

UTILITIES SERVICE BOARD MEETING
8/12/2024

Utilities Service Board meetings are available at CATSTV.net.

CALL TO ORDER

Board President Parmenter 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, Amanda Burnham, Jim Sherman, Seth Debro, Jeff Ehman, Matt Flaherty, Molly Stewart

Board members absent: David Hittle

Staff present: Matt Havey, Kat Zaiger, Mark Menefee, James Hall, Chris Wheeler, Dan Hudson, Phil Peden, Hector Ortiz Sanchez, Justin Meschter, Kevin White, Jane Fleig, Nancy Axsom, Daniel Frank

Guests present: Terry Phelps, Mike Carmin, Tracy Fox, Steve Smith

PETITIONS AND COMMUNICATIONS: Terry Phelps - Resident at 3328 Woodhaven Rd. advised that there is a lift adjacent to his property. On July 9th of 2003, his basement flooded with six inches of sewer water as the result of a power outage that disabled the lift station. Phelps advised that he was unaware at the time that another lift station had been added in a development in an adjacent neighborhood that pumps into the Woodhaven lift station. The two lift stations are on separate power grids, and while the Woodhaven station lost power, the station in the adjacent development did not and after the Woodhaven lift station was filled, waste was pushed back into his home. Phelps advised that the repair cost that his insurance covered were roughly \$30,000.00. Phelps noted that the same issue has happened on several occasions since the event in 2003, but damage was prevented by removal of waste from a downstairs shower before it could overflow. Phelps provided a letter from the Indiana State Health Department shortly after the 2003 event. Phelps questioned if there could be an overflow installed at the lift station that would divert the overflow to the nearest ditch. Board President Parmenter advised no. Phelps questioned why his basement was acceptable for overflow. CBU Interim Director - Zaiger advised that CBU has no intention of diverting waste to the basement. Phelps accepted that it is not intentional, but reiterated that it is occurring and advised that during the 2003 event it also flooded the basements of several other neighboring homes. Phelps noted that during the most recent storm in June that his family spent four hours removing waste and emptying it into a sinkhole on his property. Phelps suggested an overflow be installed on the lift station or a generator because it took the CBU Vac Truck approximately four hours to arrive after the last storm. Phelps also acknowledged that he could not sell the home without notifying any potential buyers about the issue. Board member White questioned when the last time the issue occurred. Phelps advised during the most recent storm in late June. White questioned if this only occurs during power outages. Phelps confirmed. White clarified that the waste fills the lift station wet well and then exits the sewer system through the next low point which is in Phelps basement. Phelps confirmed. Board member Burnham noted that the letter predates

many on the board and questioned what the CBU response was at the time the letter was received. Phelps advised there was no response, noting that then Director Murphy visited the home during the initial clean-up, but never followed up with him afterwards despite attempts to reach him. Burnham questioned if this was the first time staff has heard about the issue. CBU Assistant Director - Engineering - advised that Phelps reached out earlier in the week requesting to attend the USB meeting and advised staff of the issue. Peden advised that CBU is looking at the lift station control system in the wet well to ensure they are meeting specifications. Peden noted that in the past when CBU has encountered this type of issue, CBU has provided a backflow preventer and questioned if Phelps had one installed. Phelps advised that no one had offered that. Peden explained that a backflow preventer would limit the flow of wastewater back into the customers lateral. Phelps questioned who would install the device. Peden advised that in the past CBU has provided the fixture and the homeowner has covered the cost of installation since it is installed on a private system. Phelps questioned why he should cover the expense of installation. Peden advised that it would be installed on the private system, separate from the CBU owned main line. Phelps questioned why it couldn't be installed on the main line. Peden advised that backflow preventers would inhibit the flow in the main line. Phelps questioned if neighboring homes would also be forced to pay for the installation of the backflow preventers and noted that he believes CBU should cover the cost. Phelps also noted that ensuring the lift station control systems are operating correctly does nothing when the power goes out. Parmenter questioned if there is a generator at the Woodhaven lift station. Peden advised no, but noted that most have a plug-in for quick connection of a generator, and the long term goal is to have mobile generators to connect to each of the lift stations in the event of an outage. Phelps questioned if there would be enough generators for every lift station in town. Peden noted that there are several options for either generators to be connected or for pump trucks to empty the wet wells. Phelps noted that both options still present a risk of flooding his home with waste if the response time is too long. Sherman noted that the situation is unacceptable and that the CBU should do something to cover the expense of resolving the issue as quickly as possible. Board member Ehman advised that the board should consider the policies that are currently in place regarding situations such as this, and if CBU is in the practice of providing a backflow preventer, then CBU should. Ehman noted that if the board needs to examine the policies then it should, but this issue has just come to the board and is being responded to as best it can, and suggested at least a few days to release a policy position of what CBU has done historically. If after that time there is a need to reexamine the policy, then the board should do that, but for now the board should adhere to the current rules. Phelps noted that he is not asking for a resolution this evening, but noted that perhaps CBU should reimburse his insurance company for the initial flooding, adding that CBU installing the backflow preventer would be cheaper than that type of reimbursement. Ehman noted that while he has no authority to pay for that type of reimbursement, he agreed with the logic. White noted that the board is exploring the issue of generator capacity throughout CBU and noted that during a catastrophic event like was seen in June, it is difficult to provide power to all of the CBU assets that need it. White advised the Board is planning a Property & Planning Subcommittee meeting to look at the generator and power prospective, adding that this a big picture issue that was identified and this is a smaller part of the issue and it needs to be fixed. Phelps noted that if he installs a backflow preventer in his system, it will simply force the wastewater to the next property along the main. Stewart

questioned if Phelps was correct. Peden advised that yes, if the wastewater reaches the hydraulic grade line, it will keep rising in the pipe until it finds a point to release. Too much Inflow & Infiltration in the sanitary sewer leads to these types of overflows. Stewart questioned if adding backflow preventers to all the houses along that sewer main, how many homes would be included. Phelps advised that it likely would not include many houses in that neighborhood because houses across the road are 8' to 10' higher in elevation. Peden advised that it could be determined using the elevation of the floor and the hydraulic grade line to determine which properties it would affect. Burnham questioned if since the event in 2005, had there been any other events prior to the most recent. Phelps advised many other smaller events had occurred throughout the years. Burnham questioned if there was any communication with CBU regarding the issue. Phelps advised no, other than contacting CBU to request a Vac-Truck come to empty the wet well at the station. Phelps advised that he is reluctant to travel because the issue poses an ongoing risk of flooding his home. Burnham suggested that Phelps coming to the meeting be the start of a conversation with staff and Phelps to work towards a solution to this issue, and if necessary, to bring the solution back to the USB. Zaiger agreed and noted that the backflow preventer may be a short-term solution to the issue and CBU Engineering should explore the long term solution to this problem at the lift station. Ehman noted that it would also be helpful to know the extent of this issue throughout Bloomington, specifically how many lift stations are affected and by extension how many customers are affected by similar issues so that the policy is backed by proper funding and staffing to take care of what needs to be done regarding this issue. Stewart requested an estimated cost for the installation of a backflow preventer. Zaiger questioned if the estimate was for CBU to complete the work. Stewart advised an estimate for both CBU and private installation would be helpful. White noted that the larger issue is prolonged power outages that are occurring more frequently and addressing this issue at the lift stations should be prioritized. Stewart apologized for the lack of response from CBU by the earlier administration.

APPEAL OF DENIAL OF SEWER CONNECTION

Attorney representing the petitioner - Carmin discussed the complexities surrounding the issue of sewer extensions and voluntary annexation. Carmin expressed doubts about the effectiveness of waivers of protest, given recent court decisions, and suggests that they may hold little value in the future. Carmin highlighted the challenges of voluntary annexation, particularly the frequent issue of properties not meeting the 1/8 contiguous boundary requirement. To address this, Carmin proposed an alternative solution: instead of relying solely on waivers, a covenant could be crafted and recorded in the deed, obligating future property owners to petition for voluntary annexation when their property becomes eligible. This covenant would be permanent, unlike waivers, and would ensure that over time, as more properties become eligible, the city could systematically implement annexations. Carmin believes this approach could be more beneficial and reliable for the city in managing future annexations. Fox, - Leader at Westside Community Church - explained the church's request for a sewer connection. Fox advised that over four years ago, the church began searching for a permanent location, exploring various properties with the help of engineer Steve Smith. After considering over 30 options, they purchased a 28-acre property from Trinity Church on Enright Road for \$1 million. The church has been actively fundraising for the project and is now ready to move

forward with building plans, which have been developed and are awaiting approval. However, the church's progress is currently stalled due to the need for a sewer connection, which is crucial for obtaining the necessary approvals and beginning construction. Fox emphasized that the church is committed to building on this property, with or without the sewer connection, and voices appreciation for the board's consideration of their request. Smith - representing Westside Community Church - detailed their appeal against the denial of a sewer connection, emphasizing the unique circumstances that justify the appeal. He recounts the church's process, beginning in the spring of 2020, when they identified a site for their new building and began exploring the possibility of securing a sewer connection. At the time, the rules regarding sewer extensions were unclear, and Smith, recently retired, sought clarity from various city officials. Smith advised that he consulted John Zody, who indicated that approvals were generally being granted for adjacent properties. This led Smith to believe their project might qualify since their property was adjacent to Trinity Church, which was already connected to the sewer. Next, he spoke with Alex Crowley, who confirmed that non-residential projects like theirs typically did not face issues in securing sewer connections. Smith approached Vic Kelson at CBU, who responded to Smith's detailed email inquiry by stating that annexation would not delay the project. Although Smith did not receive a formal "will serve" letter at that time—since such letters were not standard practice then—he interpreted Kelson's response as an informal approval for sewer service. Based on these communications, the church moved forward, purchasing the land, fundraising, hiring architects and engineers, and developing detailed plans. However, in 2024, the city's sewer connection policy changed, introducing new scrutiny and criteria that the church's project no longer met. This policy shift, implemented after the church had already made significant investments, effectively disqualified their project from receiving the necessary sewer connection. Smith noted that the policy change occurred after the church had been operating under the assumption that their sewer connection was secure, a belief based on the guidance received in 2020. Smith acknowledged that while the church could technically install a septic system, he argued this is not a viable solution for the long term, neither for the church nor the community. Smith emphasized that their situation is unusual and that the appeal process is designed to address such unique cases. Smith requested that the board overrule the denial and allow the church to proceed with connecting to the sewer, as originally planned. He expresses his willingness to answer any questions and reiterates the church's commitment to following through with their plans in the most responsible way possible. Burnham questioned if the denial letter came from the Mayor's office or CBU. Smith advised that the letter was sent by CBU, but he believes it reaches the Mayor's office internally, but was unsure. Wheeler confirmed that a letter was issued by the Utilities Department, after being vetted by the Corporation Counsel and the Deputy Mayor, which communicated the denial. The decision was made after consulting with Kat Zaiger and Nancy Axsom, and upon reviewing an email from Kelson. Wheeler noted that when policies change, there is consideration for grandfathering certain cases. In 2024, under the new administration, it was decided that any project with an existing "will serve" letter would still be allowed to connect to the sewer. However, in this particular case, it was determined that no formal "will serve" letter was ever issued to Westside Community Church. While Kelson's email mentioned that annexation would not delay the project, it did not constitute a formal "will serve" letter. The email indicated that further steps were required, including obtaining engineering approval, which the church had not completed.

Therefore, the city concluded that the church did not meet the criteria to connect to the sewer under the new policy, leading to the denial of their request. Smith explained that he did not follow through on the will serve letter because he interpreted the email as approval and stopped. Stewart questioned if Smith followed up with engineering as was explained in the email. Smith stated that no, because he had received similar letters he read it to mean he needed to work out the engineering details, and Smith assumed he already knew the details because a similar project had recently been completed in the area. Stewart clarified that the email stated that Smith needed to work with CBU engineering to get approval. Smith stated that engineering determines how it is done, not if it is done, or at least that was his understanding. Smith acknowledged that he did not follow all the necessary procedures but argued that the church had made a good faith effort. Former CBU Director - Kelson explained that the concept of a "will serve" letter was well-established at CBU even before he joined in 2016. These letters are typically required for various projects, particularly those outside city limits, to confirm that the project will be allowed access to sewer services. However, the director does not issue these letters; they come from the engineering group, which assesses the feasibility of providing the necessary sewer infrastructure. Between 2020 and 2024, CBU's approach to new development outside the city evolved. During this period, the policy was to deny sewer connections or extensions for projects that would increase population density, such as residential subdivisions or apartment buildings. However, commercial, institutional, and industrial projects were not subject to these restrictions. When Mr. Smith reached out to Kelson in 2022, Kelson's response was based on the understanding that the church's project was a commercial property. He advised Smith that annexation would not be an obstacle and recommended consulting the engineering department for further steps. Kelson clarified that his email was not a "will serve" letter but merely a statement that annexation policies at the time would not impact the project. He assumed the project had proceeded and was surprised to learn otherwise. White questioned if the petitioner had gone to engineering and requested the connection if it would have been approved. Kelson advised that approval would be subject to the results of the technical review of the project and he would be unable to speak to that since he was uncertain of the details. Sherman questioned if the technical review could be completed now. Kelson advised that it is his understanding that the connection would not be approved because of current policy, but that a technical review could likely be completed. Sherman noted that he would be open to having the technical review completed to see if the project would be eligible for connection from a technical standpoint. White questioned if the property was contiguous to the city. Smith advised that it is not, though the property sits adjacent to Trinity Church which is contiguous. White noted that before the property was split when they purchased the property, the property was contiguous. Peden advised that there would be some challenges to connecting the property, but it would be possible. Burnham questioned if the USB had the authority to overturn the denial, or if larger considerations need to be taken into account. Wheeler advised that the current policy outlined in Section 24 of the city's rules and regulations prohibits properties outside the city limits that cannot voluntarily annex from connecting to the sewer system. There is an exception where the director may exercise discretion to allow a connection, but this was more relevant when waivers had legal significance. Recent court decisions have rendered these waivers nearly worthless, prompting the need for policy revisions.

The administration's current stance is clear: no sewer connections are allowed unless a will serve letter was previously issued. In this specific case, no such letter was provided. If the board were to allow this property to connect despite the lack of a will serve letter, it could open the floodgates for other requests, creating a complex and politically sensitive situation. Many in the county resist annexation, complicating matters further. While Mr. Carman's proposal has merit, it requires careful consideration and consultation with Corporation Counsel and the Mayor's Office before any decisions can be made. Given the current administrative policy, staff and the legal department recommend denying the appeal for connection. Ehman questioned if the issue could be tabled and provide Wheeler a chance to confer with the Corporation Council and allow CBU to perform further review of the engineering aspects regarding connection, but was uncertain of the time limit on a response to the appeal from the USB. Wheeler suggested that those requesting the appeal could waive the time limit to allow further investigation to the engineering and legal aspects of the appeal. Stewart noted that the appeal seems like a request for special treatment because necessary follow-up needed to obtain the will-serve letter was not completed and that she supported denying the appeal. Sherman noted that Smith brought this to the USB based on specific circumstances that many who might want to request for connection do not have, citing communications with three separate city directors, and if the follow-up had been completed it would have likely been approved because the project is feasible. Sherman noted that he supported the approval of the appeal because he believed they acted in good faith. Burnham noted that there is ample communications that show that were it not for the ongoing annexation litigation, the project would have been approved and questioned if the USB should table the issue or put it to a vote. Parmenter suggested that it's a yes or no vote because the appellant needs to move forward with the project. Based on the documentation that was reviewed, Parmenter noted that she was in support of approving the appeal based on the special circumstances and agreed with the reading that Smith interpreted from the email sent by Kelson, also noting Smith's long history of development in the community and good faith efforts to adhere to the requirements for connection. Stewart questioned if the 'Will Serve' letter was a new requirement. Parmenter also questioned what had changed from '22 to '24. Wheeler advised that the only change was that the mayor's office and Corporation Council removed the approval caveat for commercial properties that existed before. Because of the current status of litigation regarding annexation, the Office of the Mayor has decided that nothing will be connected with the exception of properties that were already issued a 'will serve' letter. Wheeler reiterated that 'will serve' letters are not a new requirement and have been in use since at least 2016. Parmenter questioned how customers were notified of the change in policy. Stewart questioned why Smith had not followed through on the process to receive the 'will serve' letter if he had completed other projects and should have been aware of the process. Smith stated that the 'will serve' originally came from the Monroe County Planning office that required builders to have 'will serve' letters from each of the utilities. The 'will serve' letter historically could be requested towards the end of the project without issue and that changed in the spring. Stewart noted that two years seemed excessive to not follow up on the email from Kelson. Smith advised that he didn't follow up prior because he didn't anticipate a policy change that would prioritize the 'will serve' letter. Ex Officio Flaherty discussed how local government policies, particularly those related to zoning and development, can affect property owners and how new administrations might influence these policies and noted that constituents are not always aware

changes have been made. Flaherty noted the need for thorough understanding and information before the board substitutes its judgment for that of the directors, particularly concerning the extension of sewer services. He also discussed the complexities and uncertainties around using covenants instead of waivers for voluntary annexation, noting potential constitutional challenges and expressing caution about relying on such mechanisms given possible state actions. Wheeler advised that the current situation is not simply a yes or no vote on the connection request. The director did not exercise discretion or evaluate all relevant factors, A through F outlined in Section 24, but denied the request based on the absence of a valid petition for voluntary annexation and new administrative policies on connections. Wheeler suggested that if the board grants the appeal, it should direct the director to use their discretion to assess whether the connection should be approved. He also questioned the board's authority to unilaterally approve the connection and advised that any board member involved in related litigation should consider abstaining from the vote due to a potential conflict of interest. Stewart questioned why the engineering review process was delayed for two years given that the answer could have been no. Smith advised that a similar project that was recently completed next to the site was completed without issue and the sanitary sewer connection would be completed in the same manner. Ehman requested Wheeler speak to the need for council to discuss the deed covenant alternative before the USB decides on the appeal and questioned if that discussion could be completed in conjunction with the director's discretionary review of the connection request. Wheeler advised that the consideration and discretionary handling are covered in section 24 with regards to the things that the director should consider in determining and exercising that discretion. Wheeler noted that the sort of a legal document that would be binding on the property would be a type of consideration, given that the party that's seeking the connection was willing to sign that kind of a deed could be considered by the director in exercising his or her discretion. Ehman questioned the time frame for the director's decision. Wheeler advised that there was no time requirement to exercise discretion regarding connection and noted that if the USB denied the appeal, the Church could request the director consider the connection using their discretion to evaluate the situation. White noted the option to table the matter would give council an opportunity to explore the covenant option which could be a good opportunity to move forward from a policy standpoint. Carmin noted that if there is a deadline for the USB decision, the church would waive that to table the issue to the next meeting to provide further opportunity to explore options. Sherman noted that the USB has been stringent in regard to matters of policy, but noted that his case was brought to the USB because of unique circumstances, and based on the case presented by the petitioners the USB should make a decision.

Board member Sherman moved, and Board member White seconded the motion to approve the Petitioners Request for Appeal. The motion received a roll-call vote: Stewart - no, Ehman - no, Burnham - yes, Parmenter - abstained, Debro - no, White - yes, Sherman - yes. The motion failed.

Smith questioned why Parmenter abstained from voting. Parmenter noted that she abstained from voting based on prior participation in the litigation related to annexation and acknowledged a potential conflict pertaining to this issue, noting that she has opposed the policy since it was

adopted in August of 2022. Parmenter noted that if the vote was to allow the CBU Interim director to review the petition, that she should be allowed to review it, and acknowledge that the motion didn't carry, but as board President she requested that it be reviewed. Ehman noted that the initial suggestion along with White, was to table the issue. Ehman questioned the possibility of making another motion to revisit this topic at the following meeting, and requested that council investigate the validity and impacts of the deed covenant solution that was proposed earlier, that would be useful information for further discussion of this and similar issues going forward. Ehman also noted that staff investigating the engineering feasibility of the project was a discretionary request he would like to make. White questioned if the appeal could be submitted again. Wheeler advised no, but acknowledged that a separate motion could be made requesting that the director consider the six factors listed under Section 24 and make a decision based upon those discretionary factors. Ehman suggested a motion to consider the project based on those six criteria, and noted CBU could use discretion to begin the engineering analysis to determine the viability of sewer connection to the project, but noted that element was not part of the motion. Wheeler noted that the motion should be worded as a denial of the appeal and for the director to consider the discretionary factors in Section 24. Parmenter noted that she did not believe Jeff suggested a denial of the appeal. Debro clarified that the appeal had already been denied based on the prior vote. Wheeler stated that the USB moved to approve the appeal and that failed, but there hadn't been a motion to deny the appeal. Smith noted that he would be happy with a continuance to the following week. Ehman advised that there is no motion needed for that action and it would allow time for the board to gain more insight into the issue ahead of final action at the following meeting. Flaherty clarified that the appeal already failed based on the earlier vote, but noted that anyone on the prevailing side could make a motion to bring this topic back at a subsequent meeting. Wheeler confirmed.

Ehman motioned, and Board Vice President Debro seconded the motion for the CBU Director to consider the six criteria outlined in Section 24. Motion carried, seven ayes

White noted again the need for Wheeler to look into the validity of the deed covenant proposal that Carmin suggested as a means of allowing CBU the opportunity to exercise more discretion regarding sewer connections of this kind, while fulfilling the long-term goal of aligning sewer and water service with annexation.

MINUTES

Sherman moved, and Board Vice President Debro seconded the motion to approve the minutes of the 7/29/2024. Motion carried, seven ayes

CLAIMS

Standard Invoice Questions

Burnham questioned the charge for the South Central Community Action Program for administrative fees. Havey advised that this is the customer support services that CBU uses and they handle all the administrative work for vetting incomes to ensure they meet the requirements. White questioned the charge for \$484,000.00 for the Winston Thomas Demolition and requested a reminder on the scope of the work being completed. Peden advised that the

Winston Thomas Demolition was a \$1.9 million project with an alternate deduct of \$800,000.00 that CBU did not accept, so the project cost will be roughly \$1.1 million. Peden advises that there is still roughly \$400,000.00 left on the contract after one of the change orders. The project is proceeding as planned. All the buildings were removed on the south end of the property except for one, the large concrete basin has been removed and backfilled, and a large amount of surplus materials were removed from the site. White questioned if this was the last invoice. Peden advised there will be one last \$400,000.00 invoice before the project is completed. Ehman questioned if the piles of potentially contaminated soil were ever an issue. Peden advised that the soil was tested and found to not be an issue and used as fill material once the basin was removed.

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

Vendor invoices included \$185,657.20 from the Water Fund, \$127,621.79 from the Water Construction Fund, \$873,270.03 from the Wastewater Fund, \$17,810.99 from the Stormwater Fund.

Motion carried, seven ayes. Total claims approved: \$1,204,360.01.

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

Invoices included \$10,747.70 from the Water Fund and \$29,997.18 from the Wastewater Fund.

Motion carried, seven ayes. Total claims approved: \$40,744.88.

Debroy moved, and White seconded the motion to approve the Wire Transfers, Fees, and Payroll for \$569,638.12. Motion carried, seven ayes.

Customer Refund Questions

Burnham questioned the refund for Core SVA Bloomington Walnut. Havey advised that the company mistakenly paid the connection cost twice and this is the refund. Parmenter clarified that the charge was close to \$80,000.00. Havey confirmed

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

Refunds: Customer Refunds included \$1,273.65 from the Water Fund, \$3,250.00 from the Wastewater Fund

Motion carried, seven ayes. Total refunds approved: \$83,755.58.

CONSENT AGENDA

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

- a. Williams Tree Company, LLC, \$4,500.00, Tree removal at Dillman Plant
- b. B.L. Anderson Company, Inc., \$3,520.00, Annual flow meter calibration at Monroe Plant
- c. Heflin Industries, Inc. \$2,146.00, Repair of two backflow devices for Monroe Plant
- d. Accredited Safety Solutions, Inc., \$4,500.00, Rigging safety training

- e. Harrell-Fish, Inc., \$3,590.00, Installation of expansion tank in boiler room at Service Center

Consent agenda was approved as presented. Total approved: \$18,256.00

REQUEST APPROVAL OF CHANGE ORDER NO.1 WITH E&B PAVING, LLC FOR ARLINGTON RD. TO STONELAKE DR. WATER MAIN RELOCATION

CBU - Utilities Engineer - Fleig presented Change Order No.1 with E&B Paving LLC for the Arlington Road to Stone Lake Drive water main relocation project. Fleig stated that this change order results in a cost reduction, allowing the project to save \$78,866. The contract, initially based on unit prices, was adjusted to reflect the actual quantities used, leading to the reduced final payment amount of \$192,800.

Sherman moved, and Debro seconded the motion to approve Change Order No.1 with E&B Paving, LLC. Motion carried, seven ayes.

REQUEST APPROVAL OF CHANGE ORDER NO.1 WITH MILESTONE CONTRACTORS, LP FOR CLEAR CREEK CULVERT RECONSTRUCTION FROM DUNN ST. TO INDIANA AVE.

Fleig presented Change Order No.1 with Milestone Contractors, LP related to the Final Phase of the Clear Creek project. Fleig advised that the project encountered unforeseen requirements due to historic conditions, leading to additional work such as reusing existing limestone from the arch, headwall, and creek beds. The limestone was carefully set aside, milled as veneer, and will be reinstalled on the new headwall, resulting in a cost increase of \$272,900. Additionally, the project has been expedited to open one lane of traffic by August 29th, adding \$144,500 to the cost. The total change order amount is \$281,200, with \$136,400 of the \$150,000 contingency being used, which will be reimbursed by Indiana University (IU) as the project extends onto their property. IU will share the cost of \$272,900 since the project also improves the alignment and hydraulic efficiency near Franklin Hall. The change order also adds 84 days to the project timeline. Burnham expressed frustration over the rising costs associated with the federally mandated preservation of a historic culvert as part of the Clear Creek project. The culvert preservation has now reached a total cost of \$431,000, with \$50,000 already spent on the consultant. Burnham noted that without the historic designation, the project could have proceeded more smoothly and cost-effectively. Fleig noted that this phase of the project encountered unique challenges because this section of the culvert was visible to the public, unlike previous phases where similar limestone arches were removed without issue. Burnham acknowledged the importance of the project for the city's infrastructure and commended staff, IU, and the city for their perseverance despite numerous setbacks. Fleig advised that a press release about the situation is being prepared and will be issued soon. Burnham apologizes for the delays affecting the community and emphasized CBU's commitment to completing the project correctly.

Sherman moved, and Debro seconded the motion to approve Change Order No.1 with Milestone Contractors, L.P. Motion carried, seven ayes.

REQUEST APPROVAL OF 2025 BUDGET RECOMMENDATION

Zaiger presented the 2025 Budget highlighting the following:

Mission and Vision for the 2025 Utilities Budget:

- **Mission Statement:** The utilities department reaffirmed its mission to provide safe, sustainable, and high-quality water, wastewater, and stormwater services. This is central to promoting public health, economic vitality, and environmental stewardship in the community.
- **Vision:** The department aims to continue its role as a leader in environmental stewardship, customer service, and infrastructure management, emphasizing long-term sustainability and resiliency.

Staff and Divisions:

- The utilities department comprises 199 employees spread across six divisions, including Water, Wastewater, Stormwater, Engineering, Finance, and Administration. Each division plays a critical role in achieving the department's overall mission.

Achievements from the Previous Year:

- **Customer Assistance Programs:** The department awarded nearly \$10,000 in customer assistance to help residents with utility bills. This program is expected to expand in the coming year.
- **Stormwater Grants:** \$46,000 was contributed to the residential stormwater grant program, aiding in local efforts to manage stormwater and reduce flooding.
- **Lake Monroe Initiatives:** Significant funding was directed towards the Lake Monroe Water Fund and the Friends of Lake Monroe, emphasizing the department's commitment to protecting local water resources.
- **Infrastructure Improvements:**
 - **Miller Showers Dredging:** The department successfully dredged Miller Showers, removing 20 years' worth of sediment accumulation. This project was crucial for maintaining water quality and storage capacity.
 - **Clear Creek Culvert Reconstruction:** This 25-year project is nearing completion, marking a significant milestone in improving stormwater management and flood prevention in the area.

Challenges Faced:

- **Supply Chain Issues:** The department faced significant challenges with supply chain disruptions, leading to longer lead times for materials and a notable increase in prices for essential goods.

- **Leadership Transition:** A change in department leadership led to a reassessment and reprioritization of certain goals and initiatives, causing some delays in project timelines.
- **Financial Challenges:**
 - **Rate Case:** The department anticipates the need for a new rate case in 2025 due to rising operating expenses and increased costs for capital projects. The last rate increase occurred in 2021, and the current rates no longer cover the department's needs.

Goals for 2025:

- **Customer Assistance Program:** The department plans to expand its customer assistance program, making it more accessible to those in need. Efforts will focus on reducing barriers to access and improving the effectiveness of financial assistance.
- **Nonprofit Contributions:** Continued contributions to local nonprofits, particularly those focused on protecting water resources like Lake Monroe, will remain a priority.
- **Infrastructure Upgrades:**
 - **Water Infrastructure:** Critical upgrades are planned for water distribution and treatment facilities to ensure continued reliability and quality.
 - **Wastewater Services:** Enhancements in wastewater services will include upgrading equipment at treatment plants to meet new regulatory standards and improve operational efficiency.
 - **Stormwater Infrastructure:** The department will continue efforts to enhance stormwater infrastructure, particularly in increasing resilience to large storm events. This includes conducting a thorough inventory and assessment of existing infrastructure to identify areas needing improvement.

2025 Budget Breakdown:

- **Personnel Costs:** The budget accounts for salary increases and benefits adjustments, including implementing a compensation study to ensure competitive pay for staff.
- **Supplies and Chemicals:** Significant increases in the budget are allocated for supplies, particularly chemicals essential for water treatment, due to rising prices and higher usage.
- **Maintenance and Repairs:** The budget reflects trends in maintenance and repair costs, with funds allocated to ensure the ongoing reliability of utility services.
- **Capital Projects:** The budget includes provisions for major capital projects, including infrastructure upgrades, stormwater management improvements, and the completion of the Clear Creek Culvert reconstruction.

Customer Assistance and Financial Outreach:

- The department plans to allocate additional funds to its customer assistance program, aiming to help more residents facing financial difficulties with their utility bills. The

program will also undergo a review to identify and address any barriers that prevent eligible residents from accessing aid.

Conclusion and Commitment:

- The department closed the meeting by emphasizing its commitment to delivering high-quality services while being responsive to the community's needs and challenges. The budget for 2025 reflects a balance between maintaining essential services and investing in future sustainability.

Burnham questioned the logic of the ordering of the goals. Zaiger clarified that the goals are not ordered by priority or chronological order and were adapted from the previous budget memo that was formatted as categories, i.e. Community Contributions, Water Works, Sewer Works, Stormwater, and that grouping carried over to this draft. Burnham noted the need to prioritize goals on the list for clarity. Burnham clarified that the CBU budget operates on a calendar year and not a fiscal year. Zaiger confirmed. Burnham noted the absence of expenses for the proposed new service center, whether for future expenditures or for costs already approved by the USB. Havey advised that there are still funds set aside for completion of the design if the project moves ahead, but the cost for the construction of the building would come from a separate bond. Burnham clarified that moving forward with the project is not a goal for the 2025 budget. Zaiger advised that realistically looking at the Water Rate case, CBU would not be able to take action on the project until late 2025 and more likely not until the 2026 budget. Burnham questioned if CBU expected any expenses for the project in 2025. Havey advised that the completion of design might be one expense if the project is moved forward but some of the money for that would carry over from the 2024 budget. Pamenter noted that there should be some mention of the proposed new service center project earlier in the presentation, along with prioritization of the goals. Burnham noted that a significant amount of time and money has been invested in the project so it should be mentioned in some way so that the mayor is aware of the topic. White noted the need for flexibility in the capital project budget to account for contingencies and improvements related to larger storm resiliency. Zaiger advised that those expenses would be captured in the Operations and Maintenance budget. Ehman noted the sewer relief project with the upgraded 54" sewer main from Rogers to Dillman and questioned if it was related to the Summit project where Summit would contribute \$5,000,000.00 of the \$25,000,000.00 or if this was a separate project. Peden advised that this is part of the project to increase sewer size and eliminate SSO's and allow for future development in the area. Summit would be the initial developer, but future developers who join the project will contribute similarly to the project. Peden clarified that the project is \$45,000,000.00 and Summit's contribution will be \$5,000,000.00. Peden noted that the \$18,000,000.00 noted in the budget is for Phase One of the project. Ehman clarified that Phase One is \$18,000,000.00 of the overall \$45,000,000.00 for the expansion. Peden confirmed. Ehman questioned if the Phase Two would extend the project to the west. Peden advised that Phase Two would consist of pump upgrades at the Dillman Wastewater Plant. Ehman questioned the two RFQ's, one for systemwide assessment of stormwater infrastructure and another for the Clear Creek bioretention, and questioned if a

specific location had already been determined. Zaiger noted that the language was left intentionally vague to encourage whoever wins the RFQ to explore multiple locations. Ehman clarified that it is a Request for Qualifications. Ehman questioned if one of the regional detention basins is the south down Sheridan project. Zaiger confirmed. Parmenter questioned when the budget presentation with Council was scheduled. Zaiger advised that the memo is due to Council on August 19th and the budget presentation is scheduled for August 22nd. Ehman recommended reformatting the goals as well to make prioritization more clear and recommend approval with that revision. Wheeler advised that the USB is simply voting to approve the numbers in the budget, the presentation format could be altered to address the USB's concerns without issue. Burnham added that some mention of the proposed service center should be added to the presentation. Stewart questioned if the service center could be added as a goal even if no dollars are assigned to it in the budget. Burnham noted that awareness should be raised that the new service center offers benefits to customer service, better protection of CBU equipment and assets, and improved staff cohesion and safety. Flaherty noted that the format was altered this year and noted that in past budget presentations time was spent addressing goals from the previous year's budget, and questioned if that would still be a part of this year's budget presentations to Council, and questioned if that would be an appropriate time to discuss the new service center. Flaherty also noted he would commit to mentioning it for the benefit of the community and Council. Zaiger noted that the new memo template is geared towards facing forward and does not address previous goals. Zaiger noted that the Opportunities and Successes section of the presentation would offer an opportunity to discuss the topic. Burnham noted that the public should be made aware that CBU has spent significant resources on the project, and that it is currently on hold until more information is available. Ehman noted the Winston Thomas rehabilitation, site plan, new flood boundary are all successes that can be highlighted related to the project, while also advising that the project will be put on hold while addressing larger goals. Parmenter emphasized the importance of having mention of the project in text somewhere in the presentation.

Sherman moved, and Burnham seconded the motion to approve the 2025 Budget Recommendation with Board recommended changes. Motion carried, seven ayes.

OLD BUSINESS: None

NEW BUSINESS: None

SUBCOMMITTEE REPORTS: None

STAFF REPORTS:

Zaiger provided the following staff updates:

New staff members:

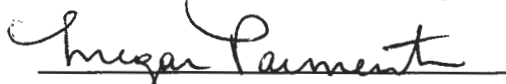
- René Abram - Communications Operator
- Drew Hayes - Utilities Specialist I

New certifications:

- Jason Padgett - Wastewater Plant Operator I
- Cassandra Allen - Asst. Superintendent Monroe - WT5

PETITIONS AND COMMUNICATIONS: None

ADJOURNMENT: Parmenter adjourned the meeting at 7:44 pm


Megan Parmenter, President

8/26/24
Date