



Marion Utilities

SERVICE BOARD

BOARD MINUTES OF THE OCTOBER 19, 2017

The Marion Utility Service Board held their a meeting on Thursday, October 19, 2017, at 5:30 p.m. in Meeting Room B of the Marion Public Library at 606 South Washington Street, Marion, Indiana.

Those board members present were: Bob Logan, Chairman; Kristy Barney; Bill Dorsey; and Herschel Lewis. Those absent were: Adam Binkerd, Doug Carl, and Von Jackson.

Also present at the meeting were: Chuck Binkerd, Director; Pat Pinkerton, Assistant Director for Engineering & Solid Waste; Mike Conner, Attorney; Alan Miller, Council Liaison; Misty Humphries, Secretary; Spencer Durham, Chronicle-Tribune; and Steven DeBoard, 2433 W 10th Street.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Mr. Dorsey, to approve the minutes of the September 21, 2017 board meeting. All board members present voted aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton reported that there were a couple of projects progressing. The 4th Street storm sewer extension awarded to Dave's Excavating was 75% complete. The project has gone smooth although they did run in to some unknown water and sewer mains. United Surveying will be in town around October 30th to start the cured-in-place projects at 9th Street and at 28th Street. The Home Avenue CSO, which is a big Long Term Control Plan project, will go out for bids in November. Mr. Pinkerton said the Holiday Inn Express is installing a storm sewer down Western Avenue. They originally planned to tie into the State Highway's system, but the State Highway would not grant them permission to tie in. The extension down Western is about 70% complete. The City will then pave Western Avenue. Mr. Lewis asked if the Utility was involved with the Holiday Inn project in anyway. Mr. Pinkerton said that the Utility approved plans but not in any other way. Mr. Dorsey asked if other businesses are having the same issues with INDOT. Mr. Pinkerton said that INDOT has become very strict and is holding people to the letter of the law. For instance, the Utility had to do a \$10,000 capacity study for the 4th Street storm sewer extension to show INDOT that their system had the capacity for us to pump into it.

ACCOUNTS PAYABLE POLICY

Mr. Binkerd explained that the Accounts Payable Policy he was presenting reiterates what the current policy is for accounts payable. This policy addresses circumstances where a check needs to be issued outside of a normal week through a pay voucher that is presented at the board meetings. State Board of Accounts wants to see those vouchers reviewed and signed. However, there are times where we need to issue a check so that late fees and penalties are not assessed. Mr. Binkerd said that the working policy has always been to issue checks for those items. In the last review, State Board of Accounts stated that there is not a written policy in place. This policy was developed so that we will be in compliance with State Board of Accounts suggestion. These payments would just cover items like payments to other government entities, credit cards, utility bills etcetera. Mr. Logan asked if there were any questions and reiterated that this policy is just reducing to writing our current practice. Mr. Lewis moved, seconded by Mr. Dorsey, to approve the accounts payable policy as presented. All board members present voted aye. Motion carried unanimously.

STONECREST LIFT STATION QUOTES

Mr. Pinkerton stated that this project is a rehabilitation of the lift station that handles Stonecrest and Quail Hollow. Quotes were sent out before and there was no response. Some items were clarified and there were two responses now. Kokosing quoted \$63,800 and Dave's Excavating quoted \$71,197. Mr. Pinkerton recommended the low quote of \$63,800 submitted by Kokosing. Mr. Lewis moved, seconded by Ms. Barney, that the quote by Kokosing be accepted. All board members present voted aye. Motion carried unanimously.

TRANSFERS & PAY REQUESTS

Mr. Pinkerton presented three pay requests. The first pay request was for the storm sewer installed at Candlewood and Quarry by Keith Sullivan in the amount of \$24,108.60. There is \$1,270 being held in retainage. The second pay request was to Dave's Excavating for the 4th Street storm sewer extension in the amount of \$46,699.45. There is \$7,752 being held in retainage. The third pay request was to JG Bowers for the work on the mezzanine in the 1400 N. Washington Street building. It was in the amount of \$110,721.15. There is \$21,072.74 held in retainage. Mr. Lewis moved, seconded by Mr. Dorsey, to approve the pay requests as presented. All board members present voted aye. Motion carried unanimously.

DEBOARD 2440 W. 11TH STREET REQUEST (LIEN FORGIVENESS REQUEST)

Mr. DeBoard said his concern was that he purchased the old WestPoint Factory at the Commissioner's sale in the spring. The previous owner has been deceased for some years. He was tired of looking at it because it is so ran down. Mr. DeBoard succeeded in purchasing the property. Josh Howell, his attorney, was to charge him \$600 to \$900. Mr. DeBoard said he talked with someone at the water company who told him that there were three liens. He then spoke to April at the treasurer's office. April said the other two liens were being dismissed. Mr. DeBoard asked if the liens can be dismissed because he has already

paid enough. He has paid the spring taxes; he has to pay the fall taxes and the attorney's fees. Mr. DeBoard feels that he should not have to pay a dead man's bill. Mr. Logan said that he will assign the item to the Water Committee for further review. Mr. Logan explained that they typically will have an answer at the next meeting. Mr. Logan said that if the Water Committee can meet before the next meeting. Mr. DeBoard said that his current problem is that the previous owner's father is threatening to gut the building. Mr. DeBoard said that he cannot do anything legally until the property is in his name. Mr. DeBoard said that he is willing to transfer the building into his name and then have the liens placed in his name. Mr. Binkerd said that staff would work with Mr. DeBoard and make sure that he is plugged in. Mr. DeBoard said that April told him the deed is there waiting on him. Mr. Lewis said that he knows that the state statutes on this are very strict. Mr. DeBoard said that he has gotten a title search. Mr. DeBoard reported that Mike Riddle said he was going to tear the roof off and cash the roof in for money unless Mr. DeBoard gave him \$2,000. Mr. DeBoard said that he cannot afford to pay the \$440 lien now as he is on disability. He said that he is just trying to clean up the neighborhood. Mr. Conner asked if Mr. DeBoard is stating that he will agree to pay the \$440 lien. Mr. DeBoard said yes. Mr. Binkerd said he would like for Mr. Conner to attend the Water Committee meeting to discuss the item further.

799 OVERPAYMENT ACCOUNT

Mr. Binkerd explained that this was another State Board of Account issue. In the transition to the new software, the creation of this account is needed. Mr. Binkerd said it was being called the 799 Overpayment Account. State Board of Accounts states that a fund cannot be created without the Board's approval. The account is needed to transition money through so the two pieces of software can talk to each other. Mr. Lewis moved, seconded by Mr. Dorsey, to approve the creation of the 799 Overpayment Account. All board members present voted aye. Motion carried unanimously.

I&M RATE CASE

Mr. Binkerd explained that I&M is proposing a rate case. The Utility asked the City Council for permission to intervene in this case. The intervention was approved. Mr. Binkerd said the board needs to ratify the action of trying to intervene in the proposed rate hike. I&M is proposing a 19% increase. Mr. Binkerd said upon reviewing the Utility and the City accounts, it was discovered that the Utility and the City would face a 25-30% rate increase collectively. Mr. Binkerd said we have joined forces with Ft. Wayne and South Bend who are also I&M customers and intervenors in the case. The group is trying to share expert witnesses for cost effectiveness. Mr. Binkerd stated that the group is doing all that they can to try and remediate the increase as much as possible. He also said that he understands the need for a rate increase; however, there are some unreasonable expectations, especially when it considers what our community can afford. Mr. Lewis asked what the resolution states. Mr. Binkerd read the resolution aloud. Mr. Lewis stated that this could cause a rate increase to our customers. Mr. Binkerd said that is correct especially if we can't afford the increased expenses on our end. Mr. Conner said basically we are ratifying the call to war. Mr. Binkerd said that this will affect everyone in the community. He said that the City and Utility will join with GM, Wal-Mart, and some other large players. Mr. Lewis asked if the rate increase was for infrastructure. Mr. Binkerd said that some of it is for infrastructure, but it was

much more. He explained that the rate case was thousands of pages. The base rate is going to increase by \$7.00. Mr. Binkerd said that there are other items also buried in the pages that have to be ferreted out. Mr. Binkerd said that it is very complicated case. Ms. Barney moved, seconded by Mr. Dorsey, to approve Resolution 6-2017. All board members present voted aye. Motion carried unanimously.

SPONSORSHIP REQUEST & POLICY

Mr. Binkerd said he was not going to ask for any action tonight on this item. It will be brought back to the next meeting. He explained that each year sponsorship requests are presented. It is sometimes hard to know what the policy is or should be. This policy will be a guide that may be used for sponsorship requests. Essentially, the Outreach Team would review each sponsorship request and make recommendations. Those recommendations would then be presented to the board for final approval. Mr. Binkerd said if the board had ideas for improvement on the draft policy to please let him know. Ms. Barney asked that the sponsorship form be sent to her for review as well. Mr. Binkerd said that form would be created in conjunction with the policy.

MANAGERS' REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton reported that for the month of September 48.6 tons of waste per day has been brought into the transfer station. That makes September the biggest month by .0300 of a ton. Each month it bumps up just a little. Mr. Dorsey asked if Mr. Pinkerton was still looking for this to top out. Mr. Pinkerton said as long as the waste gets out the door everything is fine. Mr. Pinkerton said the daily average is 5 tons more than in 2016.

On another note, there was a small issue with the one of the new trucks. There was a loose wire but it was able to be fixed. Mr. Pinkerton said hopefully, these are the typical quirks that have to be worked out. Mr. Pinkerton said that the old trucks have to be paid off as they were traded in. The payoff amount is owed partly by Best Equipment and partly by the Utility. The Utility is responsible for \$154,856.46 until the end of the month. Mr. Pinkerton said that would change if the check is not issued until the next board meeting. Mr. Lewis moved, seconded by Ms. Barney, to approve the payment of \$154,856.46. All board members present voted aye. Motion carried unanimously.

Mr. Pinkerton concluded by reporting that employees participated in the Touch-a-Truck event. There were four Utility trucks at the event for the kids to touch and climb in. They like to honk the horn and get their picture taken in some of the larger trucks.

C. Binkerd, Utility Director

Mr. Binkerd reported that the parking lot project was on track for the November 8th completion date. There would probably be one more offsite meeting. The project is going well. The contractors are preparing for asphalt now. The new lane barriers are in place. Mr. Binkerd said it will be a good thing for our customers, and we will be able to add extra security in place for the plant. The Kiosk probably won't be in place by this fall. However, it will be in place as soon as possible.

BOARD MEMBER COMMENTS

There were no board member comments at this time.

CHAIRMAN'S REMARKS

Mr. Logan thanked everyone for their attendance.

The next meeting is scheduled for November 2, 2017 at 5:30 p.m. at the Marion Public Library.

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

Meeting adjourned at 6:25 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

Misty Humphries
Its Secretary