BOARD MINUTES OF THE JUNE 4, 2026 MEETING

The Marion Utility Service Board held their meeting on Thursday, June 4, 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: Kristy Barney, Vice Chair; Mike Graft; Al Green, Herschel Lewis, and Jayda Monteiro. Robert Logan and Isaiah Fuller were absent.

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; Tiffany Snyder, Accounting Billing Coordinator; Misty Humphries, Secretary; Erika Devine, Council Liaison; and Gary Fordyce, City Council.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS
There were none.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Dr. Monteiro , to approve the minutes of the May 7, 2026 meeting. A roll call vote was taken. The votes were as follows: Mr. Graft, abstain; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Ms. Barney, yes. Motion carried by majority.

FINANCIALS

Mrs. Snyder presented the April, 2026 financials for approval. Mrs. Snyder stated that for April 2026, sales for all utilities were at or above prior year levels. Water revenue increased as expected due to the January first rate increase. On the expense side, operations and maintenance expenses were slightly above average for the increase in contract expenses for the Frey system payment. Wastewater operating expenses were higher than usual due to the $159,300 payment for the south roof on the 1300 Building. Insurance expenses were higher for all utilities in April 2026 compared to prior months because payments were made from multiple insurance-related accounts for worker's compensation, general liability and fleet. Similar insurance expense levels were observed in May 2025. Mrs. Snyder stated that for Water, the depreciation funds remained at zero. Wastewater loaned $1,800,000 to Water in September 2025, and this amount has been retained in the Water Operating Fund. Without the loan, the Water Operating Fund balance would be $449,975.65, which was approximately $175,000 less than the required two months of operating expenses balance as calculated using $626,000 as the minimum balance.

Mrs. Snyder then reported on the wastewater bond. She stated that bond projects were in full swing. The bond proceeds would be retained in the Wastewater Construction Fund. Payments for the project have been made from the Long Term Control Plan Fund with reimbursement from the Construction Fund. Mrs. Snyder reminded everyone that the bond funds were restricted to bond projects only. Mrs. Snyder summarized that overall, there was a net loss for Water and Wastewater and a net gain for Stormwater and Solid Waste. Mrs. Snyder recommended that it was time to repay the inter utility loan from Solid Waste to Water in the amount of $260,000. Mrs. Snyder recommended that take place in June. There being no further comments or questions, Mr. Lewis moved, seconded by Reverend Green, to approve the April financials. A roll call vote was taken. The votes were as follows: Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Ms. Barney, yes. Motion carried unanimously. Dr. Monteiro requested that the vote on the loan repayment be made after discussion of the operating balances. Mr. Graft said he thought that would be appropriate.

UPDATE ON PROJECTS

Mr. Pinkerton recalled that at the last meeting there were some issues that came up due to the heave rains and that improvements would be made. On Indiana Street, the inlets were added and the directional veins would hopefully take some of the water off the street according to Mr. Pinkerton. The other issue previously discussed was on Ivanhoe Drive. The Engineering Department worked on a design for Ivanhoe that would extend a storm sewer in Ivanhoe down to Westlea and 500 feet to the south. The design should help collect water coming down street and would make it assist those on the east side of Ivanhoe with water in backyards. Mr. Pinkerton said the installation cost estimate was $110,000. With the loan repayment from Solid Waste to Stormwater, Mr. Pinkerton said the project could probably be done since it wasn't budgeted this year. Mr. Pinkerton said he would recommend doing the project because for years there have been calls from people in that area. Mr. Graft if those on Ivanhoe around Neptune Park would be affected. Mr. Pinkerton said that Neptune Park was further south. Mr. Graft asked if this would take care of the backyard issues they were having. Mr. Pinkerton said not at the park. Mr. Pinkerton explained that when the original contours were examined, it looked like all of those were supposed to drain to the street. However, when the homes were built, the builders took up pretty much the entire width of the lot with the house and blocked the drainage. Mr. Graft said that if drainage issues occur due to not following the ordinance, the City will send letters regarding the issue because by ordinance the original swail line is to be maintained. Mrs. Shrader said that a couple of the storms that resulted in calls have been epic storms. Mrs. Shrader said one storm produced three inches of rain in an hour, and it would be hard for any drain to keep up with those storms. Dr. Monteiro asked if there were still other issues in the area, what criteria was used to determine which issue was fixed first. Mr. Pinkerton said if he could recall, those by the park could swail and get water to the street. Mr. Pinkerton said that would be tougher for the homes where the project would be done. Mr. Pinkerton said that would not prevent the utilities from doing something in the future. Mr. Pinkerton added that from the pictures he has seen, this area had a large volume of water in the front of homes and down the street. The other area has standing water in the backyards, but it was not getting into other areas. Mr. Graft agreed and said that there was ponding in the backyards, but as Mr. Pinkerton described it, some of the issues were of their own doing over the years. Mr. Graft stated that his office as well as Mr. Pinkerton's have been called to repair the issues then which had been done in some areas of Chapel Pike or Crane Pond. This was due to it being very similar to the one at Ivanhoe. Mr. Graft said it would be great to have the funds and just fix everything, but unfortunately there wasn't endless funds. Dr. Monteiro said she understood, she was just asking from a neighbor's point of view. Mr. Pinkerton stated that it typically depends on the severity of the issues. There have been calls from both of the areas for years, but with the last storm the whole Ivanhoe had water flowing down to the south. Ms. Barney asked if the other side of Ivanhoe could be budgeted for or if it was in the long-term plan for repairs. Mr. Pinkerton said it had been a while since he had looked at that, and he would have to go back and review it because if someone blocks off their drainage, it's not the Utilities or City's responsibility to repair the issue. Mr. Graft added that the subdivision ordinance addresses this very thing, and when the Planning Department is informed of a situation like this, they will send out letters to say you are causing a problem. Mr. Graft said it was a very weird ordinance in that there wasn't a lot of teeth in it. The issue can be taken to court, and the court can say you have to do this, but there is no time specified. Mr. Pinkerton added and Mr. Graft agreed that this would really be a civil matter, but no one wants to sue their neighbor. Ms. Barney stated that there was a neighborhood association that meets in the church around Bradford, and it may be a good idea to attend a meeting to discuss this. Dr. Montiero suggested that during rainy times, it may be of help to increase communication about this especially in those areas most affected. Mrs. Shrader said that there have been some social media posts about rains and that it was super easy to help with by following the city ordinances and code by, for instance, not blowing grass clippings into the street and drains. Mrs. Shrader said the messaging would be that this is a group effort especially when it's an epic storm as any storm of that magnitude was going to cause problems in certain locations. However, if there was a repeatable issue or problem, and we do have responsibility and the ability to fix it, we will. Dr. Monteiro asked if there was a list of the ongoing problem areas. Mr. Graft said yes, for his part, they hit the same areas. Dr. Monteiro asked if there was a problem area list, if some of those areas should be budgeted each year. Mr. Pinkerton said the list of areas being discussed were in priority project areas, and he also had a list of those problem areas, and some areas were problems because there was no storm sewer, and we could do something about that. Mr. Graft said it was amazing how many areas don't have storm sewers or combined sewers. Mr. Pinkerton said that other areas were on the priority list for sewer maintenance to go out on the streets before and after rain events because storm sewers were there, but they get plugged up. Ms. Barney asked if the street sweepers had been out. Mrs. Shrader answered yes, the street sweepers had been through the entire city by this time. Reverend Green asked if the only solution was to continue with engineering to try and get ahead of the issues. Mr. Pinkerton said unfortunately, Mother Nature could not be out engineered as she could whip up a storm faster than pipe could be laid in the ground, but this project would help the area. Mr. Pinkerton circled back and said with the Board's permission, quotes would be sought and brought back to the Board for review and possible approval.

TRANSFERS & PAY REQUESTS

Mr. Pinkerton presented a pay request number three to Thieneman on the CSO 009 project in the amount of $212672.50 with $21,090 in retainage. Mr. Graft moved, seconded by Mr. Lewis, to approve the pay request. A roll call vote was taken. The votes were as follows: Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Ms. Barney, yes. Motion carried unanimously.

CHANGE ORDER BRIEFING

Mrs. Shrader reminded the Board that at a previous meeting, Mr. Pinkerton made them aware of an upcoming change order for our CSO-009 project. The primary driver for this concerned elevated levels of arsenic in the soil that had to be addressed for the construction of the tank. Since that time, our engineers at Commonwealth and those serving Thieneman Construction proposed three alternatives, all of which would still allow us to meet our Long Term Control Plan requirements. Those alternatives were: 1) sticking with traditional excavation ($3.2M); 2) employing an earth retention system ($2.2M); and 3) value engineering…which would mean going from a four-basin system to a 3-basin system ($900K). Mrs. Shrader said at present, we were pursuing the third option. However, since this adjustment involves altering the original tank design, it can be safely assumed that there would be additional engineering costs involved as well as a request for time extension given the associated delays. Once we have the final numbers and formal change order paperwork, we will bring that information back to you for approval. Mr. Graft asked what the level of arsenic was. Mrs. Shrader said it was above the thresholds allowed to be taken to the landfill. She was unsure of the exact levels because it was spotty- in one area it might be higher and in another lower down to a 13 foot level. Mr. Graft asked what was on the site previously. Mr. Pinkerton said the highest concentrations were found in what used to be a residential area. He added that Marion Stoveworks used to be partially on the site as well, but that was not were the highest levels were found. Mr. Pinkerton noted that arsenic was natural, but the levels were higher than that and would require being taken to a special landfill, which would probably be done. Mr. Graft asked what agency this had to be reported to- EPA? Mrs. Shrader said that multiple reports had been filed with IDEM who would then report up. Additionally, specialized and specific manifests would be required to get rid of the fill. Mr. Graft asked what caused the readings to be done. Mrs. Shrader said the readings were a result of the soil borings and testing that was required when preparing the site. Mr. Graft asked how going with option three dynamically changed what we wanted to do with the location. Mrs. Shrader said it reduced the amount of water that would be able to be held in the basin. However, according to the models that the engineers came up with, it would still meet the threshold of what we're talking about. Mrs. Shrader said it was always good to take in as much water as possible because it's a benefit, but in this case, an extra million or two million dollars may not outweigh the return. Mrs. Shrader then stated that one of the considerations was if downstream, it would make another project smaller to just increase this by a million dollars, that million dollars might be worth it. Mr. Graft thanked everyone for doing their due diligence on this.

HOLIDAY SCHEDULE

In looking ahead to July, the fourth falls on a Saturday this year. Mrs. Shrader said that meant the Utility would be closed to observe the holiday on Friday, July 3rd. There were also five Thursdays in the month of July. Therefore, Mrs. Shrader recommended that the board meetings for next month be scheduled for July 9th and 23th respectively. Dr. Monteiro moved, seconded by Mr. Lewis, to adjust the meeting schedule as recommended. A roll call vote was taken. The votes were as follows: Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Ms. Barney, yes. Motion carried unanimously.

OPERATING BALANCES

Mrs. Shrader presented a memo prepared by Jennifer Wilson at Crowe making recommendations for the operating fund balances. Mrs. Shrader said that she was going to so over the first two paragraphs which read: "Since the operating fund balance targets were established more than five years ago for the Marion Municipal Utilities, rising operating costs and changing financial conditions have affected the alignment of current fund balances with recommended levels. For the Water and Wastewater Utility that have outstanding debt, the bond ordinance provisions specify a minimum operating balance of two months of expenses. For the remaining utilities, a two-month operating balance is recommended as a best practice, allowing additional funds to be allocated toward lease payments and capital improvements."

Mrs. Shrader said that the operating balances used to be adjusted every quarter which was too much so there was a pull back on those adjustments. Now it has been several years causing a need to make adjustments. She continued with the memo, “Based on current financial conditions each of the Marion Municipal Utilities’ operating funds is below the recommended minimum balance of two months of operating expenses. We recommend updating the minimum balances for each utility based on its 2026 budgeted operating expenses.” Mrs. Shrader said the current minimum balances and the proposed minimum balances were:

	Current	Proposed
Water	$626,000	$910,000
Wastewater	$656,000	$964,000
Stormwater	$203,000	$268,000
Solid Waste	$246,000	$398,000

Mrs. Shrader noted that on the memo, at the bottom of the chart, the percentages of adjustments that have been made to catch up with the difference of that. So, that’s where the additional funds came from to achieve the minimum operating balances. Mrs. Shrader said the memo also recommended transferring $285,674.02 to the Water Utility Depreciation Fund and $150,000 to the Water Equipment and Replacement Fund. The Wastewater, Stormwater, and Solid Waste Utilities’ operating fund deficiencies can be funded from the balances in the capital funds of the respective utilities according to the memo. Mrs. Shrader said this was more of a procedural situation. It didn’t affect the actual amount of money in the bank. It’s how we’re account for it and how we’re reporting it and then how we’re allocating. Mrs. Shrader reiterated that this has been a standard practice in the past and was done more frequently. Mrs. Shrader said that going into the new year would be a good time to look at this again and then twice a year moving forward. Ms. Barney said she would also recommend looking at it twice a year to better ensure the finances were being managed proactively. Ms. Barney asked when Mrs. Shrader would recommend looking at the operating minimum balances. Mr. Lewis suggested the second and fourth quarters. Mrs. Shrader said she would also consult with Jennifer Wilson to get her thoughts before locking in those quarters. Mr. Graft asked if the two months of expenses in the bond ordinance was from the IURC or who set that in the bond ordinance. He then asked if those were set for the bond rating. Mrs. Shrader said the bond ordinance terms were from the lender and those requirements were established by the lender. Mrs. Shrader said it was the loan agreement. Mr. Graft said when he sees an ordinance someone had to write that and he didn’t know if City Council wrote that. Mr. Persinger interjected that the two months was standard. Dr. Monteiro moved, seconded by Mr. Graft, to adjust the minimum operating balances as recommended. A roll call vote was taken. The votes were as follows: Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Ms. Barney, yes. Motion carried unanimously. Mr. Graft then moved to approve the repayment of the $260,000 inter utility loan discussed earlier. Mr. Lewis seconded the motion. A roll call vote was taken. The votes were as follows: Mr. Graft, yes; Reverend Green, yes; Mr. Lewis, yes; Dr. Monteiro, yes; and Ms. Barney, yes. Motion carried unanimously.

SENIOR LEADERSHIP REPORTS

M. Humphries, Executive Assistant/Administrative Manager

Mrs. Humphries said the State Board of Accounts auditors were conducting the 2025 audit. She noted that there was a directive coming from not the field auditors that were physically here, but from their supervisor. They apparently have received complaints about the audits busting budgets. Because of this, the supervisor has instructed the field auditors that they need to be presented with reports that list all of the detailed information in one. For example, Mrs. Snyder was asked for a report that lists every single check number for contract services paid out of the Distribution fund. Mrs. Humphries said that there was not a report like that requested that exists. Mrs. Humphries said copies of the physical checks can be presented, but the supervisor does not like that because the field auditors shouldn't take up time looking at the checks. Previously, Mrs. Humphries said a ledger would be printed along with copies of the checks to show to whom the payment was made and from which funds. The report the supervisor was requesting doesn't exist. Mrs. Humphries said the software provider was contacted with the auditors, and the provider has confirmed that a report like this does not exist. Mrs. Snyder has been working very close with Mr. Blackmer who is the auditor onsite at the Utilities. He sat with Mrs. Snyder, looked over her shoulder, and said the he understood and thought he could communicate this to his supervisor. Mrs. Humphries said that she anticipates that the City would probably be facing those same challenges because the changes were just made this year and no one was notified of the changes until the auditors arrived onsite. Ms. Barney asked if an acceptable solution would be to download the reports into a csv file or something else. Mrs. Humphries said that was done in the past and then it was explained that the first report showed the process from the beginning through the check number. The second report would show the check number through the payables and general ledger. Historically, this was fine. However, now, they want one report that shows everything. Ms. Barney said the auditors should be able to look at the two reports to see everything then. Mrs. Humphries said that was correct, but the supervisor doesn't want the field auditors to have to look at multiple reports because it takes too long. The supervisor wants us to hand the field auditor one report- a report that doesn't exist. Mrs. Humphries noted that it had been communicated that if we had notice of the changes, we could have possibly built a report like the one requested using Crystal Reports, but with no heads up that's just not possible. Mrs. Humphries said to do so now may not bust the budget for the audit, but it would bust the budget in overtime because it would require multiple people working on this and that's without them attending to their daily responsibilities. Mrs. Snyder was actually running a report for the auditor that took the morning to generate the data because our ledger is huge. In the afternoon, the report was still going to have to download to a csv which would require manipulation. The report never finished because the software produced a dialogue box stating the volume of data was too much to process. Mrs. Snyder printed the dialogue box out and showed it to the auditor so he could see she wasn't making up the difficulties incurred while trying to produce a report with everything. Mrs. Humphries reiterated that Mr. Blackmer was very nice and understanding, but she was sure at some point all of this would be mentioned. Ms. Barney asked when the State Board of Accounts audit was completed if it would be forwarded to the Board. Mrs. Humphries said yes, and explained that when the audit was concluded, each board member would be invited to attend the exit conference. Each attendee at the conference will have to sign a non-disclosure agreement that stay in effect until the report is finalized and posted on the State's website. Mrs. Humphries said that the report was actually in the City's name and the utilities would be mentioned in a section. The Utilities used to have their own independent audit, but that changed when State Board of Accounts said that to maintain our own independent audit all retiree benefits would have to have an actuarial report completed. The cost of the actuarial reports would exceed the budget. Mrs. Humphries recalled one year when six auditors were sent and the bill for one utility alone was $51,000. Ms. Barney recommended that the report not be physically printed as it was 900 pages. Reverend Green asked if the lack of reports would be a comment on the report. Mrs. Humphries said it should not be, but it may be discussed at the conference. Mrs. Shrader added that another complication was that the bill for the audit cannot be budgeted because it is provided after the fact and depends upon the number of auditors sent.

P. Pinkerton, Assistant Director for Engineering & Solid Waste
Mr. Pinkerton reported that for April, there were 947 tons going through the Transfer Station which averaged 52.6 per day. For May, there were 878 tons which averaged 55 tons per day. Mr. Pinkerton said that the difference in figures was due to the number of operating days- 18 days versus 16 days. Mr. Pinkerton then reported that today was the first day that recycling moved to Thursdays from Fridays.

C. Guyer, Assistant Director for Operations & Maintenance
Mr. Guyer said Warranty work on the Butler Street and Meridian Street tanks was complete and tanks were back in service. He then said that a Marion Utilities' team participated in the IWEA Wastewater Challenge on May 18th and 19th. There were four employees that participated, and they won 1st place in pretreatment and 2nd place in safety. Mrs. Shrader interjected that Mr. Guyer was one of the four participants. Mr. Guyer also said that the Water Distribution crew had been working on the meter replacement project addressing the meters that were not changed out during the initial project due to bad shut off valves or damaged settings. There were approx. 1,650 meter settings that need to be addressed.

R. Shrader, Director
Mrs. Shrader said that we conducted an experiment today by holding our first bring your kid/grandkid/family member to work day. We also invited the BBQ food truck sponsored by the IMPACT program at IWU to allow employees and their guests to purchase a special lunch. While we haven't had an opportunity to debrief this yet, by all appearances it was a great day. Aside from some gagging this morning on a walkthrough of the wastewater facility, everyone appeared to have a great time. The food was great as well, and Mrs. Shrader said a special thanks to those who helped to serve: Alicia, Conner, Ethan, and Konner. Other than some lemonade mix, there was no cost to the Utility for this event, and it allowed our folks to share what they do every day with their loved ones. Mrs. Shrader said at one point she was alerted though. She heard a conversation from her office, and there was a child's voice that appeared to be talking to a customer. The child's voice said yes, and here's your total. We'll get that turned right back on for you. Mrs. Shrader asked herself, what just happened. Turns out they were roll playing and this was not an actual phone call so all was well. Mr. Graft said they were just getting started early so it was alright. Mrs. Shrader said that we may have recruited the next generation. Mr. Graft said he drove by and everyone seemed very excited. Mrs. Shrader said it was a fun day at no cost to the Utility as everyone paid for their own meal and enjoyed sharing what they do.

BOARD MEMBERS' COMMENTS
There were no comments.

CHAIRMAN'S REMARKS

Ms. Barney expressed her gratitude to Jessica Barnett and team. She said they took care of her easily and quickly, and Jessica was wonderful to work with. Ms. Barney also said her Dad had a water leak and was trying to figure out if it was on our end or the Utilities. A technician came out and handled it quickly. Ms. Barney said she appreciates them coming out. Ms. Barney then thanked the Board and Utilities for supporting the mission of and The Training Center itself. She said if the Board knew of anyone that inspires Grant County students to please nominate them and help to honor them at the Hart Celebration event. Lastly, Ms. Barney said that there were a group of 15 students exploring the universe through different field trips like the Ford House, the police station, downtown Marion, and she thought it would be cool for them to tour the Utilities as some were interested in becoming engineers. Mrs. Shrader said she would forward the Communication Specialist's information to Ms. Barney.

The next meeting was scheduled for 5:30 p.m. on Thursday, July 9, 2026.

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

Meeting adjourned at 6:26 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

Misty D. Humphries

Misty Humphries, Its Secretary