



Marion Utilities

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

Service Board

Memo To: All Utility Board Members
From: Bob Logan, Chairman
Date: April 19, 2022
Re: Agenda for April 21, 2022 Utility Board Meeting

Dear Board Member:

This is to inform you of our Board Meeting to be held Thursday, April 21, 2022 at 5:30 p.m. in the L.E.A.D Center Building 101 at Marion Utilities, 1540 North Washington Street, Marion, Indiana.

The following will be the agenda:

- I. **ROLL CALL**
- II. **INTRODUCTION OF GUESTS**
- III. **CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS**
- IV. **APPROVAL OF MINUTES**
 - A. Meeting of April 7, 2022
- V. **FINANCIALS**
 - A. February, 2022
- VI. **OLD BUSINESS**
 - A. Update on Projects – P. Pinkerton
 - B. Update on Rate Case – C. Binkerd





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VII. NEW BUSINESS

- A. Transfers & Pay Requests - Senior Leadership Team
- B. Rate Case Consultation Fees- C. Binkerd

VIII. SENIOR LEADERSHIP REPORTS

- A. Assistant Director for Engineering & Solid Waste- P. Pinkerton
- B. Assistant Director for Operations & Maintenance- R. Shrader
- C. Utility Director- C. Binkerd

IX. BOARD MEMBERS' COMMENTS

X. CHAIRMAN'S REMARKS

XI. NEXT MEETING

Thursday, May 5, 2022

Robert Logan, Chairman
Marion Utility Service Board

cc: News Media
City Administration/Council
Department Heads





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Service Board

BOARD MINUTES OF THE APRIL 21, 2022 MEETING

The Marion Utility Service Board held their meeting on Thursday, April 21, 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: Bob Logan, Chairman; Bill Dorsey; Mia Erickson; Von Jackson; and Herschel Lewis. Doug Carl 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; and Misty Humphries, Secretary.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

There were no additions or deletions.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Mr. Dorsey, to approve the minutes of the April 7, 2022 regular meeting. All board members voted aye. Motion carried unanimously.

FINANCIALS

Mr. Binkerd presented the financials for February, 2022. The Water, Wastewater, and Solid Waste Utilities were in the red. The Storm Water Utility had a gain of \$54,739.31. Mr. Binkerd stated that this is not unusual for February. Part of the loss was due to a lease payment as well as double insurance payments, and large claims payable to the vendor for projects. Mr. Lewis moved, seconded by Mr. Dorsey, to approve the financials as presented. All board members present voted aye. Motion carried unanimously. Mr. Logan and the Board expressed their thanks to Mrs. Jennifer Wilson and Mrs. Snyder for putting in the work and getting these done.

UPDATE ON PROJECTS

Mr. Pinkerton reported that staff was working on the cured-in-place projects for the year. Those were delayed a few due to working on updating the Water Distribution Master Plan for the rate increase.

UPDATE ON RATE CASE

Mr. Binkerd reminded the Board that the Utility Receipts Tax was revoked. The Resolution and Ordinance were presented to the City Council on Tuesday, April 19th. The Council was gracious enough to pass it in one reading. The public notice will go out tomorrow. Mr. Binkerd said the minimum user would save \$0.20 and a family would save \$0.40 a month. Mr. Logan said he dared not ask how much this was costing the Utilities. Mr. Binkerd estimated around \$15,000.



TRANSFERS & PAY REQUESTS

Mrs. Shrader presented pay request number nine to Jackson Construction in the amount of \$1,099,075.90 which represented 62.3% completion of the contract. Mr. Lewis moved, seconded by Mr. Dorsey, to approve the pay request. All board members present voted aye. Motion carried unanimously.

RATE CASE CONSULTATION FEES

Mr. Binkerd explained that there was a rate reduction earlier in the agenda so now he was going to discuss a rate increase. The attorneys approached the IURC to see if the rate increase could be offset by the rate decrease basically doing everything at once, but the IURC answered no. The big issue was bringing consultants on board and getting them to work. The quotes for the consultants include Crowe accounting not to exceed \$140,000; Bose McKinney legal not to exceed \$140,000; and Stantec Cost of Service Study not to exceed \$50,000. Should Stantec's cost exceed \$50,000, the consultation fee would be brought back before the board. Mr. Binkerd said the total costs were going to be approximately \$350,000, and he asked the Board to approve moving forward at the \$350,000 for all three consultants. Mrs. Erickson said this wasn't budgeted as it was unforeseen. Mr. Binkerd said it was not foreseen. In looking at future claims, there may be a couple hundred of thousand dollar claims coming out of the Water Utility. Mr. Binkerd believed that the Water Utility could undertake the fees as there were good cash reserves and if needed a loan could be sought. Mr. Jackson confirmed that Stantec would be held at the \$50,000 level; the \$350,000 covers all three consultants; and should Stantec have additional fees the issue would be brought back before the board. Mr. Logan reminded the board that Crowe worked on the last rate increase and Bose McKinney has worked on several other issues for the Board. Mr. Logan then outlined the rate increase process. Mr. Binkerd said that the legitimate need would require a rate that would be double. Mr. Binkerd said he is committed to not allowing that to happen which was why Stantec was being engaged for a Cost of Service Study. Mr. Binkerd reminded the board that it had been 17 years since the last rate increase. Mrs. Erickson asked if it was typical for 17 years to pass between increases. Mr. Binkerd said for Marion yes. For other areas no. Mr. Dorsey asked if a number was known as far as what rate increase would be. Mr. Binkerd said that he only has rough numbers at this time, but he could not state how those numbers would affect the different customer classes such as residential or industrial. Mrs. Erickson said there is no way to put a step on adjustments like a cost of living adjustment, but costs for five years down the road can be estimated. Mr. Binkerd said that a Cost of Living Adjustment couldn't be made; but the IURC prefers to see rate increases done in two to three year increments. Mr. Binkerd said that we would probably do that if we weren't as connected with the City Council. Mr. Logan reminded the board of the process the Wastewater Utility had to go through to get a step increase over several years. Mrs. Erickson asked if Council had to approve the proposal for it to move forward. Mr. Logan added that the IURC has the final say or approval. Mr. Binkerd said that a good thing was the IURC was becoming more open to incremental increases for longer term projects like building water towers as long as there was a specific plan. Mr. Jackson asked if there was an opportunity to gain funds under the current funding opportunities. Mr. Binkerd said he wished there was, but after speaking with the Indiana Finance Authority there didn't seem to be much hope. Mrs. Erickson said that there was not a lot for infrastructure in the bills. Mr. Jackson asked about state funds. Mr. Binkerd answered that the state has decided that a lot of the funds will be ran through the SRF process which was a loan program that was not easy to navigate. Mr. Jackson moved, seconded by Mr. Lewis, to approve the consultant fees as presented. All board members present voted aye. Motion carried unanimously.

SENIOR LEADERSHIP REPORTS

P. Pinkerton, Assistant Director for Engineering and Solid Waste

Mr. Pinkerton had nothing to report.

R. Shrader, Assistant Director for Operations & Maintenance

Mrs. Shrader said that no report at this time.

C. Binkerd, Utility Director

Mr. Binkerd reminded the board that the Earth Day event was happening at the park. Mrs. Shrader shared a clip of the activities.

BOARD MEMBERS' COMMENTS

There were no comments at this time.

CHAIRMAN'S REMARKS

Mr. Logan wished everyone a good evening, and welcomed back Mr. Lewis.

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

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

Meeting adjourned at 5:57 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST



Misty Humphries
Its Secretary