



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

Service Board

BOARD MINUTES OF THE FEBRUARY 5, 2026 MEETING

The Marion Utility Service Board held their meeting on Thursday, February 5, 2026 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; Kristy Barney, Isaiah Fuller, Mike Graft, Al Green, Herschel Lewis and Jayda Monteiro.

Also present at the meeting were: Robin Shrader, Director; Pat Pinkerton, Assistant Director for Engineering & Solid Waste; Chad Guyer, Assistant Director for Operations & Maintenance; Kyle Persinger, Attorney; Erika Devine, City Council Liaison; Tiffany Snyder, Accounting Billing Coordinator; Misty Humphries, Secretary. Other guests included Gary Fordyce, City Council; and Jessica Barnett.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

Dr. Monteiro would like to have a discussion on the Code of Conduct. Mr. Logan stated that it could be placed as Item C under New Business. Ms. Barney stated she would like to amend 2026 Water Budget 800 section as the bond principal amount should read \$300,000 instead of \$200,000. Mr. Logan stated the Modification of 2026 Water Budget could be placed under New Business as Item D. Ms. Barney moved, seconded by Reverend Green. A roll call vote was taken and recorded as follows: Ms. Barney, yes; Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; Mr. Logan, yes. The motion carried unanimously. (Mr. Fuller had not yet arrived at the meeting.)

APPROVAL OF MINUTES

Reverend Green moved to approve the minutes of the January 22, 2026 meeting. Mr. Lewis seconded the motion. A roll call vote was taken. The votes were as follows: Ms. Barney, yes; Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Mr. Logan, yes. Motion carried unanimously.

FINANCIALS

Mrs. Snyder presented the December 2025 financials. She reported that sales for all utilities but Stormwater had been above or consistent with prior years. Solid Waste had a fourth month of being consistent with sales from a year ago when the rate increase was implemented. Water and Wastewater had increases over the prior year as expected with the January 1, 2025, increases; however, December 2025 Wastewater sales dipped just below the December 2024 Wastewater sales.



On the expense side, Mrs. Snyder said the operations and maintenance expenses had been consistent with a few exceptions in Water and Solid Waste. Water had lime chemical water treatment expenses of \$106,323, which is greater than the prior monthly average of approximately \$60,000. Solid Waste had a small uptick of about \$24,000 which was due to an additional ticket to the landfill and \$38,000 for replacement toters.

Mrs. Snyder reminded the Board that six months ago, the Water Utility expended the depreciation funds to zero balances, and the Water Utility operating balance was less than the desired two months of balance. Since then, the depreciation funds have maintained zero balances. Wastewater loaned \$1,800,000 to Water in September 2025, and this amount had been retained in the Water Operating Fund. Without the loan, the Water Operating Fund balance would be \$432,890, which was approximately \$200,000 less than the required two months of operating expenses balance. She also explained that the Water Utility reflected a reduction in cash in the month of December. This negative cash flow was due to the payment of \$161,595.47 from retainage on the SRF Water project. Without this disbursement, the cash flow would have been positive \$46,000.

In closing, Mrs. Snyder reported that in December, Wastewater had issued a \$10,500,000 bond through the Indiana Bond Bank's Community Funding Resource Program. The funds for this bond issuance had been retained in the Wastewater Construction Fund. Overall, there was a net gain for all the utilities except the Water Utility.

Mr. Logan asked if these financials were what would be considered the final reports for the year. Mrs. Snyder said for cash, yes. The fixed assets would be added and end of year transfers would still be completed before closing the year. There being no further questions, Mr. Lewis moved, seconded by Reverend Green, to approve the financials as presented. A roll call vote was taken. The votes were as follows: Ms. Barney, yes; Mr. Fuller, yes; Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Mr. Logan, yes. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton said that the only project was the CSO 009 at Home Avenue. The front end documents were still being worked on. Mr. Pinkerton said that there were going to be some additional soil borings but those were delayed due to weather.

RATE PROPOSAL & RESOLUTION 1-2026

Mrs. Shrader said that because a new proposal for a rate increase was taken back to the City Council a Resolution was needed to match the ordinance. Mrs. Shrader explained that this was the same process that was done last fall in preparation for the first ordinance. However, this Resolution reflected the 39.21% that was passed at the last Council meeting. It passed the first reading with the understanding that the rate could still be adjusted. Mr. Lewis moved, seconded by Ms. Barney, to approve Resolution 1-2026. A roll call vote was taken. The votes were as follows: Ms. Barney, yes; Mr. Fuller, yes; Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Mr. Logan, yes. Motion carried unanimously.

TRANSFERS & PAY REQUESTS

There were none.

MARION UTILITY SERVICE BOARD MEMBERS

MAYORAL APPOINTMENTS (4-YEAR TERMS)

Isaiah Fuller (7/2024-7/2028) Al Green (7/2023-7/2027)
Herschel Lewis (7/2022-7/2026) Jayda Monteiro (7/2025-7/2029)

CITY COUNCIL APPOINTMENT (4-YEAR TERMS)

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BOARD ATTORNEY

Kyle Persinger

CSO 009 PROJECT DOCUMENT APPROVAL

Mr. Pinkerton said this was a formality. The two items needing approval were the contract document and the escrow agreement. The contract was to Thieneman for \$9,978,000. There were 450 days after the notice to proceed to final completion. There were 30 days after final completion liquidated damages would be \$2,500 per day if the completion date was not met. Retainage was 3%. Mr. Pinkerton said that Mr. Persinger had reviewed the documents and had nothing to add unless there were questions. Mr. Graft moved, seconded by Mr. Lewis, to approve the contract documents to Thieneman. A roll call vote was taken. The votes were as follows: Ms. Barney, yes; Mr. Fuller, yes; Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Mr. Logan, yes. Motion carried unanimously.

CODE OF CONDUCT

Dr. Monteiro said that the last time there was a meeting, we as the Board, I felt like as a Utility, agreed to release a statement regarding misinformation that was happening. Dr. Monteiro said she felt that the statement was well written and made our point. Dr. Monteiro recalled that the vote was unanimous to release the statement. This happened by social media. Dr. Monteiro quickly noticed that several Utility employees were going back and forth on social media with people. Dr. Monteiro stated she reached out to Mrs. Shrader and said we might want to rein this in because Dr. Monteiro didn't think it was a good reflection of where we needed to be. Dr. Monteiro said that there was a commitment with the Board of Works that same week to get on a better page, communicate, work together, and collaborate. Dr. Monteiro stated that the behavior from our employees, she felt, was unnecessary. Mr. Lewis said in defense of them, the other day, he was reading, and it felt like they were getting attacked. Mr. Lewis asked how would you respond when the things that have been said are said whether false information or not that's how social media works. Dr. Monteiro said that she understood that. However, our Code of Conduct...we can't control what they say. Mr. Lewis agreed that the Board couldn't control what people say. Dr. Monteiro continued that the Board couldn't control what someone says, but the Code of Conduct does say that employees were to say clearly that they are not representing the Utility in doing so. There were specific comments, and Dr. Monteiro could have screenshotted them and brought them, but that wasn't her intention. She said her intention was to have a discussion. Dr. Monteiro expressed that there were specific comments that were like, oh, good to hear that from an employee of the Utility. But you don't represent the Utility, right? You are one person, and that is your personal opinion, and you are engaging in a personal conversation. Dr. Monteiro said this was her only concern. Dr. Monteiro doesn't want any smoke or create a bigger issue than what it is. Dr. Monteiro also stated that she completely understands that some people, more than others, are able to put their head down and just keep going and not listen to the external noise. She gets that. It's a task in itself. There were high emotions. There was a lot happening. Dr. Monteiro said that she just wanted to make sure that if we say that we are going to commit to collaborating, working together, and communicating effectively, that we do that.

Mrs. Shrader responded by adding that she did send out a plantwide email reminding everyone of the value of steering clear of the drama. So, we did, as an administration, send out another note. Dr. Monteiro said she knows it is much easier said than done to just put your head down and keep things going. Even when the things around you being said are not true. It's hurtful, you want to defend your integrity, all of those things, right? Once again, it's easier for some people to do that than others. Mr. Lewis said it took a lot for him because it was hard.

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He made a couple comments, but tried to keep it civil, because he knows what is going on here. Mr. Lewis said it is social media. There are going to be people who don't know. Some of them, were people that don't live around here throwing out comments. Mr. Lewis said it would be a wise decision not to say anything. Dr. Monteiro said that was even more reason not to engage. She knows it's much easier said than done. But for the mere fact that a lot of the people were having conversations about things that they don't understand fully. They don't see everything that we see. Ms. Barney added from both sides. Dr. Monteiro agreed and said a lot of people don't live here. Dr. Monteiro asked so, why give it energy and smear it? Dr. Monteiro said that she thinks the idea of smearing it in any way, shape or form, the great work that is being done here. She tells people all of the time, you don't want to engage in anything that is not worth your time, energy, and space. Dr. Monteiro also said she did appreciate Mrs. Shrader taking her call on a Friday afternoon. But she could see it getting out of hand and thought she should say something since things were already boiling to put some butter on it so to speak.

Mr. Lewis said that the pictures shared of crews working in the water in cold temperatures was appropriate. People just don't know. They are at home in their bed while others are outside in the water in the middle of the night worrying about water.

Ms. Barney said that social media is a platform and with how society is today, she tries to always refrain from commenting on things that she is involved in. But, it is each individual's God-given right to share what they would like on social media. Ms. Barney said that she did agree with the Code of Conduct. Ms. Barney asked if there was a particular policy in place? Mrs. Shrader said that there was a policy. Ms. Barney asked if she could see that. Mrs. Shrader said she didn't have it on hand but could send it around. Dr. Monteiro said she had asked for a copy of the handbook. The handbook states that you can post what you want on your personal page, but you have to be clear that you are not representing the Utility in doing so. Mrs. Shrader said that there had been a couple of instances in the past, not related to the current issue at all, that had been brought to her attention that an employee said something. It's been a little tricky, but a conversation with that employee had been held. Ms. Barney commented that social media is a platform that allows people to list where they work or volunteer. There have been comments that have intrigued her and allowed her to learn some things. There have been several links shared on topics that she has followed and educated herself on. Ms. Barney said that when she went to the person's page that shared those links, some were identified, and some were not, as working for Marion Utilities. It's a tricky line. Ms. Barney continued that it was high intensity situation, with a lot of emotions, and many people did feel attacked. The natural instinct as a human is to stand up for yourself and what you believe in. That's the American way. However, Ms. Barney said that we need to be modest and make sure that certain comments are following policies in place. Dr. Monteiro said that she understands the idea of wanting to defend yourself. As she stated in the last meeting, this service board had been around for quite a while. There have been people who have dedicated many hours to doing the work here. But Dr. Monteiro also wanted to encourage that if someone is saying something negatively, you standing up and doing the right thing doesn't necessarily mean you have to respond. You're coming here, you're showing up every time we ask, and you're doing the work. You're doing the right thing. Dr. Monteiro said she thought a lot of it was emotion. Again, she gets it. Dr. Monteiro said maybe she needed to take her therapist hat off a little bit, but she thinks in a time where we had just committed to be solution-focused, none of that conversation was solution-focused. Us going back on forth with people on social media who we acknowledge may not have all of the details or any factual information is not going to get us to where we need to be.

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Mrs. Shrader added that since that time, she's had two other opportunities to dialogue with employees. The plantwide email in response to Dr. Monteiro's concern was sent out right away. But since then, there's been two other conversations. The position that Mrs. Shrader said she asked folks to take is to keep doing what we do. To be excellent in our jobs so that when someone comes out the door, when someone asks, "hey, what are you doing?" We are doing what we're employed to do, faithfully, just like we have been without any change and continue on. Mrs. Shrader that has been the message and what employees have been encouraged to do.

Mr. Lewis asked who is providing the information for the other camp or other side? Mrs. Shrader said she wasn't sure she could speak to that. She didn't know who was sending out information in what direction. Ms. Barney said it's a perception. She said when the Utility went back to the City Council and explained that there was a need to accelerate something, that sparked an interest. Even though financials are always shared, that doesn't mean that they are being read. Ms. Barney said she was not an expert, but perception is reality. The perception of the increase was initially that the increase would be 44% of the entire bill. Ms. Barney said that Mr. Tyson corrected this, and she commended him for that correction, but the error immediately caused great concern not only amongst the public, but City officials, and City Council. So, Ms. Barney stated, the perception was immediately from a negative standpoint. Ms. Barney said that we all could have done better collaborating.

Ms. Barney added that some people feel as though they are defending themselves when they post. There's nothing to defend when you know what you are doing is right. However, when you are a deeply, passionate, person, there are times where you just speak. It's not that you feel like you have to defend anything, because you know where you stand, you know what you bring, and you know what you do every day. Ms. Barney said that we, from all levels, from a City perspective, from a Board, from a collaborative conversation with our teams, and our community, our rate payers, that we just need to focus on solutions, like we have been doing these past couple meetings. We focus on solutions and the tit for tat, and we've been focused on where we need to go moving forward. We need to continue to collaborate, provide support to each other, and focus on the facts.

Mr. Lewis said when he first read the letter he was also confused about some of the information presented. He thought he had missed a meeting. Some of the information was incorrect, and unfortunately, even with Mr. Tyson giving the correction, the damage was done. Everyone already had a 44% increase of the entire bill in their head. Mr. Lewis said he doesn't take issue with sharing information, but share the correct information. It's hard to put the horse back in the stall so to speak.

Ms. Barney agreed with Mr. Lewis and added that we only have a certain amount of control over that. When there are two separate entities collaborating, sharing financials, and submitting them to the State Board of Accounts as one entity, they may not have all of the detailed, factual, legal documents, and minutes. For instance, it was said that a different, higher raise was given than when the Board approved a 2.7% raise. So, it's perception. Ms. Barney noted that the factual data, the legal documents, and the minutes are all recorded. People can go to the website. Anyone can read and print them. Ms. Barney said experts could too.

Mrs. Shrader shared that the only place the Utility was sharing information was at the official Marion Utilities' website. Mrs. Shrader said that everything that Utilities does is public information. There are Facebook, Instagram, and TikTok accounts, but videos have not been shared on Instagram or TikTok for some time.

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Mr. Lewis said he took issue with spinning or playing with the facts and figures. Some people may phrase it differently than spinning. And as Ms. Barney stated, it's all about perception. Only a word here or there has to be changed before the whole message has been altered.

Dr. Monteiro clarified that when she wanted to have a discussion on the Code of Conduct she was referring to the things in which the Board has control over. She didn't want to talk about everyone's behavior on social media because that is not her responsibility. Dr. Monteiro said that as a Board, we have a responsibility to the rate payers. So, the idea that perception is reality, for someone who can't feed their family, is a lot. So, when you think of now this person is upset because they think their water bill is going up that much, and they're a rate payer. Now I'm going to argue with them, but they don't even know the truth because perception is reality. Dr. Monteiro said we can only control what comes out of our house. Not anybody else's house and that was my whole purpose. Dr. Monteiro closed by stating that hopefully, this was a learning experience in every aspect for all of us, and we made a commitment to do better so let's just do better. Mr. Logan thanked Dr. Monteiro for bringing this subject forward.

MODIFICATION OF THE 2026 WATER BUDGET

Mrs. Shrader said that line 803 of the Water budget has a typo. What was proposed and what was sent out initially was correct. Somewhere in there was a two typed instead of a three. The 803 line reads \$200,000 instead of \$300,000. The total for that 800 section would then be \$488,959. Mrs. Shrader thanked Dr. Monteiro for bringing this to her attention. Dr. Monteiro said if anyone is ever wondering about financials, if you go to the Gateway, you can find information. Mrs. Shrader said that the budget would need to be modified to reflect the correct figure of \$300,000. Mrs. Shrader added that this would mean there are items in the 900 sections that won't get done this year which is customary. Dr. Monteiro moved, seconded by Mr. Lewis, to approve the budget modification. A roll call vote was taken. The votes were as follows: Ms. Barney, yes; Mr. Fuller, yes; Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Mr. Logan, yes. Motion carried unanimously.

SENIOR LEADERSHIP REPORTS

M. Humphries, Executive Assistant/Administrative Manager

Mrs. Humphries said she thought that a couple of members had already filled out the form in front of them. The forms were referenced at the last meeting and were needed in order to complete the IURC report. Mrs. Humphries explained that a part of the IURC report requires disclosure of any affiliations, connections, or business relationships between our executives, directors, and of course, board members. The form asks for the member's name, primary occupation, employer's name, and address. Mrs. Humphries said that with this information the disclosures portion can be completed.

Mrs. Humphries said that in light of how things have progressed she didn't want to air account information. However, approximately two weeks ago, a Freedom of Information Act request was received requesting to know if the City had outstanding utility bills and if so, how many and the total owed. Mrs. Humphries contacted the Public Access Counselor to verify if this information was to be released under Indiana's Open Door Law. The Public Access Counselor said it was public information, but we should take care to redact information such as the address and account number. We did just that and the information has been shared. Mrs. Humphries she was letting the Board know because things have quieted down a bit on social media and progress was

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being made with both groups, but this information was out there and the balance was large. Ms. Barney asked what the balance was. Mrs. Humphries said the total balance was \$217,306.58. of that total the Redevelopment Commission owed \$89,036.95 and the City owed \$125,269.63. Mr. Graft asked what this was specifically for. Mrs. Humphries said the services owed on were water, wastewater, stormwater, a little fire protection, and one charge for trash. Mrs. Humphries said to keep in mind that some of the balances were from previous administrations. The request was not to separate out charges by administrations. Mrs. Humphries said that the Mayor has been made aware and is working on this. Mrs. Shrader met with him earlier this week to let the Mayor know that we had this requested, the Public Access Counselor had been contacted, and the Public Access Counselor had now responded that the information had to be released under the Indiana Open Door law so that he would not be caught off guard. Mrs. Humphries said that the Mayor was also going to reach out to Joe Murphy with the Redevelopment Commission. Mr. Lewis asked if this request was from a private citizen. Mrs. Humphries answered yes. Mr. Graft said that the water charges were not so much, but the City has properties which would result in stormwater charges. Mrs. Humphries said that the majority of the charges were stormwater. She believed that \$186,000 was stormwater. Mr. Graft said that they could sit and debate this all day long, but there were properties the City took from the County to try to get them back on the tax roll. Those all come into that equation even though their grass areas are still in stormwater and all. Mr. Graft said that this goes back to Henry's administration. Dr. Monteiro asked if there was a forgiveness program. She remembered that the last time she served on the Utility Board, which was a short amount of time, there was a request for us to forgive or offset something. Mrs. Shrader said it was the penalties. Mrs. Humphries said the Board had agreed to help with the penalties from January through June of that year to help the City. Mrs. Humphries said that she has not seen anything shared on social media regarding this so we would keep moving forward. Mr. Graft said it was an I got you moment. Mr. Lewis said we live in that age.

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton reported that there was a Solid Waste truck involved in an accident last Wednesday. The truck slid on some ice out into an intersection and was hit by cross traffic. No one was injured, but unfortunately there was damage to the car that hit the truck. There wasn't damage to the truck. As for January Solid Waste figures, there was 788 tons of trash that went through the Transfer Station. This averaged 46 tons per day. Mr. Pinkerton said it was a little chilly out though so there are probably some toters that haven't been taken to the curb for pick-up. Those numbers would probably increase next month.

C. Guyer, Assistant Director for Operations & Maintenance

Mr. Guyer said he wanted to praise the operations and maintenance crews, well really all of the crews, but the operations and maintenance crews have been hit pretty hard with this weather. In just the last two months, they've had 86 frozen meters and 16 water main repairs. Mr. Guyer said that there had been several from different crews as well that have volunteered to help take hours when other guys were running up their hours. Mr. Guyer said given all of this he wanted to take the time to praise everyone for coming together as a team to get things done. Reverend Green asked how the new meters were thawed. Mr. Guyer said that the new meters can't be thawed. When they freeze, they were done. Reverend Green asked what the cost of a new meter was. Mr. Guyer said he believed it was \$300 something. Mrs. Humphries said she believed it was \$368. Ms. Barney asked if the customers were charged for that. Mr. Guyer said that the first frozen meter replacement was free. After the first frozen meter, any additional

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frozen meters would be charged to the customer. Mr. Guyer said that the crews were talking to the customers directly to let them know. Mr. Guyer didn't think that anything was being signed. Mr. Lewis commented that after seeing the pictures on social media of crews working in the cold, wet night there is not enough stuff to put on that could keep them dry and warm. Mr. Graft how those that dripped faucets would be handled moving forward with billing. Mrs. Humphries said that drip adjustments would be issued. She explained that customers were asked to contact customer service after receiving their bill so that the additional usage could be adjusted back to the average usage. Mr. Graft asked if faucets should be dripped or if a small stream should be run as drips don't allow for a lot of water to run. Mrs. Shrader said that Jessica and Robert Barnett just completed a video and posted it on the website on how faucets should be dripped during winter weather. Ms. Barney asked if anyone had seen the video of the Mayor of Anderson which asked their customers to real back 25-30% back of their water usage. Ms. Barney said while it was smart to drip water, but right now Anderson couldn't support he additional usage. Mrs. Shrader said that crews were proactive but right now it was the season for breaks. Mrs. Humphries added that drip adjustments cost less than breaks do. Mr. Graft agreed and added that our infrastructure was so old. Kem Rd wasn't just an incident that would just be the tip if we don't get what was needed. Mr. Pinkerton said that the Kem Road line was pretty young. Mr. Logan asked Mr. Guyer to let staff know the Board appreciates their hard work. Ms. Barney thanked Mr. Guyer and the teams as well.

R Shrader, Director

Mrs. Shrader expressed her appreciation for the Board's support and participation in the meetings. Moving forward, Mrs. Shrader has been communicating with Councilperson Devine on how best to reach a number after Baker Tilly completes their review. If you had to step out, the second meeting had been moved to March 3rd. If there is a need for a Committee meeting it will be advertised. Mrs. Shrader asked if it would be wise to move the next Utility Service Board meeting to Feb 26th so that if needed, the Board could meet before it goes to the Council. It would give Baker Tilly time to review items. Dr. Monteiro said she would be out of state. Mrs. Shrader said she didn't anticipate something coming up before then. Dr. Monteiro asked if Mrs. Shrader would send the Board an email after communicating with Baker Tilly. Mrs. Shrader said she would share information as soon as it was received, but right now there wasn't a date for a conversation. Mr. Graft said he had a question about a reoccurring statement at the Committee meeting when the SRF was talked about. Mr. Graft said he was not part of the Board at that time, but was it the consensus of Crowe that when the interdepartmental loan was received that since it was short term loan that there was no need to reach out to anyone? Mr. Graft said he was asking because that seemed to kind of keep coming out was they didn't know. Did they need to know? Did we overlook something? Mrs. Shrader said that we were not aware that there was a need to go to SRF. Mr. Graft asked if none of the legal advisors or financial advisors said. Mrs. Shrader said that they were involved in those conversations but there was not an awareness that we should have gone to the SRF. Mrs. Snyder added that when a loan was less than a year, it doesn't have to be approved. If it went over a year, then it would have to be brought to SRF. Mr. Graft asked if was approved by the Board. Mrs. Shrader and Mrs. Snyder answered that the interdepartmental loan was approved by the Board. Mrs. Snyder stated that the approved Resolution was also attached to the documentation. Mrs. Shrader explained that it worked a little differently because there was no interest involved and it was interfund to interfund. Mr. Graft said he was asking himself what did we do because it just kept coming up. He didn't know what it entailed or if there were penalties.

Dr. Monteiro said that she had two questions. She asked if she could get clarity on

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what Crowe's role. Dr. Monteiro asked if they were our financial advisors as in they are looking at the numbers and saying, we probably shouldn't do that. Mrs. Shrader said yes, they are intimately involved. Dr. Monteiro said they are advising. Mrs. Shrader added that Crowe was not telling us what to do though. Mr. Graft asked if Crowe was looking backward rather than forward. Mrs. Shrader said yes, they are saying our numbers are accurate based on what you are doing, they are checking our work, they work closely with Mrs. Snyder in the production of the financials and reporting that we do. However, any decisions about how we are spending funds comes to the Board. Dr. Monteiro said that the Board has a budget but not someone telling us how to spend. Ms. Barney said that was the Board's responsibility. Dr. Monteiro asked what, in your personal life you have a financial advisor telling you how to save for retirement. Mrs. Shrader said Crowe provides us with information as far as this is how the IURC works, this is how SRF works, this is how they are going to see this, they make sure our numbers are accurately reported, and reported to the appropriate agencies. Mrs. Shrader said when spending decisions come up, those decisions come to the Board for review and approval. Mr. Lewis said that Crowe keeps us legal. Mrs. Shrader said correct. Dr. Monteiro said so Crowe keeps us legal, so when requests come to the Board, who can have the foresight to say maybe you shouldn't make that move. Dr. Monteiro said that she isn't a financial advisor or a CPA. Ms. Barney said there is a CPA on the Board. Ms. Barney said that Mr. Logan had been assisting many big companies, individuals, and investors for years. Mr. Logan clarified that Rea Logan completes financials statements, tax returns, and all of that. We've seen a lot of these things. Crowe is a CPA firm and are also financial advisors. Jennifer Wilson works with utilities a lot. Mr. Logan said that there are challenges when looking at rate cases. For instance, in 2016 or 2017, when you begin to see shortfalls, you begin working through the process. There was some resistance to a rate increase in the past. Now that we are getting there, it seems like there are more hoops than ever whether it be water, sewer, stormwater, or solid waste. The rate increase for sewer was done in 2010 and was mandated by the EPA. The rate increase was set over 15 years at \$2.00 per year. Everyone tries to make the best decisions based on the information that is available at the time. It is very easy to be a Monday morning quarterback and say would-a, could-a, should-a after the fact. Mr. Logan said that Crowe has worked with us for many years on various issues, is very astute, they have many other clients that do the same type of thing we do. Mr. Logan said that Baker Tilly probably does some of the same things that Crowe does. Baker Tilly used to be H.J. Umbaugh before merging to become Baker Tilly. Mrs. Shrader said just like any personal advisor, Crowe is going to review the information, say these are your parameters, and say here are your options. Dr. Monteiro said that helped. Mrs. Humphries added that there is a Scope of Services Agreement and in Appendix A it lists out what Crowe can do, what they can't do, and the guidelines they have to follow. Mr. Graft asked if there was another question Dr. Monteiro was going to ask. Dr. Monteiro said she didn't need to ask that question.

Mr. Graft asked Mrs. Humphries when the board is looking at capital improvement plans and the finances that are going to be needed, if we are looking at historical data, it may not really help us with the leap forward. Because that is something that they offered to sit down with us and say, with the revenue that we have, these are the capital improvement plans. Are there any other improvements that we can see that you can be focusing on and help you get to that dollar amount. Mrs. Humphries stated that Crowe would be able to tell us if our current rates would support all of those projects within that time. Mr. Graft said but they wouldn't say do it or not. They did that in 2023, doing the units, the adjustment of the units. Mr. Graft said he didn't know if it was looked solidly enough through it that people that...Mr. Graft gave an example. He said if people were paying \$8 a year ago or two years ago, but with the new units, they're only paying \$4 because they fall into a different category. So was somebody looking at that when that structure

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was put together that says that we're going to have a decrease by a great number of people because they're going to fall into these different units. Mr. Graft asked if all that was looked at and projected. He then asked and if it was, then how did we get to the shortfall. Ms. Barney asked if Mr. Graft was referring to what was implemented in 2023. Mr. Graft said yes. Ms. Barney said that the planning and pricing configuration was actually a year-long planning session that happened in 2021. It was then brought to the City Council in 2022. By the time it was then reviewed and approved, it was implemented in October 2023. There was inflation over three years that had occurred. Also, COVID had just ended. Ms. Barney said that then there was inflation for 2024, 2025, and now we're in 2026 and the cost of eggs is unbelievable. Mr. Graft said we don't realize or envision what the future costs will be. Ms. Barney said that she remembers being in hour long meetings when all of this was being planned. Ms. Barney said that ideally the projected cost of inflation for each year could be factored in. Ms. Barney said that her take-away from Baker Tilly's discussion was that there were a lot of estimated numbers that were not figured in which is a huge change to the ballgame. Ms. Barney said if inflation were averaging 4.9% every year, then it price should be raised to 5.2%. Mr. Graft said that was why he asked if those are the kind of services...Mr. Graft said that he is not a financial guy, but his son is. He is going to be able to retire very well because his son handled it. Mr. Graft stated that he is not going to sit here with everyone and say, I'm going to sit down for hours and still understand it. That's why I would say we need to write a check to the people. That's why I asked.

Dr. Monteiro said that's why she asked for clarity. You guys have great knowledge. Dr. Monteiro state Mr. Logan had served on the board for 30 plus years and knows all the things. Dr. Monteiro said that we've served on the board for a matter of months and is the reason for asking the very foundational questions. Who's our financial advisor that going to be able to forecast what this looks like in the future. Mr. Lewis said that a financial advisor can't really... he didn't think that a lot of the decisions the board has to make financially, fell under a financial advisor's realm. Mrs. Snyder added there are some limitations with the IURC. There are very strict rules in place so that we don't gouge customers and end in profit.

Mrs. Shrader asked if she could add just a little bit of clarification to this, too. When we prepared that situation for what was implemented in 2023, we also employed another advisor, Stantec. Mrs. Shrader explained that a complete study of how the rates were being managed and those tiers that we had in the past. The conclusion was that with the reduction of industry in town, because prior to 2005 the industry was carrying the citizens, the residential customers, because they were such enormous water users like RCA. But once the industries left, the burden of that responsibility fell back on the residential customers. So, moving back toward a cost per unit structure, gave us the opportunity to take a little pressure back off of the residents and redistribute it. To be honest with you, our 10 users of water are institutional customers who actually fall into the same rate tier as our residents. It's not actually the industries. So that was the logic behind that decision. Mrs. Shrader also added that the way the IURC process works, we're not allowed to consider forward progress. And as far back as we were looking, when we got into the COVID fallout, those record-setting years of inflation back-to-back, the paperwork had already been compiled. When the rate was approved, it was another 10 months until it got implemented, and the first phase lasted 15 months rather than just one year. There was a culmination of things. It was good advice in that moment, but it was for that moment. Dr. Monteiro said that makes total sense. She said that she hears everyone saying the board makes the decision 100%. However, Dr. Monteiro wants to know that the information she's getting has been well-vetted because like Mr. Graft said, she's not a financial person either. Mrs. Humphries noted that the only time that a look-forward period could be used would be subject to the IURC's permission in cases where there's an

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emergency rate case. Mrs. Humphries stated that by adding “emergency” on to the front of that adds a whole other layer and other paperwork that has to be completed, reviewed, and approved.

Mr. Graft said he wanted to make one more comment about the IURC. Mr. Graft said that he thought the IURC hampers us in making decisions sooner. When it’s a four-year output of activity that’s a process that’s going to take a long time. Mrs. Humphries said she truly believed that if the IURC would allow a present and forward-look period, everyone would have different results, but they just insist on that look back period. Mr. Graft said 100%.

Ms. Barney asked if there was a meeting outside of the board meeting set up to discuss the IURC. Mrs. Shrader said there was not at present. Mr. Graft asked if the Board had a vote in that. Mrs. Shrader said that was a City Council scenario, but she thought the board could talk about the pros and cons. Dr. Monteiro thought Councilman Cline asked specifically if that was something that needed to be considered right now or if the rate case matter could be handled first and then consider it. Mrs. Shrader said the danger of trying to exit IURC right now puts us in jeopardy of making the decision. We have to make sure that we are engaging in that conversation, but there's wisdom in trying to get this through as quickly as we can right now. Once that's started, then we can begin those other conversations because that will also be a time-consuming process. The further we kick it down the road, the deeper the hole. Dr. Monteiro thanked everyone for entertaining our questions.

Mr. Logan asked everyone to remember, that the IURC always looks back and another 300 days would be added. So, if the rate that we're requesting is based on 2023, 2024 numbers, we won't see any benefit of it until 2027. But what's happened between then and 2027? A lot of things very easily. The cost of living goes up. Mr. Graft said there’s a lot of tightening of the belts. Mr. Logan asked in that timeframe how many more Kem Roads would we have. Mr. Logan stated that we’ve spent very little money, and he doesn't want this system to get like the one in Anderson which has spent virtually no money on improvements because no they don't have enough water to run the system. Mr. Graft asked if Anderson has their own utility. Mr. Logan said he thought it was their own utility system.

BOARD MEMBERS’ COMMENTS

Ms. Barney expressed her gratitude to Councilwoman Devine and the entire City Council. She stated that the last few meetings had been collaborative. The way Councilwoman Devine started the meeting and set the expectations helped a lot. Ms. Barney thanked Mr. Fordyce for being here and his support. She also thanked Mrs. Shrader, Mr. Pinkerton, Mr. Guyer, Mrs. Humphries, Mrs. Snyder, and fellow employees for they do and stand for. Ms. Barney thanked the other Board members for being here. When you have to show up at other meetings, it can be hard. Ms. Barney said it takes a community effort to collaborate. We're not always going to agree, but it's very important as leaders serving this great community, this great county that we stand together. Ms. Barney said she just wanted to thank everyone.

CHAIRMAN'S REMARKS

Mr. Logan gave special thanks to Councilwoman Devine and Councilman Fordyce for all of the things they work on and go through while serving. Mr. Logan thanked Jessica Barnett for her attendance and told them all that they were welcome anytime.

The next meeting was scheduled for 5:30 p.m. on Thursday, February 26, 2026.

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There being no further business before the Board, Mr. Graft moved, seconded by Mr. Lewis, to move the next meeting to February 26, 2026 and adjourn the meeting. A roll call vote was taken. The votes were as follows: Ms. Barney, yes; Mr. Fuller, yes; Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, abstain; and Mr. Logan, yes. Motion carried by majority.

Meeting adjourned at 6:41 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST



Misty Humphries, Its Secretary

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