

UTILITIES SERVICE BOARD MEETING

08/03/2020

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

Board Vice President Capler called the regular meeting of the Utilities Service Board to order at 5:00p.m. The meeting was held via Zoom and Facebook Live.

Board members present: Jim Sherman, Jason Banach, Amanda Burnham, Jean Capler, Megan Parmenter, Jeff Ehman, and ex-officio Terri Porter. Two board members were absent, Julie Roberts, and ex-officio Jim Sims.

Staff present: Vic Kelson, Laura Pettit, Holly McLaughlin, LaTreana Harrington, Chris Wheeler, Tom Axsom, Brad Schroeder, Brandon Prince, Cindy Shaw, Jane Fleig, James Hall.

MINUTES

Correction for the July 20 minutes: In the Customer Refunds section of the minutes, it is noted that Capler asked about a \$954.32 refund to Centerstone for a leak and wanted clarification on why it was issued for water and not wastewater. Capler clarified this saying that she was asking why that refund was issued for water since we are not typically allowed to refund on a water bill.

Board member Sherman moved and Board member Burnham seconded the motion to approve the minutes of the July 20 meeting. Motion carried, 6 ayes.

CLAIMS

Sherman moved and Burnham seconded the motion to approve the standard claims as follows: Vendor invoices submitted included \$348,212.37 from the Water Utility, \$4,900.00 from the Water Construction fund, \$530,493.16 from the Wastewater Utility, \$440.00 from the Wastewater Construction Fund, and \$7,116.58 from the Stormwater Utility.

Total Claims approved: \$891,162.11. Motion carried, 6 ayes.

Sherman moved and Burnham seconded the motion to approve the utility claims as follows: Utility invoices submitted included \$3,579.89 from the Water Utility, and \$3,352.86 from the Wastewater Utility.

Total Claims approved: \$6,932.75. Motion carried, 6 ayes.

Sherman moved and Burnham seconded the motion to approve the wire transfers, fees, and payroll in the amount of \$360,157.21. Motion carried, 6 ayes.

There were no customer refunds

CONSENT AGENDA

CBU Director Kelson presented the following items recommended by staff for approval:

- Suez Analytical Instruments, Inc., \$8,661.15, Services for total organic carbon analyzer
- Presidio Infrastructure Solutions, LLC., \$13,303.85, Service Center Security Cameras Repairs
- Mitchell and Stark, \$5,000.00, Installation of Piping Section on East Belt Press at Blucher Poole
- Johnson Controls Fire Protections, LP., \$8,000.00/year, On-Call Fire Protection Services
- Johnson Controls Fire Protections, LP., \$5,808.00, Annual Fire Inspection of all CBU sites
- Toric Engineering, \$11,188.00, Repair/Install Cellular Connection to West Booster Station
- Frakes Engineering, \$15,000.00/year, On-Call Engineering Services

As no items were removed from the Consent Agenda by the Board, agreements approved. Total contracts approved: \$66,961.00.

LAKE MONROE WATERSHED MANAGEMENT PLAN UPDATE

Lake Monroe Watershed Coordinator Maggie Sullivan gave an update on the Lake Monroe Watershed happenings. The big focus has been starting the water sampling program. Sampling has taken place in the three major streams that flow into Lake Monroe: the north fork, middle fork, and south fork of Salt Creek, along with Crooked Creek and the tail water to the lake. That started in April and will continue monthly for a year. Samples have also been taken at three points in the lake starting in May and that will continue every month through September. The big project that is coming up is what is called a Watershed Sampling Blitz on Friday, September 18, 2020. One hundred volunteers are needed to come out and collect water samples from 125 sites from smaller streams throughout the watershed. There are about 40 volunteers so far, and there is hope for a few from IU once they are back in session. CBU is doing some additional storm team sampling, having gone out twice but not the previous weekend. Sullivan said her team is excited about seeing that data, explaining it would give them a good ideal for how things change when there is a big storm event. Furthermore, they are sure there is a lot more sediment that moves through and that will be really useful information to the modeling they are doing to try to see what is coming into the lake. There is also a project going on in Brown county where the Brown County Regional Sewer District is doing sampling looking for E. coli. They are looking in the Lake Monroe and Bean Blossom watersheds to do source analysis, as well to try and identify if the source is human, cow, horse, or other animals. For the Friends of Lake Monroe, the outreach has been challenging due to the pandemic but they received approval to post signs that say "Entering the Lake Monroe Watershed" at eight locations in Monroe County and they are working on getting additional signs placed in Brown County and Jackson County. They will also be looking at how they can work with schools this fall. Volunteers are needed on Friday, September 18, 2020 from 9:00am-4:00pm. All event activities have been designed to allow for social distancing, following CDC and local guidance. To participate, please register by Friday, August 28, 2020 at <https://bit.ly/Fall2020SampleBlitz>.

REQUEST FOR APPROVAL BY RESOLUTION: DEBT INCURSION BY THE LAKE LEMON CONSERVANCY DISTRICT

Lake Lemon Conservancy District District Manager Adam Casey presented Resolution 2020-06 for a debt incursion. With turbidity being an issue at the surrounding lakes the LLCD has had an in-house dredging operation since 2008. Ten to twelve thousand cubic yards of sediment have been removed with their dredging operation. Sediment removal efforts need to be increased, so they are working on a sediment management project that will be utilizing a hydraulic dredging in the eastern bay where Bean Blossom creek comes into the lake. There is a bond issue to finance this which will be capped at 2.2 million dollars. Hydraulic dredging will be taking place in the delta and there will be two disposal sites, one of them potentially being on South Shore Drive. One of the disposal sites is a piece of property that LLCD purchased last fall. It is a 14-acre piece and they will create a 7-acre disposal site on that. There is a permit for this. There is also a potential permit to utilize an overflow pond to create a treatment wetland. Casey said that he doesn't believe they will need to use the pond to create a wetland at this time. With this project, they hope to remove up to 120,000 cubic yards of sediment - about 10 to 12 years' worth of work. Per the contract with CBU, a 50 year lease, they would need approval to incur any significant debt and to start any substantial projects. This bond will be funded from their special benefits tax. There would not be any type of lien on property that CBU owns or on any of the Lake Lemon property. Part of this project will also utilize the current dredging operation past flow paths in the Bean Blossom delta and there are high sediment-laden flows they can spread throughout the existing delta and enhance the capture capability. Board member Ehman asked City Attorney Chris Wheeler what, if any, exposure CBU has for this project.

Wheeler answered there is no exposure.

Sherman moved, Burnham seconded the motion to approve Resolution 2020-06 for the debt incursion by the Lake Lemon Conservancy District. Motion carried, 6 ayes.

REQUEST FOR APPROVAL OF SECOND AMENDMENT TO THE AGREEMENT WITH DONOHUE AND ASSOCIATES

CBU Engineer Fleig presented a second amendment for additional construction services. Fleig said that CBU has been working on this since 2013. The amendment is in the amount of \$39,900.00 for utility coordination and additional coordination with the two other large utilities, Duke Energy and AT&T. There is also additional right-of-way and easement research that is necessary. Vectren is prepared to do their relocation but they asked for a little bit of staking to be done in advance of the project. That includes about \$3,300.00 for our consulting engineer to stake right-of-way for Vectren so that they can get started. It also includes some construction services that will happen once the project is put out to bid. That is for review of shop drawings, as it is a complicated project, as well as answering questions. They estimated an amount of time for that, so it will only be paying for actual build time. Whatever they put in we will pay for up to the maximum amount. Ehman asked how is the utility coordination going after getting an extra attorney on this project. He remembered CBU hired someone in addition to Wheeler and if that has helped move things along. Wheeler answered we are under contract with Dentons Bingham Greenebaum out of Indianapolis, specifically Dave McGimpsey, to do some additional research and put together a letter that will be issued

to Duke for them to reconsider their position. There was a meeting with the attorneys at Dentons and several members of our staff at CBU, in addition to a representative from our engineering consulting firm to go through, in specific detail, all of the issues that we have identified with Duke as needed to be relocated so that the attorneys can understand and appreciate everything that needs to be accomplished. We went through the timeline so that they can see how we got to where we are. Wheeler also said that after that meeting, he had meetings with the attorneys individually to discuss the logistics and legality of what we are dealing with. He anticipates to see the letter this week, in draft form, to make sure it reads well before it goes out. Ehman asked if that would be the first point of interaction by McGimpsey into the process. Wheeler answered, with Duke, that is correct. It's going to put some onus on them with regard to the burdens they are going to create for us if they don't relocate. We are going to go ahead and issue bids for the project. Jane is working on that now to get the bid packet out so that we can go ahead and get under contract. This will hopefully compel Duke to want to do something.

Sherman moved, Burnham seconded the motion to approve the second amendment with Donohue and Associates for the Jordan River Culvert Reconstruction Project. Motion carried, 6 ayes.

REQUEST FOR APPROVAL OF FIRST AMENDMENT TO THE AGREEMENT WITH UTILITY FINANCIAL SOLUTIONS, LLC. FOR THE WATER RATE CASE AND COST OF SERVICE STUDY

Assistant Director - Finance Pettit presented a first amendment to an agreement with UFS. UFS is one of two companies we are working with on the water utility cost of service study and the rate case. There was a plan to bring these to the USB, the City Council, and the IURC this summer but they were postponed due to COVID. We looked at postponing it to the beginning of next year and we realized we would have to adjust our test year. The original test year was going to be the calendar year 2019, now we are pushing it from April 1, 2019 to March 31, 2020. This will require additional calculations from UFS to do the update and recalculate the COSS.

Sherman moved, Burnham seconded the motion to approve the first amendment to the agreement with Utility Financial Solutions, LLC. for the water rate case and cost of service study test year change. Motion carried, 6 ayes.

REQUEST FOR APPROVAL OF FIRST AMENDMENT TO THE AGREEMENT WITH CROWE, LLC. FOR THE WATER RATE CASE AND COST OF SERVICE STUDY

Pettit presented an amendment to the agreement with Crowe, LLC. Similar to the agreement with UFS, we are engaged with Crowe to work on the COSS and rate case for the water utility. Crowe is the manager of the project, UFS is calculating the actual cost of the COSS. This amendment is to update the test year and come up with the new utility rate case.

Sherman moved, Burnham seconded the motion to approve the first amendment to the agreement with Crowe, LLC. for the water rate case and cost of service study test year change. Motion carried, 6 ayes.

REQUEST FOR APPROVAL OF AGREEMENT WITH KEVIN HUNTLEY EXCAVATING, LLC FOR THE DEMOLITION OF THE INCINERATOR BUILDING ON THE WINSTON THOMAS PROPERTY

This item was removed from the agenda as it was not ready for consideration.

REQUEST FOR APPROVAL OF AGREEMENT WITH HACH COMPANY

Assistant Director - Environmental Hall presented an agreement with Hach Company for the installation of Water Installation Management Software. Hach Company calls it a WIMS system, but it may also be known as a LIMS (Laboratory Installation Management Software) system. CBU will integrate all three plants as well as the service center. CBU is buying a database that will integrate all the laboratory information that is either done in our laboratories or by a third party lab. The software will bring in that info and interact with our SCADA system to generate regulatory compliance reports. Ehman asked what the maintenance cost was. He said he assumed some of it is consulting work to get us up and running, but what is the dollar amount every year after this. Hall answered it includes three years in that cost and it is roughly \$5,200.00 per year.

Sherman moved, Burnham seconded the motion to approve the agreement with Hach Company for installation of the water installation management software. Motion carried, 6 ayes.

OLD BUSINESS: Ehman asked about the agenda item regarding the removal of the incinerator building from the Winston Thomas property. He asked for clarification, remembering that someone else was going to pay for the removal and that CBU will be reimbursed for it when it came forward. Kelson answered yes.

NEW BUSINESS: None

SUBCOMMITTEE REPORTS:

Kelson reported the 2021 budget was presented to the Finance Subcommittee. CBU staff met with the subcommittee two weeks ago and again today to discuss the budget outline. All board members received the budget memorandum to the Mayor which is also the communication to the Council. Kelson showed a slideshow presentation that addressed the high points of CBU and gave the goals for the coming year.

After the presentation, Banach said that in one of the prior administrations the USB was told there were no lead sewer lines left in the system. Kelson answered that our practice is that when CBU crews encounter a lead sewer line, it is removed and replaced. There are some lead sewer lines, and in the coming year CBU will undergo an aggressive search to find any that are left. Banach also asked Ehman if he remembered hearing the same information at some point. Ehman asked Kelson if the service lines were lines that the City of Bloomington owns and not the lines from the meter to the house. Kelson confirmed that saying it is the line from the main to the meter. Ehman said that he was not aware that there were lead service lines. Banach said he remembered being told

years ago that there were no lead service lines. Ehman said that he was surprised to hear that and knows that it is a priority and maybe ahead of some other projects given the health risks and that we address those lines as soon as we find out about them.

Banach also asked about another part of the presentation regarding the customer assistance program at CBU. He asked if the 50 thousand dollar assistance goal was funded by the ratepayers or if that source of funding from some other city fund. Kelson answered it is funded from the ratepayers. Banach asked if the IURC regulates how much can be allocated to a fund like that. Kelson answered that the IURC is aware of the program and that it has never been funded at a level where they raised any issues. A lot of utilities have similar types of programs to help people who are unable to pay due to their economic circumstances. Banach, referring to his Duke bill, mentioned there is an option to voluntarily donate money to help others. He said that one thing we can think about is voluntary individual participation to a fund like that. He would like to know if the IURC does put any emphasis on how much of it can we fund with ratepayer money. His last question about the customer assistance program was how does CBU determine need. What does someone have to do to qualify for that fund. Kelson answered that CBU does not determine it. When it was established, the USB set the guidelines and it is administered by the South Central Community Action Program. If someone contacts us we have them contact SCCAP who then reviews and when they approve it CBU pays the bill. Customers cannot receive customer assistance money after they have been disconnected. CBU has been aggressive at working with customers who get into arrears to help them get on a payment plan or reach out to staff before their services are disconnected. CBU is not currently doing disconnections, but we do try to get things settled before they get disconnected.

Ehman asked why the stormwater budget would be reduced if it is fee based and property based. Pettit answered that it is based on the number of active accounts and we are seeing less accounts. Ehman clarified that there have been accounts closed due to the health emergency and Pettit confirmed his statement.

Regarding water main replacements, Ehman asked about the 2.5 miles of water mains and 3-4 miles of sewer lines, given the age and life expectancy, is CBU budgeting enough to keep up with the maintenance and if not are we considering that in the rate increases. Does CBU have a plan to catch up if we are behind. Kelson answered the 1.7 million dollars for water main replacement was established in 2016. It was in the first rate case that this CBU administration did. Those numbers had already been arrived at at that point. We did not know what 1.7 million dollars would do at that time. In Bloomington, replacing water mains is very expensive. They have to be buried 4ft deep and there are very few places in the city where you can go 4ft without hitting rock. The cost of replacing a mile of pipe mostly depends on how much rock you have to break to lay that mile of pipe. When a new water main is installed, it cannot be placed where the old one was because you have to keep it in service. The new main is adjacent to the one you are replacing and then you disable the old one. This process makes it more expensive than if it were in Indianapolis or Martinsville. So what we've learned is that we can replace about 2.5 miles per year. That turns out to be a replacement schedule of about 400 years. The pipes are expected to last 50-100 years. Engineering has done a lot of analysis in the last year to look at what it would cost, how many miles of pipe would it cost to replace over the next rate cycle to reduce the amount of the highly susceptible pipes to main breaks in the next 4-10 years. They've come up with new numbers, and when we do the rate case we'll put a larger number, maybe 5.3 in the justification for the rate case we are bringing in the spring. That is specifically guided

towards prioritizing sections of our distribution system that is most at risk for main breaks at this time. Ehman said that it sounds like more is needed. He said he asked about this 4 years ago and the answer then was it was not enough. CBU needs to get to that point, whatever the costs are, because it is going to cost a lot more if it is not done. He said he understands CBU cannot lay a giant increase at one time but we've gone to this new two year incremental increase and we should try to factor this in as soon as we can. Kelson said this also applies to sewer lining and sewer replacement. We have been doing more analysis of where we have the biggest issues with IMI. Capler asked if the federal government were to set a priority on investing in water utilities and infrastructure replacement and upgrades at a level that we need across the nation, because a lot of municipalities are dealing with what we are as well, what if suddenly there was enough money to replace the number of miles of pipes and water mains that we need to, and do we have the crews to be able to keep up with that. Would there be an expansion of staff to do it. Kelson answered it would depend on the period of time. If it were a program that wound up for 20 years and then wound down, you could manage and administer the growth of crews and staff and the eventual elimination of staff. You could manage that by attrition if that were a longer period of time. If it were a 5 year period, we would hire contractors. We may bring contractors in and have them housed in CBU facilities and then we could accelerate it. Some of our bigger projects for water main replacement have been done by outside contractors. One notable one was the north Old S.R. 37 project. The approach we've taken before is if the project is happening in a lesser traveled portion of town where there is not a lot of traffic and the logistics of executing the project is conducive, we will do that one in-house. The problem is our crews have to be available to do water main breaks and clean inlets when it is getting ready to rain. If we are doing a project on Arlington Rd., or the north Old S.R. 37 project, the logistical issue that came up was when everyone got off the job and went to repair a main break. Projects that have a significant impact on traffic, or other issues that we don't want to have crews walk off a project for a time, those are the ones we contract out.

Sherman reported that the finance subcommittee, consisting of Sherman, Burnham, and Parmenter, met and were updated by CBU staff to any changes since the last presentation. They voted after the presentation to recommend to the whole board approval of the 2021 budget. ***Sherman moved, Burnham seconded the motion to approve the 2021 budget. Motion carried, 6 ayes.***

STAFF REPORTS:

Kelson reported to the board about the COVID cases at CBU. He said that on Sunday, July 19 he received a call that we had a positive test in T&D. About one week prior there was a positive test of a meter reader. After that test, contacts were traced but we did not have any other cases related to that case. This case was a person in T&D, contact tracing was conducted, and other people were tested, and 4 days later we learned that two people who were on the same crew had also tested positive. Before the second set of tests came back, right after we learned about the first case in T&D, we reinstated the operational practices in T&D that we had been using back in March where Assistant Director - T&D Prince divided everything into two crews, two shifts, one in at 6:30-2:30 and 7:30am-3:30. That cuts the population in the garage in half. Additionally, he directed the line people and the assistant superintendents to be the only ones to come into the garage. Everyone else either meets outside or at the jobsite. This

is to try and maximize distancing in the garage. We got the second set of results and at that point we decided to reinstate those March practices for the rest of CBU and that's all employees who could work from home to do so. We have not had another positive test in T&D since then. Last week we had an additional case in meter services, contact tracing was done, and up to now there are no other issues with that case. We are confident that we did not end up with community transmission in the garage or service center. We will continue to encourage proper distancing and proper behavior and response to the pandemic. Capler asked if there is any discussion of any routine testing of CBU employees to catch any asymptomatic cases. IU plans to have students and faculty tested on a regular basis. Kelson answered there is not the capacity for testing in Monroe County. There have been employees who have gotten precautionary tests. CBU continues to investigate the potential of sampling wastewater. We are using that as a community-wide regimen. Capler asked about crews who are going out to work on jobsites and said there was some discussion early on about sharing vehicles and that should be handled in terms minimizing the chance of passing the virus between crewmembers in the same truck and how it is being handled now. Kelson responded that if there are two people in a vehicle, they are both masked.

PETITIONS AND COMMUNICATIONS: None

ADJOURNMENT: Capler moved to adjourn; the meeting was adjourned at 6:18pm

Julie Roberts, President

DATE