



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

Service Board

BOARD MINUTES OF THE OCTOBER 5, 2023 MEETING

The Marion Utility Service Board held their meeting on Thursday, October 5, 2023 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; Herschel Lewis, and Dr. Jayda Monteiro. Von Jackson was absent.

Also present at the meeting were: Chuck Binkerd, Director; Pat Pinkerton, Assistant Director for Engineering & Solid Waste; Tiffany Snyder, Accounting/Billing Coordinator; Mike Conner, attorney; Misty Humphries, Secretary; and Michelle Bunker, IMG.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

Mr. Lewis moved, seconded by Mr. Green, to add Medical Loss Ratio Rebate to the agenda. All board members present voted aye. Motion carried unanimously.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Mr. Green, to approve the meeting minutes of September 7, 2023. All board members present voted aye. Motion carried unanimously.

FINANCIALS

Mrs. Snyder presented the August, 2023 financials. She explained that what looks like a huge cash increase to Water was the loan from Wastewater. Sales and operating expenses were average for all of the Utilities except stormwater. Stormwater industrial revenue was down by about \$6,500. Mrs. Snyder said that capital expenditures for stormwater extensions was greater than usual causing a cash decrease of \$84,000. Mr. Binkerd added that the rates were in place for September usage, and hopefully there would an increase in cash seen soon. Mr. Lewis moved, seconded by Mr. Carl, to approve the August 2023 financials. All board members present voted aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton reported that the home at 2120 S Home had been demolished by Dave's Excavating last week, and the land had been cleared. Other than that, crews had been working on T&Ms. Mr. Carl asked if there was a break on Kem Road. Mr. Pinkerton said that there were six breaks. There were five on Kem Road and one on Guinevere. Mr. Binkerd said that data loggers had been placed on the hydrants. It was probably a result of aging infrastructure and soil. Mr. Pinkerton explained that when the main begins to corrode, once one area blew, it would create a water hammer which would then cause the other weak points to blow as well. Mr. Pinkerton said it was unknown at this time if there was some other cause. Mr. Binkerd said this was definitely not a normal situation. Mr. Logan asked if this was





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something that we were able to take care of ourselves. Mr. Binkerd said that the policy was not to allow employees to work over 16 hours straight. There have been two contractors called in to help. Mr. Binkerd said Mrs. Shrader was onsite at Kem Road now.

HEALTH INSURANCE PRESENTATION

Mr. Binkerd said that he would be asking the board to take action on this tonight, but before that, he asked Mrs. Bunker to give a brief overview of the self-insured plan again. Mrs. Bunker stated that the United Healthcare renewal for a 2024 fully insured plan was received. The rates increased by 5%. Mrs. Bunker said that when the group moved to a self-insured plan, the group would have some fixed and some variable costs. The largest piece was the variable because those were the claims. When a fully insured plan was in place, there wasn't a way to tell where claims were trending. A self-insured plan would allow the information to be passed along so costs could be managed better. The next worksheets presented to the board were costs sheets. Mrs. Bunker explained that there would be three tiers offered. Tier 1 would allow employees to use Marion Health or Suburban Health Organization facilities and pay a deductible that was cut in half. Tier 2 would allow employees to use the Encore Combined network which would include Parkview, Lutheran, and a host of other facilities and pay the same deductible that they pay this year. Mrs. Bunker reminded the Board that employees can utilize any tier that they want and can even use a combination of providers from both tiers. Tier 3 provides some out-of-network coverage but at a reduced benefit, and employees would have to pay a higher deductible. Mr. Logan asked what the difference was in the two plans offered. Mrs. Bunker explained that the PPO plan was more of a traditional 80/20 split with a deductible. The HDHP plan was a high deductible health plan. A high deductible plan allows employees to contribute to a Health Savings Account (HSA) and would pay the costs until their deductible was met. Mr. Carl asked what percentage of the premium employees were paying. Mr. Binkerd answered 15%. Mr. Logan added that all employees pay 15% of the premium regardless of whether the plan was for employee only, family coverage, etcetera, etcetera. Mr. Binkerd said that was correct. Mr. Carl said he thought that was a good deal especially if there were several with children on the plan. Mr. Binkerd stated that the Kaiser Family Foundation reports that most people pay around 30% of the premium. Mr. Binkerd asked Mrs. Bunker what level she would recommend funding the self-insured plan at. Mrs. Bunker said 100% especially for the first year and possibly the second. Mr. Binkerd also noted that the plan effective date would be January 1, 2024. Mr. Lewis moved, seconded by Dr. Monteiro, to approve moving to a self-insured plan. All board members present voted aye. Motion carried unanimously.

WATER COMMITTEE CUSTOMER REQUEST

Mr. Binkerd reported that the Water Committee met earlier this week. There was a property at 419-421 N. Washington Street that had a leak in January. It was repaired and a \$1,350 leak adjustment was processed. In July, another leak in the same location was found. The owner has asked for another leak adjustment. Mr. Binkerd said that the policy was to allow one adjustment in a 12 month period.





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After discussing the issue, the Committee thought it would be best to follow the policy. Mr. Lewis moved, seconded by Reverend Green, to follow the policy and only allow one leak adjustment in a 12 month period. All board members present voted aye. Motion carried unanimously.

TRANSFERS & PAY REQUESTS

There were none.

ELECTRICAL QUOTE BUILDING 103

Mr. Binkerd explained that electrical upgrades were budgeted annually. This particular building was an original building from around 1938 and some of the switch gear was from its original construction. \$75,000 was budgeted for upgrades. Rex Collins quoted \$47,308 which would take care of the upgrades and some other older work. Mr. Carl moved, seconded by Mr. Lewis, to approve the quote of Rex Collins. All board members present voted aye. Motion carried unanimously.

CIPP QUOTE APPROVAL

Mr. Pinkerton said for the last several years a number of cured-in-place projects had been completed because the older the sewer system the more cracks and infiltration that happens. This year sanitary and storm sewer projects were combined. Mr. Pinkerton received five responses on the project. Those quotes were \$302,112.81 from Insituform; \$270,996.80 from Insight; \$328,051.30 from Puris-Corp; \$256,514 from Visu-Sewer; and \$289,530.50 from Miller Pipeline. Visu-Sewer was the lowest quote. Mr. Pinkerton said that references for Visu-Sewer were checked and everyone was happy with them. The only negative was that one town had work done during COVID and experienced supply chain issues. Mr. Pinkerton recommended Visu-Sewer as the low quote. Dr. Monteiro asked which two companies had been worked with previously. Mr. Pinkerton answered Insight, Insituform, and Miller Pipeline. Mr. Lewis moved, seconded by Mr. Carl, to approve the low quote provided by Visu-Sewer. All board members present voted aye. Motion carried unanimously.

WATER METER PURCHASE

Mr. Binkerd said this was put on the agenda to discuss the purchase of some of the new Kamstrup meters. Mr. Binkerd said he was concerned that the purchase order with the vendor might expire as there was a pre-rate increase price received. Mr. Binkerd said he spoke with Kamstrup who had agreed to hold the price so this issue no longer needed discussion.

MEDICAL LOSS RATIO REBATE

Mr. Binkerd explained that the Affordable Care Act requires health insurance issuers to submit data on the proportion of premium revenues spent on clinical services and quality improvement, also known as the Medical Loss Ratio (MLR). It also required them to issue rebates to enrollees if this percentage did





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not meet minimum standard of at least 85%. In 2022, United Healthcare spent only 84.5% of a total of \$359,155,907.16 in premium dollars on health care and activities to improve health care quality. United Healthcare has to rebate 0.5%. Mr. Binkerd said the rebate must be distributed in one of two ways:

1. Reducing the premium for the upcoming year; or
2. Providing a cash rebate to employees or subscribers that were covered by the health insurance on which the rebate is based.

Mr. Binkerd stated that the rebates for 2022 totaled \$7,317.81 of which \$1,097.67 must be reimbursed to employees as they pay 15% of the premium. Mr. Binkerd recommended reducing the premium for the upcoming year based upon employee numbers as of January 1, 2024. Mr. Binkerd noted that this was last done in 2015 for rebates from the 2014 medical premiums. The Board approved reducing the 2015 premiums. The 2015 premium resulted in a reduction of \$0.33 per pay to employee contributions. Mr. Lewis moved, seconded by Mr. Dorsey, to approve the rebate to employees by reducing the premium for the upcoming year. All board members present voted aye. Motion carried unanimously. Mr. Logan asked what if an employee was not on the plan next year, but should have received a rebate. Mr. Binkerd said that a check would be sent to those employees.

SENIOR LEADERSHIP REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton reported that Solid Waste averaged 52 tons/day and 832 tons for the month. No records were set. Mr. Carl asked if there were trucks down. Mr. Pinkerton said yes, the Neway was down. He commented that the trucks were getting to the age where maintenance was imperative. Mr. Pinkerton and Mr. Binkerd invited the Board to come ride along with the Solid Waste crew to see what it was like.

C. Binkerd, Utility Director

Mr. Binkerd reported that there were six water main breaks today on Kem Road. It's been over 24 hours since the first leak was discovered. Mr. Binkerd said our crews, back-up crews, and a couple of contractors were all out there working on the issues. The breaks seem to be a result of water hammer. Mr. Binkerd said that he really appreciates our employees as they don't give up. Mr. Binkerd also described that the asphalt had been bouncing up and down so the new asphalt would have to be cut out, milled, compacted, and a new street installed. Mr. Binkerd said this would be an expensive water break. Mr. Pinkerton said that one of the pictures showed a main that looks like it's in great shape. However, there was some corrosion under the repair clamp. Mr. Dorsey asked if the break started from the inside or the outside. Mr. Binkerd said it was mostly from the outside. On the inside you will see a nice white coating of lime.





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Mr. Binkerd also reported that he attended the City Council this week as well as Dr. Monteiro. The City Council suspended the rules and passed the rate increase ordinance. Mr. Binkerd thanked everyone that worked on the health insurance issue. He mentioned that employee and spouses had a chance to come and ask questions about the plans. In other news, Mr. Binkerd stated I&M had a proposed another rate increase which seemed to happen about every 2 years. When I&M does this, their rate structure was so complicated and deep that it takes experts to look at it to determine if the increase makes sense. In the past, there had been some things that the attorneys were able to point out to the IURC by intervening. Mr. Binkerd said that the experts were on the case. He can't bring a proposal saying "for x amount of dollars we can do this". However, the experts were going to be brought on board to look at water, sewer, and street lights on behalf of the City as that could be a very complicated rate. Mr. Binkerd said he wanted to make sure the proposed increase met what was fair. However, the IURC would be the final decision maker. Mr. Carl asked if this was the expense that was shared with other cities. Mr. Binkerd answered yes, but so far Ft. Wayne was the only city signed on to share in the cost. The cost percentages were based upon size with Ft. Wayne bearing the majority of the expense. Mr. Binkerd said that a lot of money had been paid to the experts, but it was money well spent.

Lastly, Mr. Binkerd shared that a truck was stolen this week. One of our employees was reading meters, and the keys were in the vehicle. The person found the keys, drove off to Shady Hills, onto the former golf course, drove out to Arbor Trace, set out there for a while where he was eventually confronted, drove back into town, went through alleys, parked in front of Culligan, walked around the corner, and eventually our employee could be seen coming up the road from the dashcam. The gentleman then stole another utility related vehicle, which was not ours, later, hit another vehicle, and was now in jail. Mr. Binkerd said the gentleman left his debit card and fentanyl in our truck. Mr. Conner said he emailed the prosecutor to ensure charges were pressed for the theft of the Utility's truck.

BOARD MEMBERS' COMMENTS

There were no board comments.

CHAIRMAN'S REMARKS

Mr. Logan asked Mr. Conner if there was any update in a lawsuit brought against the Utility. Mr. Conner said that he continues to get peppered with documents requiring his review. Mr. Conner said he thought it would help to have bodies onsite during the trial. The trial was set for November 8, 2023.

Mr. Logan thanked for everyone attending and wished everyone a good evening.

The next meeting was scheduled for 5:30 p.m. on Thursday, October 19, 2023.





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

Meeting adjourned 6:31 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

Misty Humphries
Its Secretary



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