



Marion Utilities

1540 N Washington St.
Marion, IN 46952
www.marionutilities.com

Service Board

BOARD MINUTES OF THE SEPTEMBER 1, 2022 MEETING

The Marion Utility Service Board held their meeting on Thursday, September 1, 2022 at 5:30 p.m. in the L.E.A.D. Center, Building 101, at Marion Utilities, 1540 N. Washington Street, Marion, Indiana.

Roll was called and those board members present were: Doug Carl, Vice Chairman; Bill Dorsey; Von Jackson; and Herschel Lewis. Mia Erickson, Al Green, and Robert Logan were absent.

Also present at the meeting were: Chuck Binkerd, Director; Pat Pinkerton, Assistant Director for Engineering and Solid Waste; Robin Shrader, Assistant Director for Operations and Maintenance; Mike Conner, Attorney; Tiffany Snyder, Accounting/Billing Coordinator; Misty Humphries, Secretary; Mr. Keaton Sharp; Mr. Herik Martinez; Mrs. Michelle Osborne; and Mr. Matt Guerin.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

There were no additions or deletions to the agenda.

APPROVAL OF MINUTES

Mr. Dorsey moved, seconded by Mr. Lewis, to approve the minutes of the August 8, 2022 meeting. All board members present voted aye. Motion carried unanimously.

FINANCIALS

Mrs. Snyder presented the financials for July, 2022. Mrs. Snyder stated that July was an average month. Water sales were a tad above average but not significantly with operating expenses right at average. The decrease in cash for water and wastewater was due to capital project expenditures. There was a slight increase in accounts receivable for wastewater due to a large industrial monitoring fee billing in the month of July. Mr. Lewis moved, seconded by Mr. Jackson, to approve the July financials. All board members present voted aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton reminded the board that the cured-in-place projects were bid earlier in the year. He said the contractor was scheduled to be in town on September 14th. The work should only take a couple of weeks.

BRINKS CASH MANAGEMENT

Mr. Binkerd stated that at the last meeting the Brinks Cash Management Program was discussed. Mr. Binkerd explained that Brinks would provide a secured safe that would receive cash deposits. The safe will count and account for the funds deposited. This would take the place of staff having to transport large amount of money to the bank on a day to day basis. Brinks would assume all of the liability for the funds deposited as well as maintaining the safe. Mr. Binkerd said the quoted price was \$645 per month. Mr. Jackson asked how much money could be carried per day by staff. Mr. Binkerd said it could vary from over \$100,000 to \$10,000 per day. Mr. Binkerd said that security was the driver for this service



being sought. Mr. Jackson moved, seconded by Mr. Lewis, to approve the Brinks quote of \$645 per month. All board members present voted aye. Motion carried unanimously.

820 N. WABASH PROPERTY ACQUISITION RESOLUTION 4-2022

Mr. Binkerd explained that the Board authorized the purchase of 820 N Wabash Avenue for a price not to exceed \$80,000 at the special meeting on August 8th. Because of the short amount of time between the Sherriff's sale and the need for appraisals being determined, Mr. Darren and Mrs. Susan Reese purchased the property. Mr. and Mrs. Reese were willing to sell the property to the Board for the purchase price plus ancillary costs. Mr. Binkerd said that the total purchase price from Darren and Susan Reese, which included a purchase price of \$59,000 plus ancillary costs, would be \$63,078.75. Mr. Conner said the Reese family was able to purchase the property at the Sherriff's sale without the legal hurdles that the Board would have faced. Mr. Lewis moved, seconded by Mr. Dorsey, to approve Resolution 4-2022 authorizing the purchase of 820 N. Wabash from Mr. Darren and Mrs. Susan Reese in the amount of \$63,078.75. All board members present voted aye. Motion carried unanimously.

TRANSFERS & PAY REQUESTS

There was no transfer or pay requests.

LDI GRADUATE RECOGNITION

Mrs. Shrader explained that the guests tonight were participants in the first cohort of the Leadership and Development Institute (LDI). Mrs. Shrader introduced those participating as Keaton Sharp, Herik Martinez, Michelle Osborne, Tiffany Snyder, and Matt Guerin. Mrs. Shrader said Pam Kirklin was also a participant but was working in the plant at the moment and was unable to attend. Mrs. Shrader explained the history of the LDI first introduced at the IWEA conference in 2019. However, it was unable to come to fruition due to COVID. In the fall of 2021, the LDI was introduced at the annual IWEA conference again. There were 19 participants and was hugely successful. The next cohort will have 30 participants. Mrs. Shrader shared a video of the LDI program. Afterward, Matt Guerin and Michelle Osborne shared their experience with the LDI. The topics included external communications, developing leaders & succession planning, organizational planning & strategy, developing teams, leadership 101, project presentations and recap, self-evaluation, human resources, business and finance, interpersonal and internal communication, and meeting management. Mr. Guerin said he personally challenged himself to take an active role in being a leader wherever he could. He grew by becoming more aware of himself as a leader and the why's behind how he leads and responds to people. Mr. Guerin's key takeaway was how much growth and opportunity there is in the water/wastewater industry. Mrs. Osborne said she was challenged to integrate leadership qualities in real time and real situations. She grew by learning how to develop healthy teams through leadership qualities that cross over to work, home and the community. Mrs. Osborne's key takeaways were to grow her strengths and starve her insecurities; leadership stems from developing abilities to influence others; and your team has to share your purpose. The Board thanked Mr. Guerin and Mrs. Osborne for sharing their experience and congratulated all of the participants in completing the LDI program.

JUNETEENTH HOLIDAY RECOGNITION

Mr. Binkerd stated that Juneteenth has been recognized as a federal holiday as of 2021. The City added the date to the list of recognized holidays last year. Mr. Dorsey asked at the last meeting that the Senior

Leadership Team consider adding it to the list of paid observed holidays so it was being brought before the board tonight. Mr. Lewis moved, seconded by Mr. Dorsey, to approve adding Juneteenth as a recognized holiday for the Utilities. All board members present voted aye. Motion carried unanimously.

LENFESTY & BRADFORD STORM EXTENSION

Mr. Pinkerton stated that the Lenfesty & Bradford Storm Sewer Extension project was budgeted for completion a few years ago. However, the project was pushed back on the schedule due to other projects. Mr. Pinkerton said that this would resolve some drainage issues. Quotes were sent out and two were received. Keith Sullivan quoted \$138,640.15 and Dave's Excavating quoted \$142,611.50. Mr. Pinkerton recommended Keith Sullivan as it was the low quote. Mr. Dorsey moved, seconded by Mr. Jackson, to accept the quote of Keith Sullivan. All board members present voted aye. Motion carried unanimously. Mr. Carl asked if this would be completed this year. Mr. Pinkerton said it depended upon the arrival time of materials.

HORTON/MORTON TO HARRISON WATER LOOP EXTENSION QUOTES

Mr. Pinkerton said the project at Horton/Morton to Harrison would take care of a couple of dead end water mains. Quotes were sought. Bragg Excavating did not submit a quote. Keith Sullivan was the low quote at \$75,832.45. Dave's Excavating quoted \$77,419.40. Mr. Pinkerton said this project would most likely not be completed this year as there was a back order of ductile iron. Mr. Dorsey moved, seconded by Mr. Jackson, to approve the quote in the amount of \$75,832.45 submitted by Keith Sullivan. All board members present voted aye. Motion carried unanimously.

WESTWOOD MALL WATER METER SEPARATION/ RELOCATION

Mr. Pinkerton presented a third project and reported that it had been in the works for over a year. There was a crawl space/tunnel under Westwood. The sewer and water lines are located in tunnel which created a confined space issue. Mr. Pinkerton said he would like to get the meter out of the tunnel which could only be done by running a new service line. Keith Sullivan had the low quote at \$28,500. Dave's Excavating quoted \$29,782. Bragg Excavating did not respond. Mr. Pinkerton said that this project was budgeted. Mr. Lewis moved, seconded by Mr. Dorsey, to accept the quote of Keith Sullivan. All board members present voted aye. Motion carried unanimously.

WATER RATE INCREASE

Mr. Binkerd said that work had been done on a water rate increase for the past year. He presented the second iteration of the Revenue Requirements Report. Mr. Binkerd asked that the Board study the report. He highlighted that Crowe reviewed the numbers. The numbers represented the final outcome. The increase would be phased in over five years. Phase I will be in 2024 by the time everything is done. In Phase I, there was a deficit of \$620,822. Phase II had a deficit of \$473,138. Mr. Binkerd said that there were also deficits shown for Phases III through Phase IV. To make up for the deficit in Phase I, the first year would have a 16% increase. Each Phase thereafter would have an increase. The overall increase would be 64%. Mr. Binkerd said that it had been 18 years since the last rate increase, and the last rate increase was a 62% increase. Mr. Binkerd said one of the concerns was the community impact. The consultants first looked at a three phase plan, but that was too much of an increase so a five year phase in was considered. The first year the increase would be \$1.80 with a minimum bill of \$13.02. Mr. Binkerd said the second year increase would be \$1.37 with a minimum bill of \$14.38. Mr. Binkerd said that the results of the Cost of Service Study would also impact the figures as the different classes of rate payers would be resolved. Mr. Binkerd shared that Indiana American Water was a private company that owns Muncie, Kokomo, Fort Wayne, and Wabash. Indiana American Water has a minimum bill of \$45 now. In

the coming years, Mr. Binkerd said that the rate for Indiana American Water would increase as well. Mr. Binkerd reiterated that this was still in the beginning phase. Mr. Carl said it was important to remember that this increase was not just going to day to day projects. It is also going towards capital improvements. Mr. Binkerd said that Mr. Carl was correct. There hadn't been a lot of projects completed in the previous years. Mr. Binkerd explained that there's two water tanks need refurbished and would cost approximately \$1 million each. There's a lot of lead and copper pipes that need to be addressed and is a mandated issue. There are regulatory issues coming up as well. The water plant was rebuilt with the last rate increase in addition to projects in the system, and refurbishment of the High School tank. Mr. Binkerd said from 2005 to 2022, the economy had taken a major hit. In 2005, six to seven million gallons of water per day were being treated and sold. Today, three to four million gallons of water per day were being treated and sold. Mr. Binkerd said that all of these talking points along with others will be made available to the public as well as the City Council. Mr. Binkerd said that by mid to late October the ordinance should be before the Council. Mr. Binkerd said he would plan not to have the September 15th meeting or the first meeting in October, but instead meet on September 29th. This would allow the final report to be prepared and presented to the board. Mr. Carl said that the report has a lot of information that needs to be digested. Mr. Carl said that there would be a definite reaction from the community about why this was being done. Mr. Carl asked the Board to review the report and go through it before the next meeting. In the past, the IURC was not open to phased approaches. However, the IURC was beginning to see that people cannot digest large increases at once. Mr. Carl added that the IURC has reached out and said that a rate increase was needed in this community.

SENIOR LEADERSHIP REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton had nothing further to report.

R. Shrader, Assistant Director for Operations & Maintenance

Mrs. Shrader shared a video of the digester lid being removed. Mr. Lewis asked what was being done with the lid. Mrs. Shrader said it was being deconstructed. There was no visible damage other than the gas pipe. It would cost \$500,000 to repair the lid, and there would be an additional cost for the crane to place it back on the digester which prompted the decision to deconstruct the lid.

C. Binkerd, Utility Director

Mr. Binkerd said he appreciates all of the team members at the Utilities. Mr. Binkerd also said he was very proud of those that attended and completed the LDI.

BOARD MEMBERS' COMMENTS

Mr. Jackson asked if the utilities were prepared for anything like what Jackson, Mississippi was going through. Mr. Binkerd said yes, and explained that part of the issue there was due to lack of maintenance. Mr. Binkerd said again this was a testament to the people that work here, their work ethic, talent, and diligence.

VICE CHAIRMAN'S REMARKS

Mr. Carl thanked everyone for their attendance.

The next meeting was scheduled for 5:30 p.m. on Thursday, September 29, 2022.

There being no further business before the Board, Mr. Lewis moved, seconded by Mr. Jackson, to adjourn the meeting. All board members voted aye. Motion carried unanimously.

Meeting adjourned 6:32 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

A handwritten signature in cursive script that reads "Misty D. Humphries". The signature is written in black ink on a light-colored background.

Misty Humphries
Its Secretary