

UTILITIES SERVICE BOARD MEETING

8/19/2019

Utilities Service Board meetings are recorded electronically and are available during regular business hours in the office of the Director of Utilities.

Board President Roberts called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Service Center 600 East Miller Drive, Bloomington, Indiana.

Board members present: Julie Roberts, Sam Frank, Jeff Ehman, Jean Capler

CBU Staff present: Vic Kelson, Laura Pettit, Holly McLaughlin, Tom Axsom, Liberty Flora, James Hall, Mike Hicks, Brandon Prince, Nolan Hendon, Phil Peden, Chris Wheeler, Kelsey Thetonia, Missy Waldon, Jane Fleig

MINUTES

Board member Frank moved and board member Capler seconded the motion to approve the minutes of the August 5th meeting. Motion carried, 4 ayes. (5 members absent: Sherman, Banach, Burnham, Porter, Sims).

CLAIMS

Frank moved and Capler seconded the motion to approve the standard claims as follows:

Vendor invoices submitted included \$155,303.63 from the Water Utility, \$860,678.56 from the Wastewater Utility, \$201,264.78 from Water Sinking, and \$1,233.43 from the Stormwater Utility. Total Claims approved: **\$1,218,480.40**

Motion carried, 4 ayes.

Frank moved and Capler seconded the motion to approve the utility claims as follows:

Utility invoices submitted included \$107,602.61 from the Water Utility, \$75,806.58 from the Wastewater Utility, and \$0.00 from the Stormwater Utility. Total Claims approved: **\$183,409.19**

Motion carried, 4 ayes.

Frank moved and Capler seconded the motion to approve the wire transfers, fees, and payroll for July in the amount of \$449,514.54.

Motion carried, 4 ayes.

Frank moved and Capler seconded the motion to approve customer refunds as follows: Refunds submitted included \$0.13 from the Water Utility, \$1,712.82 from the

Wastewater Utility, \$0.00 from the Stormwater Utility, and \$0.00 from Sanitation. Total Claims approved: **\$1,712.95**

Motion carried, 4 ayes.

APPROVAL OF CONSENT AGENDA

Superintendent Kelson presented three items recommended by staff for approval:

- Monroe Owen Appraisals - **\$19,800** - Easement Acquisition for Jordan Culvert Project
- Donahue & Associates - **\$8,600** - Calculations for Anaerobic Digester Loading at Dillman WWTP
- Heritage Crystal Clean - **\$7,690** - Removal of Transformers from Monroe WTP

As these items weren't removed from consent agenda by the Board, agreements approved.

Motion carried, 4 ayes.

REQUEST FOR APPROVAL OF AGREEMENT WITH BRUCE WILDS SECURITY

Frank moved and Capler seconded the motion to approve the agreement

Motion carried, 4 ayes.

Asst. Director - Env. Programs Hall presented an agreement with Bruce Wilds Security to continue security agreement at Griffy WTP. This agreement includes security presence until the end of the year in hopes that demolition will be completed by that time. Board member Ehman mentioned the typical invoice for this service is approximately \$10,000 for a two-week period. Ehman asked why the cost to provide service is higher than \$80,000 or \$90,000 given that there are only 8 or 9 two-week periods remaining in 2019. Hall explained that the last contract was set up in a similar way: 24 hours per day, 7 days per week, for an extended period of time; however, the company charged CBU each time the company's employees were asked to turn on the lights. This contract covers the services provided in July as well. T&D is typically responsible for turning the lights on, but these employees would have been "on-call." No one is currently required to turn on the lights. The lights were rented from McCalister. The only cost savings associated with not having to turn on the lights is on the energy bill. **Total dollar amount of contract: \$126,732.00**

REQUEST FOR APPROVAL OF AGREEMENT WITH DONAHUE & ASSOCIATES

Frank moved and Capler seconded the motion to approve the agreement

Motion carried, 4 ayes.

Capital Projects Engineer Hicks presented a contract to the board that will result in the preparation and design of plans to replace the UV Disinfection System at Blucher Poole WWTP. Blucher Poole is required, by permit, to operate a disinfection system from April 1 until October 31 each year. The current disinfection system was installed in 1995. In 2015, the USB received a letter from the manufacturer suggesting they would only provide parts for this system until 2020. Donahue was selected to complete the design, bidding, construction services. The preliminary estimate of the cost to replace the UV system is \$1,200,000.

Total dollar amount of contract: \$188,000

REQUEST FOR APPROVAL OF AGREEMENT WITH BUILDING ASSOCIATES

Frank moved and Capler seconded the motion to approve the agreement

Motion carried, 4 ayes.

Hicks presented the contract with Building Associates to replace 11 roofs in total at the three plants: Monroe WTP, Blucher Poole WWTP, and Dillman Rd WWTP.

Total dollar amount of contract: \$440,600

REQUEST FOR APPROVAL OF 2020 BUDGET

The Finance Subcommittee recommended to approve the budget

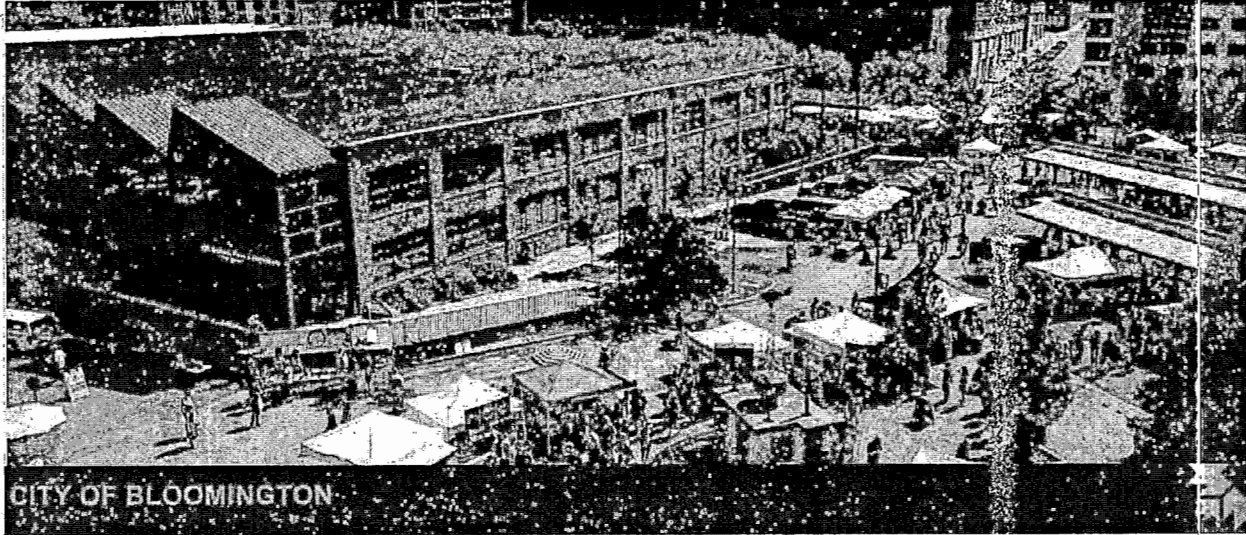
Motion carried, 4 ayes.

Kelson presented the proposed CBU 2020 budget, which was completed thanks to a collaborative effort amongst divisions. This year, the budget was evaluated in terms of Effective Utility Management (EUM), which is a strategy to holistically and proactively plan for the future of water utilities. The 10 attributes of EUM can be used as reference points to address issues and reach goals simultaneously. There are 6 initiatives Kelson mentioned to meet future goals: increased capacity for wastewater treatment, drinking water quality improvements, advanced metering infrastructure, water main replacements, improvements to the stormwater system, and process modernization. Together, these initiatives, EUM attributes, and goals have allowed CBU to effectively and efficiently prioritize projects.

One board member noted the importance of informing residents about opportunities, such as the customer assistance programs. Another board member discussed the importance of being able to communicate our goals to external stakeholders so they understand what CBU strives for; the number one attribute is product quality. The slides are as follows:

Utilities

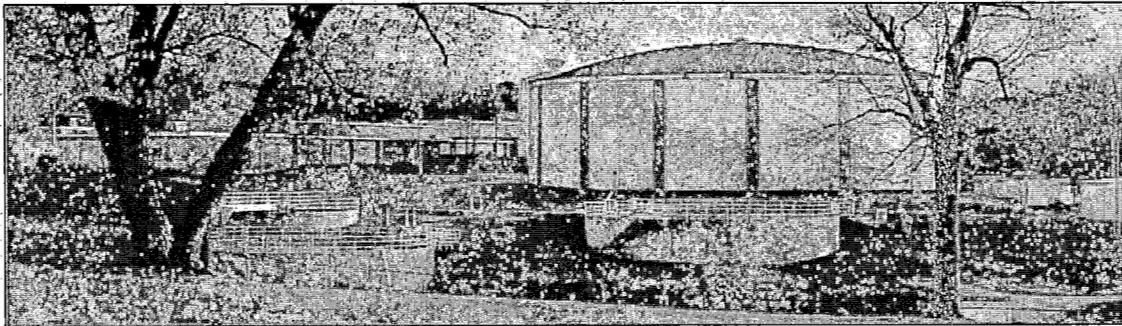
Budget Presentation FY 2020



CITY OF BLOOMINGTON

Why We Exist

The City of Bloomington Utilities exists to provide safe and sustainable water, wastewater, and stormwater services in an economical manner, promoting prosperity and quality of life in our community.



CITY OF BLOOMINGTON

Background

- At this time, CBU has 164 full-time and 19 hourly employees
- CBU operates as 6 interconnected Divisions
- Major initiatives include:
 - Improving water quality
 - Implementing the smart-meter program
 - Replacing water mains
 - Reinvigorating CBU's stormwater program
 - Modernizing CBU's internal processes

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2019 Budget Goals Update

Personnel Safety and Training

✓ Completed > In Progress

- ✓ Form an Incident Review Committee by July 1 to investigate Accident Reports
- ✓ Assemble a safety and training library (books, written materials, presentations) by September 1 with both physical and electronic resources so staff can check out topics of interest
- > Review the personnel training budget (1.5% of total budget) on a quarterly basis to ensure the funds are properly spent.
- > Personnel Safety and Training: Dedicate 1 hour per week to safety training and planning for all plant and T&D staff
- > Ensure that every CBU work team (15 total) has at least 1 person who is CPR-certified



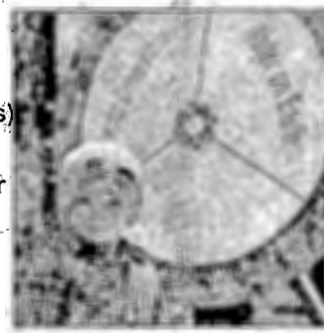
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2019 Budget Goals Update

Energy and Conservation

✓ Completed > In Progress

- ✓ Hire an intern by June 1 to work on data gathering and analysis efforts of the Water Fund Team
- Reduce CBU electricity consumption by 2% (587,890 kilowatt hours) in 2019 as compared to 2018
- Generate over 12% of electricity consumed by CBU on site by solar panels
- Develop a standardized K-12 water conservation curriculum by Q4 for CBU to implement in local schools



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2019 Budget Goals Update

Finance

✓ Completed > In Progress

- ✓ Implement first stormwater rate increase by July 1
- Complete cost-of-service study for wastewater collection and treatment by September 1 for 2020 implementation
- Begin a cost-of-service study for the water utility in Q3, to be completed in 2020.
- Implement training program on advanced metering initiative (AMI) for accounting, customer service, billings and collections staff in Q1
- Install at least 90% of advanced metering initiative (AMI) meters
- Conduct an organizational assessment for all of CBU by June 30, assigning positions in meter services that will be affected by the advanced metering initiative (AMI) to maintenance positions.



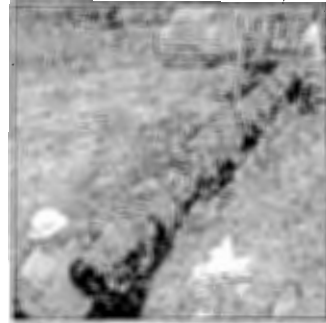
CITY OF BLOOMINGTON

2019 Budget Goals Update

Water Works

✓ Completed > In Progress

- Maintain disinfection byproduct 12-month running average concentrations TTHM below 50 ppb and HAA5 below 40 ppb
- Conduct analysis of algaecide vs ultrasonic for algae control in basin by July 1 and install preferred method by Q4
- Water Distribution and Quality: Eliminate the hydrant meter rental program by Q4 to reduce the potential for backflow incidents
- Water Distribution and Quality: Complete 2.5 miles of 420 miles of water main replacement



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2019 Budget Goals Update

Sewer Works

✓ Completed > In Progress

- Complete design phase of Dillman Road WWTP equipment update, process modernization and capacity expansion
- Implement Phosphorus Removal at the Blucher Poole WWTP by the end of Q3
- Upgrade aeration diffusers at the Blucher Poole WWTP
- Reduce chronic sanitary sewer overflows (SSOs) in CBU service area by 50% in 2019 as compared to 2018
- Construct lift station and force main to support the eastside IU Health facility, including rerouting the Tamarron lift station and expanding the Northern Interceptor by Q4
- Line 2.5 miles of sewer to reduce operational costs at the plants and improve the department's ability to manage wet weather



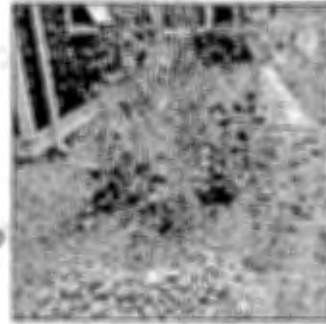
CITY OF BLOOMINGTON

2019 Budget Goals Update

Stormwater Utility

✓ Completed > In Progress

- ✓ Establish a dedicated Municipal Separate Storm Sewer System (MS4) Coordinator position within the Environmental Division by January 1 to enhance and improve stormwater management and education programs
- ✓ Develop program procedures of neighborhood grant program by June 1 to increase CBU's responsiveness to neighborhood stormwater efforts
- ✓ Advertise neighborhood grant program to the community by July 1 to increase CBU's responsiveness to neighborhood stormwater efforts

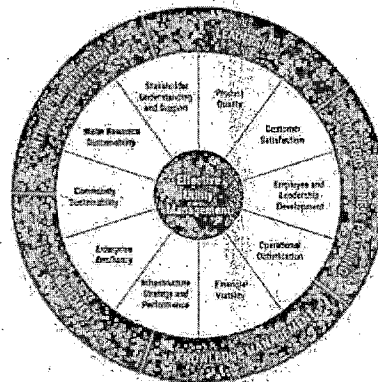


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2020 Budget Goals

We will present budget goals for the first 5 of the 10 activity areas described in AWWA's Effective Utility Management (EUM) framework. The remainder are in the Budget Memo to the Council.

- Product Quality (PQ)
- Operational Optimization (OO)
- Employee and Leadership Development (ED)
- Financial Viability (FV)
- Infrastructure Strategy and Performance (IS)
- Enterprise Resiliency (ER)
- Customer Satisfaction (CS)
- Stakeholder Understanding and Support (SS)
- Water Resource Sustainability (WR)
- Community Sustainability (SU)



CITY OF BLOOMINGTON

2020 Budget Goals

Product Quality (PQ)

Activity Description:

Produce "fit for purpose" water and other recovered resources (e.g. energy, nutrients, biosolids) that meet or exceed full compliance with regulatory and reliability requirements and consistent with customer, public health, ecological, and economic needs.



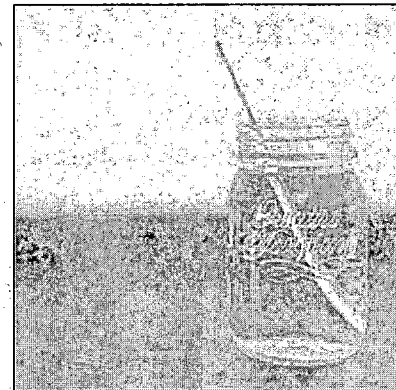
CITY OF BLOOMINGTON

2020 Budget Goals

Product Quality (PQ), continued

Water Works

- Operate the Monroe Water Treatment Plant 24 hours/day for 366 days in 2020.
- Maintain operations with disinfection byproduct levels of 50 ppb for Total Trihalomethanes (TTHM) and 40 ppb for Total Haloacetic Acids (HAA5).



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2020 Budget Goals

Product Quality (PQ), continued

Sewer Works

- Both wastewater treatment plants will operate 24 hours per day, 366 days during 2020
- Achieve the limits set forth in our National Pollutant Discharge Elimination System (NPDES) Permit.



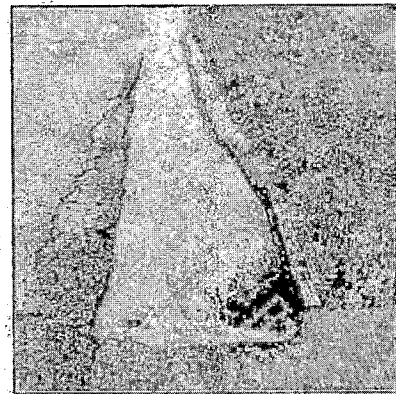
CITY OF BLOOMINGTON

2020 Budget Goals

Product Quality (PQ), continued

Stormwater Utility

- Complete the Illicit Discharge Direction and Elimination Program and Baseline Sampling requirements of the permit by September.
- Develop a Post Construction Program which will involve inspecting construction sites and retention ponds after construction projects have been completed.



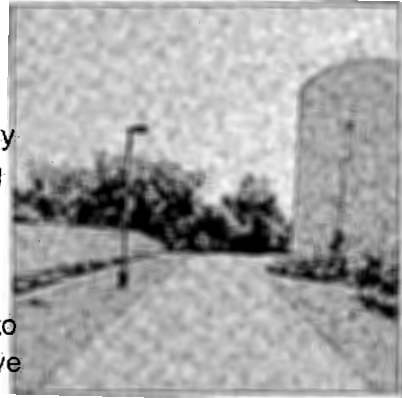
CITY OF BLOOMINGTON

2020 Budget Goals

Operational Optimization (OO)

Activity Description:

Minimize resource use, loss, and impacts from day-to-day operations, and reduce all forms of waste, by automating processes where possible and develop ways to make better, data-driven decisions. Develop ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of CBU operations in service to public health and environmental protection. Make effective use of data from automated and smart systems and identify information technology developments to support timely adoption of improvements.



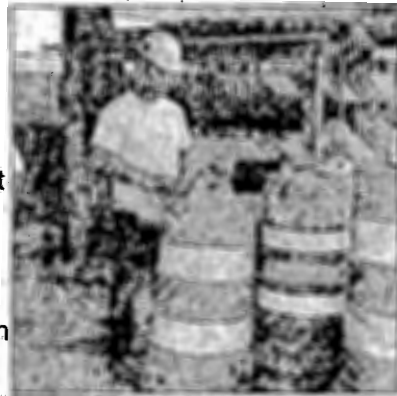
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2020 Budget Goals

Operational Optimization (OO), continued

All Utilities

- Complete major upgrades to its Supervisory Control and Data Acquisition (SCADA) systems at all three plants.
- Complete major upgrades to the Geographic Information System (GIS).
- Purchase and implement a Laboratory Information Management System (LIMS).
- Perform a benchmarking study in order to measure its key performance indicators against those of similar utilities across the country.



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2020 Budget Goals

Operational Optimization (OO), continued

Sewer Works

- Complete the pilot study which is measuring grease retention device performance by May, and evaluate CBU's Grease Retention Devices (GFD) program.
- After the initial evaluation period, recommend any new plan/code revisions to the EPA by December.



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2020 Budget Goals

Employee and Leadership Development (ED)

Activity Description:

Recruit, develop, and retain a workforce that is competent, motivated, adaptive, and safety-focused. Focus on ensuring that employee institutional knowledge is retained, transferred, and improved upon over time. Emphasize and invest in opportunities for professional and leadership development.



CITY OF BLOOMINGTON

2020 Budget Goals

Employee and Leadership Development (ED), continued

All Utilities

- Support professional and leadership development by allocating 1.5% of the personnel budget for professional training and development for each Division.
- To ensure enterprise continuity and resilience, develop a cross-training and succession planning program.



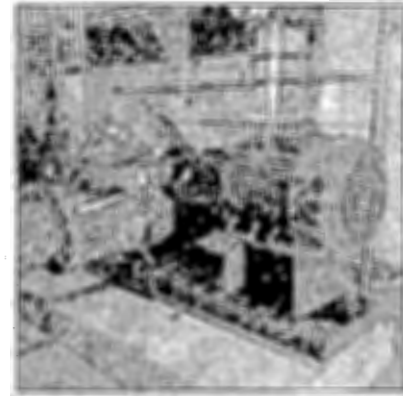
CITY OF BLOOMINGTON

2020 Budget Goals

Financial Viability (FV)

Activity Description:

Understand and plan for the full life-cycle cost of utility operations and value of water resources. Establish and maintain an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. Establish predictable rates and fees that are consistent with community expectations and adequate to recover costs, provide for reserves, maintain support from bond rating agencies, and plan and invest for future needs, while taking into account affordability and the needs of disadvantaged households.



CITY OF BLOOMINGTON

2020 Budget Goals

Financial Viability (FV), continued

All Utilities

- To understand the full life-cycle cost of CBU assets which inform the budgetary process, conduct an audit of capital assets and produce a capital asset replacement plan which will prioritize asset maintenance and replacement.
- To reduce costs, write an RFP for all external laboratory services needed for CBU operations, assuring competitive pricing and to determine which laboratories will be compatible with our LIMS system.



CITY OF BLOOMINGTON

2020 Budget Goals

Infrastructure Strategy and Performance (IS)

Activity Description:

Maintain and enhance the condition of all assets over the long term at the lowest possible life-cycle cost and acceptable risk consistent with customer, community, and regulator-supported service levels to assure that asset repair, rehabilitation, and replacement efforts are coordinated within the community to minimize disruptions and other negative consequences.



CITY OF BLOOMINGTON

2020 Budget Goals

Infrastructure Strategy and Performance (IS), continued

Water Works

- To address aging transmission and distribution infrastructure, CBU will invest \$1,700,000 in water-main replacement and lining activities. This will replace or repair an estimated 2.5 miles of water mains in 2020.



CITY OF BLOOMINGTON

2020 Budget Goals

Infrastructure Strategy and Performance (IS), continued

Sewer Works

- To improve energy efficiency and increase plant capacity, complete a modernization design "roadmap" for Dillman Road WWTP by 2Q.
- To meet new NPDES Permit requirements, replace the UV disinfection system and commission the phosphorus removal and aeration systems at Blucher Poole WWTP.
- Complete IU Health sewer and lift station.
- Complete the I69 Sewer relocations.



CITY OF BLOOMINGTON

Budget Highlights

- 5 new positions
 - Utilities Data Analyst (grade 7)
 - Environmental Program Specialist (grade 6)
 - Additional Operator at Dillman WWTP (10 total)
 - Green Infrastructure Lineperson
 - Green Infrastructure Laborer
- Participation with Lake Monroe Watershed Coalition
 - \$20,000 contribution towards the construction and operation of a flow/stage gage
- Increase neighborhood stormwater budget to \$200,000
- Allocate \$400,000 for green infrastructure improvements
- Begin work on the two-year Jordan River Tunnel project
- Increase the customer assistance program to \$45,000

CITY OF BLOOMINGTON

Utilities Revenue Summary

Revenue	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Change (\$)	Change (%)
Water	\$15,724,953	\$17,925,942	\$19,183,855	\$19,190,617	\$6,762	0.00%
Sewer	\$21,848,009	\$23,299,137	\$24,182,913	\$24,290,521	\$107,608	0.44%
Stormwater	\$1,428,749	\$1,465,871	\$1,547,630	\$3,166,181	1,618,551	104.56%
Total Funds	\$39,001,712	\$42,690,950	\$44,914,398	\$46,647,319	\$1,752,921	3.86%

CITY OF BLOOMINGTON

Stormwater Utility Budget Summary

Budget Allocation Stormwater Utility	2017 Actual	2018 Actual	2019 Budget	2020 Budget	Change (\$)	Change (%)
100- Personnel Services	574,744	654,177	710,926	930,432	219,506	12.42%
200- Supplies	132,567	175,820	175,280	120,280	(55,000)	(15.97%)
300- Other Services	36,702	91,750	86,209	122,350	36,141	104.86%
300- Other Services- E&R	286,657	598,262	575,215	1,030,081	454,866	87.76%
400- Storm Sinking (P&I)***	0	0	0	963,038	963,038	n/a
Total	930,670	1,520,009	1,547,630	3,166,181	1,618,551	105.00%

CITY OF BLOOMINGTON

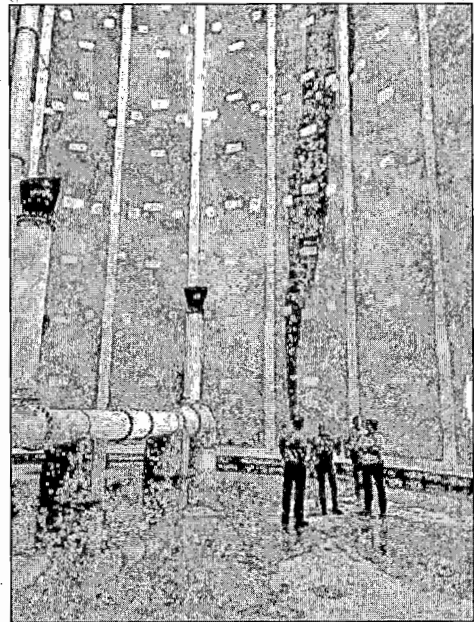
Conclusion

The 2020 Utilities budget request reflects increases that align with the stated goals of

- Improving water quality
- Implementing the smart-meter program
- Replacing water mains
- Reinigorating CBU's stormwater program
- Modernizing CBU's internal processes

Thank you for your consideration of the Utilities 2020 budget request.

I would be happy to answer any questions that you may have.



CITY OF BLOOMINGTON

RESOLUTION 2019-8

***Frank moved and Capler seconded the motion to approve the resolution
Motion carried, 4 ayes.***

Kelson introduced Attorney Wheeler, who discussed the resolution. The goal of this resolution was to change the Title 10 language to be more clear regarding sewer connection fees. There are times in which CBU would like to waive the fees for specific properties, e.g. HAND homes, but the ordinance says all properties connecting to the sewer system shall pay a user connection fee. The connection fees may be waived upon discretion of the director for either of these two instances:

- 1) Connection to the sewer system by single family residential units that are supported by HAND's affordability program
- 2) Connection of homes that are currently on a septic system as an economic incentive to connect rather than put in a new septic

The change in language only applies to these two programs/scenarios (no businesses, no apartments). One goal is to protect the MS4 system. Ehman asked if anyone knows the number of people who paid the connection fee (cost analysis) over the last 10 years. This number is unknown. Capler asked if workforce development homes are also designated as low-income. According to Wheeler, the low income definition used by the City is based upon HUD parameters (80% or less of median income for the household). Workforce Housing by the City is defined as being 81% up to 120% of median income for household). So, no, workforce housing would not qualify for the waiver program.

Kelson reminded everyone that this language establishes discretion; if this is approved by Council, then CBU can write rules for implementation and bring them to the USB to be reviewed. This process will be similar to the residential stormwater grant program. Further, other cities have similar frameworks CBU can use as guidance.

OLD BUSINESS: None.

NEW BUSINESS: None.

SUBCOMMITTEE REPORTS: Also on August 19, there was a Property and Planning Subcommittee meeting to discuss future Winston Thomas property plans. CBU is considering expanding a lease agreement with the police and fire departments. At this time, there is not enough information to have anything approved or to create a resolution, but the Subcommittee does support what CBU does moving forward.

STAFF REPORTS:

MS4 Coordinator Thetonia discussed CBU's work with Lawrence County Soil and Water Conservation District. They are collaborating to apply for a 319 grant for the Lower Salt Creek watershed, the area that drains south of Lake Monroe. CBU is interested in this project because Clear Creek is a part of the watershed. IDEM has completed a TMDL and identified factors of concern. There is also no existing watershed management plan for this watershed; however, if the grant is awarded, a plan can be written and the issues can be addressed. This plan will include nonpoint sources of pollution, which goes hand-in-hand with the MS4. Thetonia is writing a letter of support, and if the grant is awarded, CBU will offer staff work to help with education and outreach. Capler asked if this area includes the planned logging area. Thetonia suggested some of the wooded areas in the watershed is in the watershed. With this in mind Friends of Lake Monroe and CBU will deploy targeted outreach efforts.

Upcoming Schedule of Events:

Budget presentation - 8/20

CoSS to Finance Subcommittee - 8/26

CoSS approval - 9/3

CoSS to Council - Sept.

PETITIONS AND COMMUNICATIONS: None.

ADJOURNMENT: Frank moved to adjourn and the meeting was adjourned at 5:52 p.m.

Julie Roberts, President

DATE