

UTILITIES SERVICE BOARD MEETING
5/19/2025

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CALL TO ORDER

Board President Debro called the regular meeting of the Utilities Service Board to order at 5:03 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, Amanda Burnham, Kirk White, Jim Sherman, Seth Debro, Jeff Ehman, Molly Stewart, David Hittle

Board members absent: Matt Flaherty

Staff present: Kat Zaiger, Matt Havey, James Hall, Phil Peden, Hector Ortiz Sanchez, Chris Wheeler, Dan Hudson, Kelsey Thetonia, Daniel Frank

Guests present: None

PETITIONS AND COMMUNICATIONS: None

MINUTES

Board Vice President White moved, and Board member Sherman seconded the motion to approve the minutes of the 5/5/2025. Motion carried, seven ayes.

CLAIMS

Standard Invoices Questions

Board member Burnham questioned the charges for 'Homeschool Spanish Academy' on page four of the invoices. CBU Assistant Director - Finance - Havey advised that several customer service representatives will be completing classes to help learn Spanish. Burnham questioned charges for K&S Rolloff, Inc. for streetsweeping roll-off services. Havey advised that K&S Rolloff provides a dumpster that streetsweeping waste is collected in and they periodically haul away the waste and leave behind an empty dumpster. Burnham questioned the charges for Pitney Bowes, Inc. to refill 'Pitney Bowes Reserve Account'. Havey advised that the charges related to the postage machine, and are usually billed monthly.

White moved, and Board member Sherman seconded the motion to approve the Standard Invoices:

Invoices included \$198,123.66 from the Water Fund, \$11,023.95 from the Water Construction Fund, \$173,123.00 from the Wastewater Fund, \$440,358.64 from Wastewater Construction Fund, and \$39,188.76 from the Stormwater Fund.

Motion carried - seven ayes. Total claims approved: \$861,818.01.

Utility Bills Questions

Board member Ehman noted that the charges for Duke Energy were rolled into one total number and questioned if that was a new practice. Havey advised yes, CBU will be summarizing the charges going forward, but the breakdown will be available if requested. White

noted that the charges to Duke all appeared to be applied to the Water account. Havey confirmed that the charges had been split, but the cover page used in the packet was incorrect .

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

Invoices included \$232,682.59 from the Water Fund, \$38,348.93 from the Wastewater Fund, and \$925.57 from the Stormwater Fund.

Motion carried - seven ayes. Total claims approved: \$271,957.09.

White moved, and Sherman seconded the motion to approve the Wire Transfers, Fees, and Payroll for \$522,657.60. Motion carried - seven ayes.

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

Refunds: Customer Refunds included \$82.03 from the Water Fund and \$8,028.32 from the Wastewater Fund.

Motion carried - seven ayes. Total refunds approved: \$8,110.35

CONSENT AGENDA

Zaiger presented the following items recommended by staff for approval:

- a. Springfield Electric Supply Co., \$6,792.72, Emergency variable frequency drive work at Dillman Waste Plant
- b. Springfield Electric Supply Co., \$4,258.10, Variable frequency drive programming at Dillman Waste Plant
- c. Ditto Ice, Inc., \$6,000.00, Ice stock in the garage
- d. Deckard Land Surveying, LLC., \$4,500.00, Stormwater pollution prevention plan for Winston Thomas property

Consent Agenda items were approved as presented. Total approved: \$21,550.82

REQUEST APPROVAL OF AMENDMENT NO.1 TO AGREEMENT WITH DONOHUE & ASSOCIATES, INC.

CBU Utilities Engineer - Fleig presented the amendment, noting that it is related to concrete spalling in the roof of the culvert in the section located at Dunn and Kirkwood. It appears that someone attempted to drill through the culvert and damaged some of the concrete and rebar. The amendment provides for the consultant to visit the culvert and update plans and specs for the repair prior to putting the work out for bid. White noted that some drilling occurred downtown related to the bollards that were installed on Kirkwood. Fleig advised that this issue was not related to that work, as the damage was noted prior to that work being completed.

White moved, Sherman seconded to approve Amendment No.1 with Donohue & Associates. Motion carried - seven ayes.

REQUEST APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BLOOMINGTON UTILITIES AND CORE BLOOMINGTON LINCOLN, LLC FOR CONTRIBUTIONS TO FLOW CAPACITY IMPROVEMENTS OF DOWNSTREAM SANITARY SEWER UTILITIES

CBU Assistant Director - Engineering - Peden presented the MOU and advised that it is related to the Hub 2 development project, which follows the earlier Hub 1 located at the old hotel site on North Walnut. Hub 2 involves the development of approximately five acres for higher-density apartment complexes. Following the completion of the north and south sewer models, a study by Commonwealth Engineering identified limited capacity areas in the sewer system and proposed improvements to interceptor sewers. To fund these improvements, a Memorandum of Understanding (MOU) system has been set up, requiring developers to contribute financially once they reach a certain usage threshold. Peden clarified that the memo mistakenly listed the total project cost of \$3.32 million, while the actual developer's contribution is \$57,892.35. Future developers will also contribute their share as they initiate projects. White questioned when the sewer improvement project would begin. Peden advised that a timeline is not available, noting that the project will be included in the Capital Improvement Projects (CIP) list for the upcoming Sewer Rate Case. White questioned if the funds received for this MOU would be set aside until that project begins. Peden advised that the funds will be tracked so the CBU is aware that they are linked to that project when the time comes. Ehman noted that he was under the impression that CBU could not set aside funds for capital projects. Peden advised that CBU has done so with other projects using MOU's similar to this one. Ehman suggested that it is allowed because the project was already clearly defined. Peden advised that the project is defined through the tech memo provided by Commonwealth and then as soon as CBU can move forward with the project, the funds allocated in the MOU will go towards that project. Ehman questioned hypothetically if it would be possible for CBU to define some other project, such as upgrades to the Monroe Water Treatment Plant that would need to be completed in ten years, and CBU could start setting aside ratepayer funds to be assigned to that project, or would that scenario be something that CBU is not permitted to do. Peden advised that this would be a legal question that would have to be explored. Ehman noted that throughout the years he had always been told that CBU was unable to save money for future projects, and it seemed like a strange constraint that was possibly imposed by the Indiana Utilities Regulatory Commission (IURC). Peden noted that CBU is governed by the IURC related to water projects, but this project is related to sewer. Peden added that MOU's similar to this one have never been used for water projects. Sherman suggested that this MOU is also not imposing cost on the ratepayer either, since the expense will be paid by the developer. Ehman noted that CBU completed the south study and will be completing a \$25 million dollar project that Summit will be contributing \$5 million towards instead of \$59,000, so it's a much different scale of development. Peden confirmed, noting that it is a \$45 million dollar improvement project for Dillman and they'll be contributing over a million gallons per day. Ehman questioned if CBU is moving ahead with the project ahead of the reimbursement. Peden advised that CBU has nearly completed the engineering design for the project, but the construction component will also need to wait until the next Sewer Rate Case. Ehman noted that it is being completed under the same program, just a different scale, and different basin. Peden confirmed. Parmenter noted that the developer is paying their portion of this improvement now, but future developers may not pay their share

for many years, and questioned if the cost adjusted accordingly to account for increase in project cost over time. Peden advised in the draft version of the Summit development MOU an amount was set per year that it would increase, so that as each phase develops, the estimate from 2024 is adjusted based on the Construction Price Increase (CPI) index. Parmenter questioned if this was the second project. Peden clarified that this is the first project since CBU has completed the study of the North Basin. Ehman noted that the overall project will be \$3.32 million dollars and that a number of developers will contribute to this project over time, and questioned if the sum total contribution to Stormwater won't hit some threshold until all the capacity is used by future developments, and then CBU will complete the project. Peden clarified that CBU will move ahead with the project once it has been funded through the rate case and then CBU will be refunded a percentage based on the capacity being used by future developers. Parmenter questioned if CBU has had any similar expansions that have been completed and closed out. Peden advised there are no similar examples as this is a new approach to expansion. Parmenter noted that the \$3.32 million being budgeted for the project will take time for CBU to recoup and questioned if it would mean deferring other projects that would potentially serve more people. Ehman noted that before, all ratepayers paid for similar projects, but with this approach, the developers who directly benefit from capacity improvements that are needed for their projects are the ones paying for the work. CBU Director - Zaiger noted that in the past, individual developers would be stuck with the cost of capacity improvements, but now CBU looks at the entire cost of the project and assigns a percentage of that cost as developers build to disperse the project cost more equitably. Parmenter questioned if all ratepayers will be paying for the initial improvements. Zaiger confirmed. Peden acknowledged that in the past, one developer would pay for the entire expansion into an area, and future developers would simply hook into that project later. Ehman noted that prior to this model, there were several large developments on North Dunn that paid nothing to connect. Peden added that CBU feels the new model is fair because it is based on the capacity that the developer will be adding to the system.

White moved, Sherman seconded to approve the MOU with Core Bloomington Lincoln, LLC. Motion carried - seven ayes.

REQUEST APPROVAL OF AMENDMENT NO.2 TO AGREEMENT WITH COMMONWEALTH ENGINEERS, INC. FOR LIFT STATION IMPROVEMENTS

CBU Capital Projects Manager - White presented the amendment, noting the second amendment to the design contract for the lift station improvement project, increased the contract by \$114,000 for a new not-to-exceed total of \$667,170. The additional funds became available due to cost savings from a guaranteed savings contract related to this project, as the contractor performed efficiently and met project timelines. White advised that rather than returning the surplus funds, CBU will reinvest them into the improvement of additional lift stations. The amended design contract will cover design, permitting, and construction phase services for the additional life stations.

White moved, Sherman seconded to approve Amendment No.2 with Commonwealth Engineers, Inc. Motion carried - seven ayes.

REQUEST APPROVAL OF AMENDMENT NO.1 TO AGREEMENT WITH SET ENVIRONMENTAL, INC.

Assistant Director - Environmental - Thetonia presented the amendment and advised that the contract is related to the ongoing cleanup in the fluoride room at the Monroe Plant. The amendment is for \$1,125.97 bringing the new not to exceed amount to \$37,122.08.

White moved, Sherman seconded to approve Amendment No.1 with SET Environmental, Inc. Motion carried - seven ayes.

OLD BUSINESS: None

NEW BUSINESS: None

SUBCOMMITTEE REPORT:

White reported that the Property and Planning Subcommittee received a report from Bear Forestry. The firm had been commissioned to conduct an inventory of the standing forest on properties owned by City of Bloomington Utilities around Griffy Lake and Lake Lemon. The report provided a comprehensive assessment of the total value of the standing timber on those properties and offered insight into how this value could affect the overall property value, particularly if CBU ever considered selling the land. White noted that the subcommittee was pleased with the report and viewed the engagement with Bear Forestry as a valuable partnership for future planning. White described the report as a worthwhile investment of time and a useful resource for ongoing discussions. Burnham questioned what the next steps would be, specifically outlining two options, either sell the properties or keep them. White added the third option would be timber harvesting as a subset of keeping the property. Burnham agreed, adding yet another option of harvesting timber and then selling the property. Burnham questioned if there was anything else the USB needed to consider at this time, or if this was back in the hands of CBU staff. Zaiger advised that the next step would be determining the remaining non-timber value of the property to help inform the decision on keeping or selling the property. White questioned if CBU has an asset list that outlines the value of the properties, and if it takes into account the added value of the timber. Havey advised that CBU does have this property on an asset list, but the value of the timber is not currently included. Ehman questioned if the asset list considers the value of the property with respect to potential development. Havey advised no, those assets are listed with the original purchased amount and depreciated year over year, so they likely have a zero dollar value listed. Ehman clarified that the asset list does not take potential sales value into account. Havey confirmed. White noted that Griffy Lake and Lake Lemon are no longer used by CBU, and that reports CBU has received over the years have shown that both are not viable as alternative water sources for CBU, and questioned why CBU continues ownership. The property no longer serves the purpose that it was originally purchased for, and while there are other reasons such as recreation or other kinds of public benefit, there are also associated costs of maintaining the property and this should not fall to ratepayers since those are outside CBU's mission. Ehman noted that there are numerous other properties throughout that area that should also be considered. White agreed and noted that no water, wastewater, or stormwater purpose can be imagined for many of these properties, and questioned if it is in CBU's best interest to maintain them. White questioned if the Office of the Mayor would be able to attend another Property and Planning Subcommittee to potentially discuss the Griffy Lake and Lake Lemon properties. Zaiger advised that CBU can request they attend a future meeting. Ehman suggested a meeting with the Lake Lemon Conservancy be arranged as well. Zaiger confirmed. Burnham noted that if Parks and Recreation wants to hold on to a portion of Griffy Lake for hiking and trails, that should be facilitated by them, since those activities fall outside the scope of CBU's mission. White agreed, noting that keeping these properties could be seen as CBU not fulfilling its duty to its ratepayers. Burnham agreed.

STAFF REPORTS:

Zaiger presented the following:

- Daniel Frank - Professional Administrative Certification of Excellence (PACE) - offered by the American Society of Administrative Professionals

PETITIONS AND COMMUNICATIONS: None

ADJOURNMENT: Debro adjourned the meeting at 5:46 pm

Seth Debro, President

Date