 2020 and 2021 agreements are being handled now. Havey advised that CBU won't receive the Interdepartmental Agreement until the following year because it is always one year behind. Ehman noted that historically, Havey is correct, the IA has always been approved the following year. Ehman noted that he questioned a member of Council on how much time they allocate to CBU matters and the member estimated 5%. Ehman noted that his estimate was very close to the 7% listed in the IA, and questioned if Board member Sherman agreed with the 7%. Sherman advised that he believed 7% seemed high. Ehman noted that in terms of the rate schedule for the departments, the USB can consider the percentages and raise questions if the amounts seem inappropriate. Ex Officio Robinson noted on behalf of staff that in polling a single person in Council, you're only getting the perspective of one member and it may not account for the administrative support of that person, or the legal support.. Ehman agreed, that is something that has to be considered in the calculation. Ehman noted that these are negotiated percentages and the USB has the right to say the percentages are too high or too low, and in the past the Board has requested Civil City to review the IA and adjust percentages, and they have, and if USB members have questions about how the percentages were reached they should speak up. Havey advised that is why CBU attempted to have McMillian join the meeting, because he has more information about how the percentages are determined. Parmenter questioned in the IA summary, it lists under Human Resources (HR) that 30% is allocated to CBU; does that mean that 30% of City employees are CBU employees? Havey clarified that the percentage means that CBU is using 30% of HR budgeted hours. Parmenter noted that for HR, it would make more sense to break it down based on percentage of staffing and not by work hours. Havey advised that he is uncertain of the exact formula used to reach 30% but he could look into it. Sherman noted that 30% does seem high, but was uncertain what an appropriate percentage would be and would like more of an explanation. Ehman requested that a document be created and shared with a paragraph length explanation for each category list in the IA, or if that is too much of a burden, to have an explanation for at least the HR percentage. Sherman questioned if HR tracks tasks based on department and then charges it accordingly, or if the amount is a seat-of-the-pants estimate. Parmenter noted that if CBU doesn't have 30% of City employees and is taking up 30% of HR's time, it could be an indicator of a personnel issue at CBU, which is something that would need to be addressed. Ehman noted that he believes the percentage is based on more than conjecture, but given the amount that is owed is close to two million dollars, it makes sense to have a better understanding of how the percentage was reached. Parmenter proposed tabling the issue to a later meeting, pending the receipt of more information from the Controller's Office.

***Debro moved, and Sherman seconded the motion to table the Approval of the 2020 Interdepartmental Agreement. Motion carried, four ayes.***

**REQUEST FOR APPROVAL OF 2020 INTERDEPARTMENTAL AGREEMENT BETWEEN THE CITY OF BLOOMINGTON CIVIL CITY AND THE CITY OF BLOOMINGTON UTILITIES DEPARTMENT**

***Debro moved, and Sherman seconded the motion to table the Approval of the 2021 Interdepartmental Agreement. Motion carried, four ayes.***

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**SUBCOMMITTEE REPORTS:** None

**STAFF REPORTS:** None

**PETITIONS AND COMMUNICATIONS:** Parmenter noted a tour of the Monroe Water Treatment Plant was advertised on the radio and requested information about the event. CBU - Administrative Assistant to the Director - Frank advised that 23 participants had signed up for the event, but that was all the information available. Parmenter requested that if a similar event is organized in the future, to ensure that the USB is notified so that members can possibly attend.

**ADJOURNMENT:** Parmenter adjourned the meeting at 5:45 pm



\_\_\_\_\_  
Amanda Burnham, President



\_\_\_\_\_  
Date