



Marion Utilities

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Service Board

BOARD MINUTES OF THE FEBRUARY 1, 2024 MEETING

The Marion Utility Service Board held their meeting on Thursday, February 1, 2024 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: Robert Logan, Chairman; Doug Carl; Bill Dorsey; Al Green; Von Jackson; Herschel Lewis; and Jayda Monteiro.

Also present at the meeting were: Chuck Binkerd, Director; Pat Pinkerton, Assistant Director for Engineering & Solid Waste; Robin Shrader, Assistant Director for Operations & Maintenance; Erika Devine, Council Liaison; Tiffany Snyder, Accounting/Billing Coordinator; Mike Conner, attorney; and Misty Humphries, Secretary.

Mr. Logan began the meeting by introducing and welcoming Council Liaison, Erika Devine.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

There were no additions or deletions to the agenda.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Mr. Dorsey, to approve the minutes of the January 11, 2024 meeting. All board members voted aye. Motion carried unanimously.

FINANCIALS

Mrs. Snyder presented the December, 2023 financials. She explained that there was a lot of red for the end of the year, but there was a lot going on at that time. Water cash decreased due to capital project expenses of \$390,000. There was also the Kem Road break expenses of \$164,500 from Brooks as well as \$65,000 in additional contract services street repair. Wastewater sales were slightly higher, but the expenses were also higher than normal. The digester rehab expense was \$150,000. Mrs. Snyder said that the debt service interest payment for the 2015 and 2021 bonds was also made in December. For Stormwater, the sales were average. There were some capital expenditures for Administration Building remodel and the Wilno Drive easement that impacted the cash sales negatively. As for Solid Waste, Mrs. Snyder said that the sales were slightly higher than average. The expenses were slightly higher than average because two months of landfill service invoices were paid. Mr. Binkerd called the Board's attention back to the Water Utility and noted that the cash balance of \$247,000 was extremely low. One of the unexpected expenses for the Water Utility was the prep work to prepare the SRF projects. Mr. Binkerd stated that a little over \$700,000 would be able to be recovered from the SRF proceeds. Mr. Carl moved, seconded by Mr. Dorsey, to approve the December, 2023 financials. All board members voted aye. Motion carried unanimously.



UPDATE ON PROJECTS

Mr. Pinkerton reported that the cured-in-place lining projects were underway. There had been some calls due to the odor caused by the resin used in the lining project. Mr. Pinkerton said the vendor should be done by next week. As for 2024 projects, one of the budgeted projects was the South Adams project. Mr. Pinkerton stated that bids would be advertised in late February for that project.

504 W GARDNER COURT

Mrs. Shrader reminded the Board that the resident at 504 W Gardner Court had been faithfully paying her bill via ACH. The resident suddenly stopped receiving bills in her name. As the issue was reviewed, it was discovered that the resident was inadvertently moved out in our software due to some errors on our part. There were some other additional mistakes on our part that led to a disconnection of water service. The resident called a plumber to find out if she had a plumbing issue which she did not. The resident then reached out to us. It was at this time that the accounts were reviewed and the mistakes discovered. The resident paid the bills that were hers without issue. However, she was requesting that the plumber's bill be paid. It was in the amount of \$122.84. At the last meeting the issue was assigned to the Water Committee. After some further investigating, it was determined that this was really our fault. Mrs. Shrader asked the Board that they allow the plumber's bill to be paid. Mrs. Montiero moved, seconded by Mr. Lewis, that the plumber's bill in the amount of \$122.84 be paid. All board members voted aye. Motion carried unanimously.

TRANSFERS & PAY REQUESTS

There were none.

PICK-UP TRUCK QUOTES

Mrs. Shrader explained that there was a total of four pick-up trucks that need to be purchased and that were also budgeted. Wastewater had budgeted \$150,000 for three pick-ups. Stormwater had budgeted for one pick-up truck. Quotes were solicited from local dealers. Three quotes were received. Mike Anderson Dodge quoted \$180,492; Hunter Ford quoted \$192,640, and Hubler GMC quoted \$196,472. Bunker Chevrolet did not submit a quote. Mrs. Shrader recommended the Mike Anderson Dodge was recommended as they had the low quote. She also noted that the pick-ups were extended cabs as that was the standard. To request a single cab actually was more expensive to order. Mr. Dorsey moved, seconded by Mr. Lewis, to approve the quote submitted by Mike Anderson. All board members voted aye. Motion carried unanimously. Mr. Dorsey asked if there would be trade ins. Mrs. Shrader said yes and those trade in values were factored into the quotes.

SRF PROJECT CONDITIONAL APPROVAL

Mr. Pinkerton said that at the last meeting he gave a brief overview of the five projects falling under the SRF. Mr. Pinkerton presented the bid tab for the five projects that needed conditional approval upon SRF funding. The SRF closing was scheduled for February 23rd. Mr. Pinkerton said there were seven bidders on the Meridian Street Tank. Clearcreek Coatings was the low bidder at \$614,650. On the Butler Street Tank, Clearcreek Coating was again the low bidder at \$620,750. The next project was the Meter Replacement Project and was for labor only. There were three bid packets picked up, but Core & Main was the only bidder at \$1,470,876.15. Mr.

Lewis asked if this was for the meter replacement. Mr. Pinkerton answered yes, and clarified that it was only for labor and did not include the cost of the meter. Mr. Carl asked how long the bids were good for. Mr. Pinkerton said 60 days. For the Lead Service Line Abatement project, there were three plan holders: Watson Excavating, VTF Excavation; and Bunn Inc. VTF Excavation had the low bid at \$1,995,153.57. The Water Distribution Improvements project had three bidders. Those bidders were again Watson Excavating, VTF Excavation; and Bunn Inc. The low bidder was Watson Excavating at \$3,317,705.59. Mr. Logan asked how much the bond was. Mr. Pinkerton answered \$12,070,000. The projects were summarized at a total cost of \$11,614,413.49. Mr. Logan asked if a portion of the money had already been spent. Mrs. Shrader answered yes, \$757,215. Mr. Carl asked if all of the projects would be done this year and if not, if the bidders would hold their bids until the next year. Mr. Pinkerton explained that the contractors would receive notice of acceptance and then work within their allotted completion time for each part. The contractor had 18 months for the Lead Service Line and Water Distributions projects, 125 days each for the Meridian Street and Butler Street tanks, and one year for the Meter Replacement project. Mr. Dorsey said that if his memory served him correctly the new meters were battery driven. Mr. Pinkerton and Mrs. Shrader said he was correct. Mr. Lewis clarified that some projects would be started and completed this year. Mrs. Shrader and Mr. Pinkerton said that was correct. Mr. Carl moved, seconded by Mr. Lewis, to approve the projects contingent upon the SRF funding. All board members voted aye. Motion carried unanimously.

WASTEWATER METER REIMBURSEMENT TO WATER

Mrs. Shrader explained that in talking with Jennifer Wilson at Crowe that it was customary for a Wastewater Utility to contribute to the purchase of water meters for a Water Utility because the wastewater charge was based upon water usage. Given the price tag of the meter purchase being approximately \$5 million, Mrs. Shrader said the thought was that \$2.5 million would be the split. Mrs. Shrader continued that last year Wastewater loaned Water 1.4 million in two different increments. Mrs. Shrader said that the two requests for tonight would be that the \$1.4 loan be forgiven and that a \$1.1 million transfer from Wastewater cash to Water cash would be approved. The amount of the loan forgiveness and the transfer together would total the \$2.5 million. Mr. Binkerd said that the meters were used to determine the wastewater charge just as much as it was to determine the water charge. Mrs. Shrader said the two requests if approved would be a quick solution to the cash problem. She added that as soon as the SRF loan was approved Water would be reimbursed for the \$757,215 of funding that has already been spent towards SRF. Mr. Binkerd said this would put the Water Utility at a cash balance of \$2 million. Mr. Lewis moved, seconded by Mr. Carl, to approve the forgiveness of \$1.4 million of loans from Wastewater to Water and to transfer \$1.1 million from Wastewater to Water for the purchase of the new meters. All board members voted aye. Motion carried unanimously.

STATE ROAD 18 BOOSTER STATION IMPROVEMENT

Mrs. Shrader explained that there are some pumps at the end of their useful life at State Road 18. The State Road 18 booster station serves everything out to the interstate including fire protection so it's pretty important to keep it in top condition. Mrs. Shrader said when this was looked at in early 2023, a quote of \$33,060 was received to replace each of three pumps. When the extra equipment and communication devices was added on, each pump was going to cost \$43,262. Wessler Engineering was engaged to come in and evaluate things to see what could be done and what alternatives might be available. The first thing Wessler did was to evaluate whether or not

more water could be pumped out there. It cannot so the same size pumps need to be used. The next option was to look at pump alternatives. There are four different kinds the Grundfos and three Weinman. The pricing of these alternatives was much friendlier. Mrs. Shrader presented a slide of the alternative pricing and recommended going with the second row of Weinman End-suction close-coupled for a total of \$87,000. This was a higher price but would allow access to the electrical panel for maintenance. The lesser option would not allow access to the electrical panel. The first and last options were quickly crossed off due to the pricing. Mr. Carl asked if this was budgeted. Mrs. Shrader said \$185,000 was budgeted. Mr. Lewis moved, seconded by Mr. Dorsey, to approve the Weinman End-suction close-coupled alternative for \$87,000. All board members voted aye. Motion carried unanimously.

2023 BUDGET RECONCILIATION

Mr. Binkerd explained that as the year progresses there were times when unexpected events and projects occur. Those items were brought to the Board for approval as they arose. Mr. Binkerd said from a housekeeping perspective, the Senior Leadership Team likes to reconcile the budgets each year. The budgets were broken down into a huge amount of detail for transparency. The budgets were not over in totality so the transfers were being requested to move between funds. Mr. Binkerd said that the Water budget was the one exception as it was over budget. Mr. Pinkerton presented the reconciliation for the Stormwater Utility. There were eight budget lines that were over the allotted amount. Similarly, there were eight lines that did not reach the allotted. The amount of increase and decrease needed to the lines were \$48,728. The items on the left were those that were in need of an increase. The items on the right were those that would have funds transferred to offset the left side. Moving to the Solid Waste budget, Mr. Pinkerton said it came in under budget by less than \$28,000. There were 12 line items that were over their budgeted amount. Salaries were over the budgeted amount due to the temps that came in on Fridays to take additional loads to the landfill. Mr. Pinkerton said that there were lots of extra items brought into the Transfer Station so he was happy that the Transportation Line was only over by \$40,000 considering how many times those trucks were broken down last year. Mr. Pinkerton also stated that the Deferred Equipment Lease was not a line he could see in the budget. The reason for the overage was that as the lease was paid down, less interest was paid but more principal was paid. The total Bond & Interest account was on par with what it needed to be. The total transfers were \$119,169. Mr. Pinkerton stated since the spending was within the budget and an overall increase was not needed.

Mrs. Shrader presented the Wastewater Budget Reconciliation. She explained that the left line items were items where the budgeted amounts were exceeded. The right line items were items where the budgeted amounts were not met and excess funds could be transferred. Mrs. Shrader pointed out some of the larger line items. Line 105 saw extra payments being made as the self-insured health plan for this year was established. Line 201 saw an increase due to legal issues with the tank. Lines 204 Employee Instruction/Training was over because it was that line that helped pay for the 240Solutions contract that was not budgeted. Lines 207 & 310 were related as there were some significant molybdenum issues and the sludge pudding issue required additional testing. Mrs. Shrader said that the good news was that the Wastewater budget was under \$1 million short. Mrs. Shrader then presented the Water Budget Reconciliation. Mrs. Shrader said that she likes to have nice round numbers normally. The numbers presented were actual costs rounded to the nearest dollar. Again, the left side showed lines that had excess spending and the right side showed line where spending did not reach the budgeted amount. The items on the left did not have a lot of excess spending with the exception of the water main repairs and the street repairs due to those breaks. The total discrepancy between the left side line items and the right side line

items was (\$475,326). Mrs. Shrader also noted that there were two exemptions noted at the bottom of the page. The Kem Road exemption totaled \$254,473. The SRF exemption totaled \$757,215. Mr. Binkerd added that another mitigating circumstance was that the 2023 budget was as tight as it could be. When issues like Kem Road occur, they can destroy a budget. Mr. Binkerd said that normally the Board would be asked to increase the budget by the amount of the discrepancy. However, it would be his preference to leave it so that the budget can show that in 2023 the Water Utility was over budget by \$475,326. Mr. Carl asked what the position of State Board of Accounts would be. Mr. Binkerd answered that State Board of Accounts doesn't require a budget reconciliation and would not have an opinion on this. Mr. Logan said his preference was to leave it as it was as well as it would be an accurate reflection of the year's events. Mr. Lewis moved, seconded by Mr. Carl, to approve the budget reconciliation transfers as requested. All board members voted aye. Motion carried unanimously.

SENIOR LEADERSHIP REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton said at the last meeting, he reported that last year was 30 tons short of the heaviest year. Mr. Pinkerton was proved wrong as a ticket was left off the total. The correct statement was that last year was 16 tons short of the heaviest year. In 2023, 11,169 tons of solid waste was hauled out of the Transfer Station. On the positive side, opening the Transfer Station to drop offs allowed 865 tons of C&D to be brought in. This meant there was almost \$64,000 brought in just from C&D. 375 tons of shingles resulted in \$33,800, and regular municipal solid waste items from house clean outs brought 736 tons bringing in a little under \$46,000. The total extra revenue from drop offs was just under \$144,000. Mr. Pinkerton said that the C&D and shingles added an extra 147 trips to the landfill which cost an extra \$12,000 in salaries in order to run the loads to the landfill.

R. Shrader, Assistant Director for Operations & Maintenance

Mrs. Shrader shared some pictures of the digesters before and after the removal of the sludge pudding. She said that Merrell Brothers had finished the work, but the final invoices had not yet been received. There were some expected things that did not occur and some unexpected things did happen. Those things were some high ammonia and molybdenum. Mrs. Shrader said that in 2023, there were 633 metric tons of biosolids hauled which was about average. There was also a significant percentage drop in Water loss as it had almost been cut in half. Mrs. Shrader said expects that to be shored up even more with the new meter installation.

C. Binkerd, Director

Mr. Binkerd reported that Radiant Health Hands of Hope sent a very nice thank you letter. Employees took up a donation which totaled \$803 at Christmas. The donation touched the lives of 4,141 people. Mr. Binkerd thanked the Board for their support. Mr. Binkerd also reported that a partnership had been established with the State to bring a large number of funds into the community for struggling rate payers. Sherry Loshnowsky and all of the Customer Service support teams worked hard and diligently to bring in federal funds to our community. They helped to bring in \$134,047 last year. In other news, Mr. Binkerd said the SRF pre-closing was scheduled for February 9th and closing was scheduled for February 23rd. Jennifer Wilson had been working with IFA on the SRF funding. Through this work, a new amortization schedule was given that lowered the interest from 2.4% to .68% which saves the community \$2.4 million. Mr. Binkerd said he was thankful to have Jennifer Wilson on our team as well as for Mrs. Snyder working hard alongside Mrs. Wilson.

BOARD MEMBERS' COMMENTS

There were no board comments.

CHAIRMAN'S REMARKS

Mr. Logan again welcomed Erika Devine as the Council Liaison. He also thanked everyone for their attendance.

The next meeting was scheduled for 5:30 p.m. on Thursday, February 15, 2024.

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

Meeting adjourned at 6:19 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST



Misty Humphries
Its Secretary