



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

Service Board

BOARD MINUTES OF THE FEBRUARY 2, 2023 MEETING

The Marion Utility Service Board held their meeting on Thursday, February 2, 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; Mia Erickson; Von Jackson; and Herschel Lewis. Bill Dorsey and Al Green 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; and Misty Humphries, Secretary.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

There were no additions or deletions to the agenda.

ELECTION OF 2023 CHAIRMAN & VICE-CHAIRMAN APPOINTMENTS

Mr. Carl nominated and moved to elect Mr. Logan as the 2023 Chairman. Mr. Lewis seconded. All members present voted aye. Motion carried unanimously. Mr. Logan appointed Mr. Carl as the 2023 Vice-Chairman.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Mr. Carl, to approve the minutes of the December 15, 2022 regular meeting. All board members voted aye. Motion carried unanimously.

FINANCIALS

Mrs. Snyder presented the November, 2022 financials. Water sales were lower than average and operating expenses were greater than average. The operating expenses had two months of United Healthcare expenses for all utilities to make up for no posting of insurance expense in October. This resulted in Water having a large cash decrease which reflected the increase in expenses and a decline in sales.

Mrs. Snyder said that Wastewater also had a decline in sales, but the effect of the insurance post didn't affect the bottom line as much. The Wastewater fund had a positive operating cash inflow. The decrease in cash was due to the continued construction outflow.

According to Mrs. Snyder, Stormwater and Solid Waste sales were at average. The effect of the double insurance affected the bottom line for Solid Waste with a negative outflow.



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Mrs. Snyder then presented the financials for December, 2022. Water sales were lower than the last year's average but that was expected for the winter months. Wastewater sales kept pace with the average. This may have been due to the annual rate increase. Stormwater was right at average as well as Solid Waste.

Mrs. Snyder said operating expenses were at average for Wastewater and Stormwater.

Water had a very large increase in expenses for the month of December. There was a \$69,700 expense in from Set Environmental in the Northeast Well Diesel Spill account. Contractual services for distribution maintenance was high in both November and December (at \$38,000 each month). Dave's Excavating was the vendor in this account, and there were a couple of invoices (\$29,000 in November and \$23,000 in December for street cuts that increase the total expense for the months. The fees for contractual services legal and for the rate study also came into play in December.

Solid Waste operating expenses were greater than average by \$50,000 with the main accounts causing the expense increase being transportation (Holtz Industries parts invoice), transportation fuel (Wex bank rebate expense), and contractual services (two landfill invoices in the month).

Mrs. Snyder stated that the operating balance for Solid Waste two month minimum was calculated at \$246,000. The balance for the end of December was \$202,697 with no balance in the depreciation fund. This fund would continue to decrease until the proposed rate increase was enacted. Any capital expenditure until the rate increase is enacted will be a draw on the operating fund. According to the rate analysis, the average monthly expense was projected to be \$141,000. In December, the operating expense was \$191,000 which caused the reduction in the operating fund after the balance in the depreciation fund was depleted.

Mr. Binkerd called the Board's attention to the third page of the December financials which illustrated the losses. He said the losses weren't unexpected and noted that \$6.4 million on the Wastewater budget was due to the large project. Stormwater's loss was due to projects as well.

Mr. Binkerd Solid Waste also reported that the cash reserves' balance was just under \$500,000. There was also a lease payment that was getting ready to be paid. The lease payment is a one-time payment each year. Mr. Binkerd stated that he was beginning conversations with the City Council about a rate increase for the Solid Waste Utility. Mrs. Erickson asked how long it would take to get a rate increase for the Solid Waste Utility. Mr. Binkerd said not as long because there was no IURC process to complete. Mrs. Erickson asked how long would Mr. Binkerd would forecast out for the rate increase. Mr. Binkerd answered probably looking at three years. Mrs. Erickson asked when the last rate increase was. Mr. Pinkerton said when the Utility began in 2015. Mrs. Erickson said so there would be more increases regularly. Mr. Binkerd said that when the Solid Waste Utility was formed it was stated that a rate increase would not be needed for five years, and it has been seven years actually. Mr. Logan said the rate increase may be phased





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in like the Wastewater rate increase was so that everything doesn't hit all at once. There being no further discussion on the topic, Mr. Lewis moved, seconded by Mr. Carl, to approve the November and December financials as presented. All board members present voted aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton said that the Westwood Mall Meter Separation came about two weeks ago when there was a cave in. The project just started today because the water main had to be prepared. The proximity of the water main to the manhole could put the main in jeopardy. Mr. Carl asked what happened at Lincolnshire. Mr. Pinkerton said he was not sure. The water meters at Westwood Mall were also moved as they used to be underground. Mr. Pinkerton then presented the South Adams Storm Project which was budgeted for 2023 and will be a big one. He explained that when Café Valley came to town, they built over the top of the storm sewer. A 36" storm sewer can now be installed and ran out to Adams Street. The last project presented included the proposed Water Distribution System projects that were included in the rate increase case. These were the 7th Street & 10th Street area projects. Mr. Pinkerton said that Mason Boulevard on down was a water project for 2025 and was also included in the water rate increase case.

154 N CAMPBELL REQUEST

Mrs. Shrader said this was brought before the Water Committee at the beginning of January. The owner received a large bill for illegal usage. Mr. Swan immediately called our office and notified us that the property had been vandalized. Mr. Swan also presented a police report which confirmed the vandalism of the home. Video footage was reviewed and there have been no solid waste services at the residence. The adjustment was \$155.32 recommended by the Water Committee. Mrs. Erickson moved, seconded by Mr. Lewis, to approve an adjustment as requested. All board members present voted aye. Motion carried unanimously.

TRANSFERS & PAY REQUESTS

Mr. Pinkerton presented several pay requests. The first was for the Harrison & Horton Water Project. It was pay request number one to Keith Sullivan in the amount of \$54,886.30 with \$3,570 held in retainage. The second was to Keith Sullivan for the Lenfesty & Bradford storm sewer. It was the first and final \$118,876.45 with release of retainage in the amount of \$6,256. The third pay request was to Insight Pipe for the 2022 cured-in-place storm sewer lining projects. It was the third and payment in the amount of \$3,000 with release of retainage in the amount of \$8,624. The final pay request presented was to Insight Pipe for the 2022 cured-in-place sanitary sewer lining projects in the amount of \$185,633.40 with release of retainage in the amount of \$18,790. Mr. Lewis moved, seconded by Mr. Carl, to approve the pay requests. All board members present voted aye. Motion carried unanimously.





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RESOLUTION 1-2023 ACCEPTANCE OF QUITCLAIM DEEDS

Mr. Pinkerton explained that Resolution 1-2023 was the final step in acquiring properties for the CSO projects at Clark & Home and CSO at 2nd Street & Race. Mr. Conner clarified that the passage of the Resolution 1-2023 was almost the final stage. The next step was to Quiet Title which could be filed tomorrow. Mr. Carl moved, seconded by Mr. Lewis, to pass Resolution 1-2023. All board members present voted aye. Motion carried unanimously.

RESOLUTION 2-2023 APPLICATION OF UNCLAIMED REFUNDS

Mr. Binkerd said that Resolution 2-2023 was being presented in relation to the Indiana Unclaimed Property law. He furthered that this was a result of a head-butting issue between the Attorney General's office and State Board of Accounts. Attorney General's office states that the Utility has to submit unclaimed refunds to their office. State Board of Accounts states that we do not have to submit those funds to the Attorney General's office. Mr. Binkerd said those unclaimed refunds were held for seven years before voiding the check and claiming the unclaimed funds as municipal properties. Mr. Binkerd said that Mr. Conner needs to nail down the code citing. Mr. Conner added that the Unclaimed Property Law was amended and used to say that Water Meter Refunds were exempted. In the revision, they are not mentioned at all, but sewer meters were exempt. Mr. Conner said he thinks that the Water Meters were completely removed. Mr. Binkerd asked that Resolution 2-2023 be tabled until the next meeting. He noted that there is a February 13th deadline and asked that Mr. Conner reach out to the Attorney General's office and State Board of Accounts to find out if the deadline can be extended.

2022 BUDGET RECONCILIATION

Mr. Binkerd said that each year the budgets were reconciled after the final claims had been paid. This allows the Leadership Team to shore them up and present any adjusting entries. The first budget amendments presented were the Water Utility budget amendments. Mrs. Shrader explained that for each increase there was a corresponding decrease so that the budgets were balanced. She said that 89% of budget was spent. The Wastewater Utility amendments were then presented. Mrs. Shrader noted that the Wastewater lab needed an increase due to supply shortages. Mrs. Shrader instructed the Laboratory Coordinator to stock up on needed supplies when the opportunity presented itself. Mrs. Shrader also said that 69% of the Wastewater budget was spent. Mr. Carl asked what CHP and FOG stood for. Mrs. Shrader said CHP bulk stands for combined heat and power which supplements our energy usage. FOG stands for fats, oils, and grease which was used to generate more methane to burn in the CHP unit. Mr. Pinkerton presented the Storm Water amendments. Again, there were corresponding increases and decreases. The largest increase was fuel. The Solid Waste amendments were more in number. IT was tight all the way through. The largest increase was regular salaries because the temporary salaries were coming out of the regular salaries now. The temporary salaries line was decreased though to cover the increase. Mr. Pinkerton said the landfill added surcharges to cover their expense increases. The bad news was that the budget would need a \$25,000 increase to cover the changes in costs. The good news was that in the 2022 budget, there was a plan to use \$300,000 from cash reserves. The cash reserves were only decreased by \$200,000





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because the revenue was \$100,000 more than anticipated. Mr. Logan stated that this showed a rate increase was needed for the Solid Waste Utility. Mr. Lewis moved, seconded by Mr. Carl, to approve the 2022 Budget Reconciliations as presented. All board members present voted aye. Motion carried unanimously.

ENGAGEMENT AGREEMENT WITH COMMONWEALTH

Mr. Binkerd explained that Commonwealth Engineers was a reputable engineering firm in Indiana and that Lawson Fisher was phasing out. Mr. Binkerd said the people that we engaged with for years have all left. Commonwealth has been assisting with some projects. He continued that as we were moving into the next phase, we needed to engage with Commonwealth. The proposal was for \$163,356 which would come out of the Long Term Control Plan funds. Mr. Binkerd said that the cash funds were there. Commonwealth would help to update the model and could possibly help save hundreds of thousands of dollars. Mr. Binkerd said that after engaging with Commonwealth, the preliminary engineering report would move forward allowing us to get in line for SRF funds. Mr. Logan asked if there had been a similar contract with Lawson Fisher. Mr. Binkerd said yes. Mr. Carl asked if the costs were similar. Mr. Binkerd answered yes and directed the board's attention to the rate sheet. Mrs. Erickson moved, seconded by Mr. Carl, to approve the engagement agreement with Commonwealth. All board members present voted aye. Motion carried unanimously.

ENGAGEMENT AGREEMENT WITH ABONMARCHE

Mrs. Shrader said last summer Abonmarche started working with the Senior Leadership Team. They help organizations like ours develop a GIS and then transition into an asset management program system. The main office was in Benton Harbor, Michigan, but they have worked with several other cities and towns in Indiana as well as other states. Mrs. Shrader said that have developed a functional GIS system, but we don't know how to access or use it. Mrs. Shrader explained that a GIS system was a geographic information system that creates, manages, and maps all kinds of information. Mrs. Shrader likened it to a giant database connected to a mapping system with multiple layers that was super user friendly. There were two primary benefits. As opposed to doing a costly asset management update every five years which was just done with the water department and cost \$100,000. GIS would provide a structured framework for investment planning. The second benefit was that it would put the Utilities in a great position to pursue SRF money when moving forward with capital improvement projects. Mrs. Shrader said we were not quite ready to say this is how much we were going to need because a lot of the items available were ala carte. Mrs. Shrader did present a listing of know prices for items that would definitely be needed or wanted. The mobile devices for crew members was \$50 each/month. The devices would allow crew members to go out to a location whether for service or maintenance and enter the information directly into the GIS system. Access Licenses. The creator would create information. The reviewer would be able to view information only. The editor would be similar to the creator but with some limitations. There is a rough estimation of \$40,000 that was suggested. However, the \$40,000 depends on what applications we select. Mrs. Shrader said down the road, we will be able to design and implement those ourselves. The \$50 for mobile devices for individual crew members would



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include service, maintenance and warranty/replacement costs. Mr. Carl asked if this was budgeted. Mrs. Shrader said funds were not specifically earmarked for this. Mrs. Shrader said shew would be looking at where the money could come from in the budget. Mr. Carl asked if this was the same or similar to the Grant County GIS. Mrs. Shrader said it was similar. The County uses Elevate, but we would use ESRI. The ESRI system is becoming the universal GIS program. ESRI was the Microsoft of GIS programs so to speak. Mr. Logan asked how many iPads would be needed. Mrs. Shrader said preliminary thoughts were that the mobile devices would be needed for the sewer maintenance and distribution crews. The water workgroup may have one to share because they maintain the wells. Mr. Binkerd said that some current costs can roll into this and then be done away with like the hotspots in trucks for laptops.

240 SOLUTIONS PROPOSAL

Mr. Binkerd said that the 240 Solution proposal fits in with our more than 10-year effort of building in to our employees. It was an important goal for us to continue our endeavors. The Senior Leadership Team engaged with 240 Solutions a few months ago for a survey. Mr. Binkerd added that Adam Binkerd and Sarah Spangler were the founders and partners of 240 Solutions. Mr. Adam Binkerd used to be on the Service Board. He, however, was not of immediate relation to Mr. Chuck Binkerd. Although, they may be related if the Binkerd lineage was researched far enough. Mr. Binkerd said he would like to engage with 240 Solutions in order to deal with some of the issues revealed in the employee surveys. The wheels were not falling off, but there were some issues that we would like to fix so that Marion Utilities remains a quality employer where people want to come and work and retire from. The engagement would cover a year. The first engagement would be for 240 Solutions to come next Thursday for a plant wide breakfast and meeting. Mr. Binkerd explained that 240 Solutions would talk with everyone to explain what they do, why they do it, and what the steps were. Bottom line was that it would be a \$72,000 engagement. There would be a couple of \$36,000 payments during the year. Mr. Binkerd added that this was an opportunity to involve some employees in the process that would not normally be involved in conversations like this. Mr. Carl asked if \$36,000 would be paid up front and another payment made later in the year. Mr. Binkerd answered yes. Mr. Carl asked if we weren't happy with the program if the engagement could end early and the other payment not be due. Mr. Binkerd answered that an agreement could be worked out with Mr. Adam Binkerd and his partner, Sarah Spangler, if that were the case. Mr. Chuck Binkerd said he didn't think that there would be any dissatisfaction with the program though. Mr. Jackson moved, seconded by Mr. Lewis, to approve the 240 Solutions proposal. All board members present voted aye. Motion carried unanimously.

FEBRUARY 9, 2023 DELAYED OFFICE OPENING

Mr. Binkerd said that in order for everyone to be in the same space together for the 240 Solutions meeting, the offices would need to open later. Mr. Binkerd said he would like to open the offices at 10:30 a.m. Mr. Carl asked if the posting would be made on social media. Mr. Binkerd answered yes. Mrs. Erickson moved, seconded by Mr. Lewis, to approve opening the offices at 10:30 a.m. on Thursday, February 9, 2023. All board members present voted aye. Motion carried unanimously.



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SENIOR LEADERSHIP REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton reported that the final numbers were in for 2022. It was the first year when more trash was not brought in than the previous year. Recycling was growing. In 2022, 93 tons of paper, plastic, & cardboard were brought in. 21 tons of glass and 7 tons of aluminum/steel were also received. Mr. Pinkerton said we were able to recycle 121 tons of mixed material for about \$7,500. The recycling program cost about \$61/ton. The Municipal Solid Waste (MSW) cost about \$182/ton. The \$61/ton was the lowest Mr. Pinkerton had ever seen. Mr. Carl said the recycling program seemed to work a lot better than the blue bag system. Mr. Binkerd agreed. Mr. Pinkerton said that in 2021, 103 tons of recycling was done. Mr. Pinkerton thinks 121 tons will be beat this year. Recycling has only been opened about 1-1 ½ years. In June 2022, the record was 187 customers in one day. January 6, 2023 saw 321 customers and on January 20th we had 183 customers come through. Mr. Carl asked how many people manned the center. Mr. Pinkerton said two sometimes three. Mr. Carl asked if Solid Waste was able to work all day on the Monday of the snow emergency. Mr. Pinkerton said by 10-10:30 a.m. Solid Waste drivers were off the streets with 30% of their route done with rear loader and 40% done with side arms. Mr. Pinkerton said the rest of the routes were picked up the next day with Thursday's route.

R. Shrader, Assistant Director for Operations & Maintenance

Mrs. Shrader reported that she went to IWEA kickoff meeting. She expressed her appreciation for being able to be involved at the state level. Mr. Binkerd said Mrs. Shrader was an officer and had been for several years. Mr. Logan said it was a great learning opportunity and was glad she could participate.

C. Binkerd, Utility Director

Mr. Binkerd said he wanted to highlight some responses and emails that he had received this week. Several employees wanted to express to the board their appreciation for the COLA increase and for all of the programs that help to build them personally and professionally. Mr. Binkerd stated that employees wanted to let the Board know how much they appreciate the board for their support as well. Mr. Binkerd added that the administration building renovation was budgeted at \$650,000. There are some very skilled employees who have agreed to take that on themselves. The space will be renovated and reconfigured for a fraction of the budgeted cost. Mr. Binkerd wanted to express his appreciation those employees.

BOARD MEMBERS' COMMENTS

There were no board comments at this time.

CHAIRMAN'S REMARKS

Mr. Logan thanked everyone for their attendance. He apologized for the longer meeting, but there were some items carried over from the last scheduled meeting date.

The next meeting was scheduled for 5:30 p.m. on Thursday, February 16, 2023.



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

Meeting adjourned at 6:41 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

Misty Humphries
Its Secretary



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