

**UTILITIES SERVICE BOARD MEETING  
10/23/2023**

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**CALL TO ORDER**

Board President Burnham 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:** Amanda Burnham, Megan Parmenter, Jeff Ehman, Seth Debro, Jim Sherman, Kirk White, Ex Officio Scott Robinson

**Board members absent:** Molly Stewart, Ex Officio Jim Sims

**Staff present:** Vic Kelson, Matt Havey, Chris Wheeler, Kat Zaiger, Liz Carter, Caden Swanson, Matt Dabertin, Nolan Hendon, Dan Hudson, Kriste Lindberg, Jane Fleig, Phil Peden, Kevin White, Daniel Frank

**Guests present:** None

**PETITIONS AND COMMUNICATIONS:** None

**MINUTES**

*Parmenter moved, and Board member Debro seconded the motion to approve the minutes of the 10/9/2023 meeting. Motion carried, five ayes, one absent.*

*Parmenter moved, and Board member Debro seconded the motion to approve the minutes of the 10/19/2023 meeting. Motion carried, six ayes.*

**CLAIMS**

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

Vendor invoices included \$976,188.26 from the Water Fund, \$29,500.00 from the Water Construction Fund, \$327,054.52 from the Wastewater Fund, and \$42,168.23 from the Stormwater Fund.

*Motion carried, six ayes. Total claims approved: \$1,374,911.01.*

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

Invoices included \$110,194.72 from the Water Fund and \$25,734.64 from the Wastewater Fund.

*Motion carried, six ayes. Total claims approved: \$135,929.36.*

*Parmenter moved, and Debro seconded the motion to approve the Wire Transfers, Fees, and Payroll for \$428,398.61. Motion carried, six ayes.*

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

*Refunds:* Customer Refunds included \$2,729.43 from the Wastewater Fund.

*Motion carried, seven ayes. Total refunds approved: \$2,729.43.*

## **CONSENT AGENDA**

Kelson presented the following item recommended by staff for approval:

- a.) EQ Industrial Services, Inc., \$19,200.00, Emergency cleanup of a sodium hydroxide spill at Monroe Water Treatment Plant (MWTP)
- b.) EQ Industrial Services, Inc., \$6,162.00, Removal, transportation, and disposal of barrels of sodium hydroxide from a spill at MWTP
- c.) SET Environmental, Inc., \$17,253.01, Cleanup readiness for emergency spills
- d.) Bloomington Seal Coating and Paving, Inc., \$10,650.00, Seal coating and striping

**Consent Agenda was amended to address questions regarding items A., B., and C. Item D. was approved. Total approved: \$10,650.00**

Parmenter questioned details of the event referenced in Items A. and B. and what steps CBU was taking to ensure a similar incident did not occur. CBU Assistant Director - Environmental - Zaiger advised that the spill of sodium hydroxide occurred as the result of a mechanical failure. Since the incident, repairs have been made and no similar incidents have been reported. Parmenter questioned if CBU staff were safe during the incident and trained in the proper procedures, and why there was a year delay in the agreements coming to the Board. Zaiger advised that all staff were safe during the event because there is secondary containment for all hazardous chemicals, and the charges to EQ Industrial Services were for removal of those chemicals from the secondary containment. The reason for the delay stemmed from issues with the work performed by a subcontractor and the state that they left the plant upon completion. The contractor was forced to make multiple return trips to complete cleanup and attempted to charge CBU for those trips. It took some time to dispute the charges and eventually the company agreed to the negotiated charges CBU proposed. Parmenter questioned if this company would be considered again in a similar situation given the circumstances. Zaiger advised that given the resolution of the issues, considering them is not off the table. Item C. on the agenda is an on-call agreement to a company that provides similar services to those of EQ Industrial Services, Inc. and it will ensure that in a similar situation CBU will not have to have an emergency contract as it did in this situation. Board member White questioned if it was an equipment failure. Zaiger verified that it was a mechanical failure. White questioned if the equipment that failed was something that is inspected regularly, or something that is not inspected and just happens. CBU Director - Kelson advised that in this situation it was an interior issue that could not have been seen from the outside.

***Parmenter moved, and Debro seconded the motion to approve the agreement with EQ Industrial Services, Inc. for emergency cleanup. Motion carried, six ayes.***

***Parmenter moved, and Debro seconded the motion to approve the agreement with EQ Industrial Services, Inc. for removal, transportation, and disposal. Motion carried, six ayes.***

***Parmenter moved, and Debro seconded the motion to approve the agreement with SET Environmental, Inc. Motion carried, six ayes.***

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

**REQUEST APPROVAL OF 2021 INTERDEPARTMENTAL AGREEMENT BETWEEN THE CITY OF BLOOMINGTON CIVIL CITY AND THE CITY OF BLOOMINGTON UTILITIES DEPARTMENT**

City of Bloomington - Deputy Controller - McMillian presented the Interdepartmental Agreements for 2020 and 2021. McMillian started with the property taxes that would be paid by a private utility, based on asset lists that were supplied to the City by CBU, totaling \$731,000.00. Charges for General Services to the various departments of the City, including Clerk's Office, Common Council, Controller, Economic and Sustainable Developments, Fire, Human Resources, ITS, Legal, Mayor's Office, Planning and Transportation, Police, Public Works and Risk Management. Following that, the list of charges for service provided by CBU, including the 24/7 Control Office, and the Sanitation Billing Services, both of which provides a credit of around \$230,000.00 against the charges for services provided by the City. The total credits for services provided to the City equals \$1,565,000.00. McMillian noted that the Board was provided with a handout that outlined the services provided by each of the City departments, and with that outline the departments came up with an allocation in 2019 that estimated the percentage of their services that were dedicated to CBU. The numbers currently being reviewed are four years old and McMillian suggested that in 2024 these calculations should be reviewed as they typically are every five years. Ehman questioned why McMillian did not address comments that were submitted to him from the Board after the first meeting in which the Interdepartmental Agreements for 2020 and 2021 were discussed during the Board's June 20th meeting. Board members Ehman and Parmenter submitted questions to Board Liaison - Frank who submitted them to McMillian and the Board never received a response, so Ehman considers those unresolved. McMillian stated that he was uncertain if he received the questions. Havey advised that he would send the questions again. Ehman noted that he would expect a response back to the questions that were formally submitted before the Board takes action on this topic. Ehman noted that he appreciated the level of detail in the supporting documents for infrastructure and property and how all the information was coded. After reviewing the documents, there was a question about how the total was reached for the Lake Griffy charges. Specifically related to In/Out and 'No Value' status of specific assets in the spreadsheet. McMillian questioned the specific charge that this question was related to as Lake Griffy would fall under Parks and he was not aware of any charges to them. Ehman noted that there was a charge between \$2,200,000.00-\$2,400,000.00 for a line item for something to do with 'lake' or 'reservoir'. Ehman stated that the only thing that charge could be related to was Lake Griffy within the City limits. When filtering the CBU assets with the word 'Griffy', a large list of items appears which includes things from the plant that had been demolished, demolition cost, and a further list of items

related to the plant. On that list, items are coded 'I' or 'O' or 'No Value' and Ehman assumed that means either 'In' or 'Out' in regards to whether the asset should be included or not. When Ehman filtered both the 'O' and 'No Value' assets, the total he arrived at was closer to \$200,000.00 so he requested clarification from McMillian on how exactly the \$2,200,000.00-\$2,400,000.00 was arrived at. McMillian advised that the values are provided by CBU. Ehman noted that the answer can then be determined by CBU and discussed later if the item is not approved. Ehman questioned the Solar Contract Reimbursement line item from the Interdepartmental Agreement. Ehman noted that for both years the amount was the same. If the amount is arrived at based on total generating capacity for all of the different solar facilities within the portfolio that Bloomington has built and manages, and given that the Monroe Water Treatment Plant system was offline for a period of time, and one of the Dillman Wastewater Treatment Plant subsystems was offline and may still be offline, why is CBU being charged the same exact amount for both years. Is it because those facilities were not yet included in the charges, or CBU is not being charged for both of them being offline still. Ehman's fear is that CBU is being charged for one, or both during periods in which the solar systems were not functioning. Specifically, does the Controller's office consider, within this reimbursement cost, whether or not CBU's specific solar arrays have been online for the time period that CBU is being charged. McMillian was uncertain about the specifics of the Solar Agreement, though he believes the charge to be calculated based on the number of panels CBU has. McMillian offered to find out more regarding the solar panels and usage in 2020. Ehman stated that CBU gets charged based on the total generating capacity, which is not what was generated, but rather the theoretical capacity, so it would make sense if it was by panel if all panels are equal, though Ehman is not sure that they are. Ehman noted that the question remains if CBU was charged for the theoretical capacity of panels that were not yet online. Parmenter questioned how the percentages allocated to CBU for different City services were arrived at. Specifically, in the instance of Human Resources, how many employees total are in the City and, and does CBU account for 30% of that total. If CBU only accounts for 20% of the total number of City employees, but accounts for 30% of Human Resources workload, that could be something else the Board should look into. Parmenter also questioned if it would be possible to complete the Interdepartmental Agreement for 2024 before addressing the 2022 and 2023 Agreements in order to get current, and then work backwards to catch up the remaining two. Parmenter requested that going forward the Board would be addressing the current year's agreement with the same Board members who are voting on matters and are aware of what's going on. McMillian advised that in regards to the percentages question, each department head arrived at a percentage using surveys or other metrics including the number of employees, number of computers, amount of time or issues each department worked. The final percentages for HR would have been decided by Caroline Shaw who is no longer with the City HR. McMillian is unsure if the current HR staff would know what calculation Shaw used to arrive at that percentage. Parmenter noted that the HR percentage should simply be based on the percentage of City employees CBU accounts for. Burnham noted that on the 2021 Interdepartmental Agreement, it mentions charges for 2020, so the document will need to be updated. Also, on the fixed asset list of the accompanying spreadsheet there are reference links that are not functioning, so those formulas will need to be corrected before the Board goes forward. Burnham questioned McMillian regarding City of Bloomington Fleet Maintenance

(Fleet), specifically regarding times where CBU is paying out of pocket expenses for vehicle repair, while also paying fixed charges to the Fleet. McMillian advised that Public Works would have to provide information on why that is. Kelson advised that he would be happy to inquire with Fleet and Public Works for the answer. Kelson notes on occasion CBU vehicles get sent out to the dealers for things like oil changes because Fleet does not have the staff to perform the work, and when this occurs, CBU pays directly for the service. Havey also noted that Fleet does not perform body work, so in the instance of cosmetic repairs, those charges are also paid out of pocket. Burnham wished to echo Ehman and Parmenter's comments regarding how far behind the Interdepartmental Agreements approvals currently are, and wished to emphasize the importance of the process being caught up prior to the next Mayor taking office in January. Burnham also noted that CBU should have already handled the 2022 and 2023 agreements, and be working towards the 2024 agreement, and requisition an explanation for why the process has been delayed. Burnham questioned if any Board member would like to motion to approve either the 2020 or 2021 Interdepartmental Agreement. No motion was made. Burnham advised that the Board would wait to vote until their questions are answered. Kelson advised that the Board can move to continue both items at the following meeting on November 6th which would provide everyone the opportunity to dig into the questions posed during the meeting. Parmenter moved to continue both the 2020 and 2021 Interdepartmental Agreements to the November 6th meeting. Debro questioned if two weeks would provide enough time for all the questions to be answered. Burnham questioned if that would provide McMillian enough time. McMillian responded no. Burnham questioned what would be adequate time. McMillian advised that he would need to see the questions and go from there. Parmenter advised she would like to make a motion to continue this discussion on November 6th given that the USB has been working to address this item since June 19th.

***Parmenter moved, and Debro seconded the motion to continue the Interdepartmental Agreements for 2020 and 2021 during the November 6th meeting. Motion carried, six ayes.***

Parmenter questioned Kelson regarding emergency response to CBU property outside of City limits, specifically would the Bloomington Police Department (BPD) respond or would Monroe County Sheriff's Department. Kelson advised that BPD would respond regardless of where the issue occurs. Sherman noted that there is a lot to be upset about, first of which is the delay in the process. CBU is currently working to approve agreements for 2020 and 2021. Second, the questions that were submitted to McMillian on June 22nd and remain unanswered as of October 23rd. Third, CBU is being charged for all of these services and there should be a simple formula or algorithm for how these charges are assessed. With any agreement that CBU receives there should be an explanation for how that number was reached so that the Board can properly understand it, and until the Board has been provided with that, they can't in good conscience approve it. Burnham noted that the same thing happened in 2018 and 2019. Ehman noted even if the USB gets the 2020 and 2021 agreements approved, they are still two years behind, and it has been an ongoing issue since 2004. Kelson advised he will continue to push to get the Board's questions answered, along with the specific questions regarding Fleet. Burnham questioned if every department has to go through a similar process, or if this process is like this

because it is dealing with a separate utility. Kelson advised that yes, it is because it's a separate fund. This is a mechanism for normalizing the list of services that CBU provides to the City and the City provides to CBU. The other departments are in the general fund and it's just a part of the normal budget. Kelson asked Ex Officio Robinson if Planning gets an allocation of the HR time in their budget. Robinson advised not for other departments, though charges to Fleet are included, specifically for fuel and maintenance. Kelson advised that this process is specific to CBU and also noted that when he joined CBU in 2017, they were working to approve the agreement for 2014. The process is consistently delayed, though it is currently further behind than before, in part due to the pandemic. Kelson aims to get as many of these approved before the new mayoral administration as possible. Robinson noted that Planning hosts the Metropolitan Planning Organization and performs a similar activity against public transportation funds and there are direct and indirect costs, along with R formulas. Sometimes you see percentages that don't account for the indirect cost, so in Plannings case they have to artificially lower their indirect rate because there is not enough money in the federal budget to cover those costs. Examples like that could explain some of the discrepancies in the percentages that they see between departments. Burnham questioned if the percentages used were always the same. Havey advised that they are adjusted every five years. Ehman advised there have been small adjustments, but as discussed in June the Board should use their council knowledge and any other information available to make sure that CBU is being charged a fair rate. Burnham questioned if the percentages were set in 2019, if CBU is set with those percentages for five years. Havey advised yes. Ehman noted that the Board can propose changes to the percentages at any time given that this is an interlocal agreement. Burnham acknowledged that the Board can request a change, but noted that it would have to be approved by the City who will have the assumption that they'll be using the same percentage for 5 years, otherwise CBU will be asking them to recalculate each year. Ehman agreed, but noted that it is a simple correction to adjust the percentage if CBU does not feel it is being accurately charged.

**REQUEST APPROVAL FOR REPAIR OF BELT PRESS AT BLUCHER POOLE  
WASTEWATER TREATMENT PLANT WITH MITCHELL & STARK CONSTRUCTION  
COMPANY, INC**

CBU Capital Project Manager - Hudson presented the agreement and advised that CBU attempted to complete the work internally but the scope of work required a contractor. Mitchell & Stark was the only company to provide a bid for the project, and their bid amount is reasonable.

***Parmenter moved, and Debro seconded the motion to approve the agreement with Mitchell & Stark Construction Company, Inc. Motion carried, six ayes.***

**REQUEST APPROVAL OF RESOLUTION 2023-17 TO DESIGNATE SURPLUS PROPERTY  
FOR AUCTION**

CBU Assistant Director - Finance - Havey presented the resolution. Proposed auction items included: headphones, security camera components, a digital camera that requires a floppy disk, digital scanner, and desk organizer.

***Parmenter moved, and Debroy seconded the motion to approve Resolution 2023-17.  
Motion carried, six ayes.***

**REQUEST FOR APPROVAL OF RESOLUTION 2023-18 FOR BID ACCEPTANCE AND CONTRACT AWARD FOR WINSTON THOMAS WASTEWATER PLANT DEMOLITION PROJECT**

CBU Assistant Director - Engineering - Peden presented the resolution. Peden advised that the lowest responsible and responsive bidder was Crider & Crider. The total contract amount is \$1,989,710.00, but there was some discrepancy ahead of the bidding process involving possibly contaminated soil at the site that was placed there by another City department. CBU has since received the solid report from IDEM that deems this soil 'Native Soil' that can be placed anywhere. An allowance for the project of \$878,206.00 will be removed from the total base bid once the contract starts. The amount is not an Alternate, so CBU has to move ahead with the contract as it is and then correct the amount with a change order once the project begins. Burnham questioned if the amount of the contract would be lower when it is brought to the Board. Peden advised no, the price will have to be addressed after proceeding through the project. Ehman noted that the Engineer Estimate for the project was under \$800,000 and the contractor estimates were much more than expected, and that is something that should be considered when looking at future projects.

***Parmenter moved, and Debroy seconded the motion to approve Resolution 2023-18.  
Motion carried, six ayes.***

**REQUEST FOR APPROVAL OF RESOLUTION 2023-19 TO DESIGNATE SURPLUS PROPERTY AS WORTHLESS**

Peden presented the resolution, noting that 90% of the items listed are not CBU property, but assets from other departments. Those departments were contacted and have removed the surplus that was wanted, but there is still a variety of surplus items at the site that need to be removed. CBU has photos and a list of the items that no one wanted and they need to be removed for the demolition project to move forward. Ehman questioned if the Interdepartmental Agreement with the City for 2023 will have a line item for removal of these items from the Winston Thomas site, as this is likely not a negligible expense. Peden advised that the cost for the removal is unknown at this time. The CBU Transmission and Distribution (T&D) may handle the removal, or it may be handled using a change order in the contract with Crider & Crider. Within the contract documents, it is stated that these materials will be moved prior to the start of the project, but there's a possibility that some of the bricks may be used as fill material. Some contractors included the removal of the material in their bids because the items were on-site while they were putting their proposals together. Ehman stated that for the items that other City departments decided to not clean up, CBU should be compensated for the clean-up. Peden noted that Ehman's statement is a fair consideration and also noted that the soil being removed that was discussed earlier was also not placed onsite by CBU but another City department and CBU is paying the substantial cost for the removal of 17,000 CYDs of soil in the basin. Ehman noted that it was around \$8.00 per/CYD on the low end of the bids. Ex Officio Robinson noted that the Crider and Crider bid was actually \$24.00 per/CYD. Ehman advised that would bring the

cost for removal to roughly \$300,000.00. Burnham requested that CBU keep track of the total cost of the removal. Peden advised that it will definitely be quantified, but there is currently no resolution on how to charge those expenses back to the department that originally placed the soil there. Ehman stated there should be a line item charge on the Interdepartmental Agreement that covers the expense. Peden noted that he will also be attending the Board of Public Works for approval of a similar resolution.

***Parmenter moved, and Debro seconded the motion to approve Resolution 2023-19. Motion carried, six ayes.***

### **REQUEST APPROVAL OF CHANGE ORDER NO.2 FOR FULLERTON PIKE PHASE III WATER MAIN RELOCATION PROJECT**

CBU Utilities Engineer - Fleig presented the change order. Fleig advised this will be the second and final change order and will close out the project. This was a unit price contract and there were some items that went over, but others that were under. The silt fence amount was under, along with fewer joint restraints. There was an addition of an extra water service that was believed to come off of a side street but came off of Fullerton Pike. There was also a deduct for sidewalks that did not need to be replaced for this project. This change order adds \$5,880.00 to the contract bringing the final contract amount to \$443,680.00

***Parmenter moved, and Debro seconded the motion to approve Change Order No.2 with Reed & Sons Construction Company, Inc. Motion carried, six ayes.***

### **REQUEST APPROVAL OF CONTRACT WITH PERFORMANCE PIPELINING, INC. FOR SERVICES RELATED TO THE SOUTHEAST SEWER BASIN LINING PROJECT**

CBU Capital Project Coordinator - White presented the agreement with Performance Pipelining, Inc.

***Parmenter moved, and Debro seconded the motion to approve the contract with Performance Pipelining, Inc. Motion carried, six ayes.***

**OLD BUSINESS:** None

### **NEW BUSINESS:**

Kelson noted that CBU has discussed the appraisals with City members and there is interest in arriving at what everyone considers to be a fair and agreed upon transfer amount for the existing CBU Service Center building. Burnham questioned if there is a push to an agreement in place for the transfer of the building before the end of the year. Kelson clarified that there is a push to determine an agreed upon value for the property based on the two appraisals by the end of the year. CBU is currently doing the design work with the hopes of determining the final transfer amount by the end of the year.

**SUBCOMMITTEE REPORTS:**



Finance Subcommittee Chair - Parmenter advised that Kelson provided an update on the Sewer and Stormwater Bond process that touched on three topics. First, it was requested that the Finance Subcommittee reconvene on November 6th for an additional meeting in which staff will consider the size and total number of current projects, as well as how bonds will address future needs due to the rising costs of projected items. Environmental Subcommittee Chair - Ehman reported that CBU Municipal Separate Storm Sewer System (MS4) Coordinator - Carter presented a summary of the Stormwater Management Ordinance referred to as Title 13. The USB received an updated draft of the ordinance on October 20th and it was decided that after that briefing and questions that were answered and discussed, the subcommittee would like to make recommendations to the full board for approval. Robinson advised that it was conveyed to staff that the Board would not be approving Title 13 until the November 6th meeting, and Robinson questioned if that was discussed during the subcommittee meeting. Ehman advised that it was not impressed on the Board that there was a reason to delay a vote but if there is a reason Ehman requested that Robinson provide it. Robinson advised that at the previous Board meeting, he expressed concerns that had not been addressed in the most recent draft. Ehman noted that the concerns were from a Planning Department perspective, which CBU has an interest in aligning with, and Ehman sees no reason that a vote could not be delayed. Robinson noted that the messaging he had received from Carter was that staff would be provided extra time to provide comments ahead of the November 6th meeting, and questioned if that messaging was correct. Kelson advised that CBU's stance was that it was up to the Board to decide if Title 13 was ready to be approved, and if there are things that should be further considered then the Board should continue the topic to the November 6th meeting. Burnham agreed and questioned if Robinson had received the latest draft that was sent out on October 20th. Robinson confirmed and noted that his concerns had not been addressed and staff was advised that they would be provided until October 31st to submit comments for the November 6th meeting. Ehman noted that the subcommittee made that recommendation without a clear understanding of the scope of review that was still in process and deferred to Burnham to make a decision regarding the matter. Burnham noted CBU has time to continue the review, and in the interest of making sure that the ordinance that is being created does not conflict with City Planning, the Board should wait until the November 6th to vote.

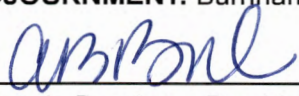
#### **STAFF REPORTS:**

Kelson noted the following:

- CBU is beginning the process of submitting for new positions to advertise. Realistically, for positions that begin at the start of the year, if CBU doesn't advertise them in November there is a slim chance that the position will be filled in a reasonable timeframe in January.
- The new Assistant Superintendents at Dillman Road Wastewater Plant and Blucher Poole Wastewater Plant have started working in their new roles and are performing well.

**PETITIONS AND COMMUNICATIONS:** None

**ADJOURNMENT:** Burnham adjourned the meeting at 6:03 pm

 11-06-23  
Amanda Burnham, President

11-06-23  
Date