

Board Minutes for the Board of Sanitary Commissioners Meeting of February 10, 2021

THE BOARD OF SANITARY COMMISSIONERS conducted a regularly scheduled meeting.

Board members present; Stephen Brand, Board President; Brian Stephens-Hotopp, Board Vice President, Joseph Evans, Board Secretary; Tonya Brothers-Bridge, Board Member and David Smith, Board Member.

Department managers and staff present; Mark McKinney, Legal Counsel; Deana Cox, Financial/Billing Manager; Harvey Wright, Sewer Maintenance Superintendent; Melanie Lanich, Health Administrator; Phil Reagon, Sanitation Superintendent Jason Donati, Recycling/Stormwater Educator and Megan Huff, Executive Office Manager.

Public present: Dan Ridenour, Mayor; Richard Ivy, Deputy Mayor; Dennis Otten, Bose McKinney Evans; Deen Rogers, Bose McKinney Evans.

Consideration of Minutes: Mr. Evans moved to approve the minutes as submitted for the January 27, 2021 meeting. Mr. Stephens-Hotopp seconded the motion. The motion was approved (5-0).

Consideration of Claims: Mr. Stephens-Hotopp said he appreciates the work from the City's IT Department and Controller's Office on the new layout of the Register of Claims because they are now laid out in a more comprehensive manner. Mr. Stephens-Hotopp said there is a claim under the vendor of Paya for monthly credit card fee charge and that is for our Sewage collections. He said this is not a late fee for MSD's credit cards and he just wanted to clarify that item. Mrs. Brothers-Bridge moved to approve the claims totaling \$332,486.65. Mr. Smith seconded the motion. The motion was approved (5-0).

Old Business: None.

District Administrator Update – John Barlow/Department Update (Jason Donati – Shred Day Information). Mr. Barlow said in addition to posting the approved Board Minutes and Claims to our website we are also in the process of adding approved Board Resolutions going back 10 years. He said all MSD Departments have recently completed a 2-part Ethics Seminar with Shaffer Leadership Academy and it was a very good training. Mr. Barlow said we are in the process of working with the County GIA to add a portal to our website that is similar to City Board of Works' page for reporting potholes, but ours will be for reporting flooding concerns. Mrs. Brothers-Bridge thanked Mr. Barlow for working to getting the Resolutions posted on the website. The rest of the Board Members thanked Mr. Barlow for his work on this as well. Mr. Brand asked if there were amendments would those supersede other Resolutions. Mr. Barlow said we will try to weed those out as we post, but if there are amendments, we will also identify them as such. He said you can find the Board documents at www.munciesanitary.org as well as other important MSD information and eventually the GIS mapping systems.

Mr. Barlow said Jason Donati, the MSD's Stormwater/Recycling Educator, would be presenting a department update today as well as some new information regarding our annual Shred Day. Mr. Donati said he and Phil Reagon, Sanitation Superintendent, worked together to come up with some potential changes to our annual Shred Day. He said this event invites the community to come to our Sanitation barn to drop off their old documents to be shredded by a shredding company that we bring in as a vendor. Mr. Donati said this event is usually on or around Earth Day every year in April. He said last year we shredded nearly 4.37 tons of paper in a half day. Mr. Donati said Mr. Reagon and he thought we could better accommodate the public to partner with ECR to offer shredding 6 days a week there like we offer other programs. He said this would be a program like our Household Hazardous Waste program where

residents can drop off waste during business hours to keep things out of the landfill. Mr. Donati said he would recommend adding a shredding coupon to our semi-annual Blue Bag coupon mailing. He said this would just be a design change to the coupon and it would be good for up to 50 pounds of shredding. Mr. Donati said this would make things more user friendly and accessible because ECR has a shredder onsite. He said we thought about hosting an entire week this year to kick the program off where the community could visit any day that week to dispose of their old documents. The week we would be looking to do this would be April 19, 2021 thru April 24, 2021. Mr. Donati is also proposing that we make this program accessible at no cost to residents of Delaware County, but there would be a cost to businesses. He said in the past there has been no cost to businesses on Shred Day, but if we open this up year round there would be a cost associated for businesses that wanted to use the program and that would be administered by ECR directly. Mr. Donati said our Spring Neighborhood Cleanup application is now available on our website, www.munciesanitary.org for download and the deadline to apply is April 1, 2021. The Cleanup dates will be May 1st, May 8th, and May 15th this year. Mr. Donati said our Household Hazardous Waste and E-Waste programs have diverted 379,122 pounds from the landfill. Mrs. Brothers-Bridge asked what the cost was to expand the Shredding program. Mr. Donati said we think it is going to save us money because every year we must hire two shred trucks from Indianapolis. He said we would have to pay per hour as well as the paper materials after that event. He believes we will save money on this change and we will know how many residents use the program from this change. Mrs. Brothers-Bridge asked what residents should do if they have expired medicines to dispose of. Mr. Donati said there is a disposal kiosk in our City Hall building near the Police Desk Sargent. He said unused, unwanted, or expired medicines can be dropped into the locked box and the Police Department will incinerate the contents. Mrs. Brothers-Bridge said that is great because we do not want people to flush those medications or pollute them in the community. Mr. Stephens-Hotopp asked if Mr. Donati could go into more detail on the neighborhood cleanups as far as our outreach with Neighborhood Associations. Mr. Donati said last year we did cancel the Spring cleanups due to COVID-19, but we were able to do the Fall cleanups and capture as many neighborhoods as we could. He said this year we have already mailed applications to every Neighborhood Association Leader that we have contact information for and their deadline to return is April 1st. Mr. Donati said he is also scheduled to speak at the next Neighborhood Association Committee meeting to let the leaders know about the opportunity or answer any questions they may have. Mr. Smith said he hears great things about our Neighborhood Cleanup program thru the Whitely Community Council and to keep up the good work. Mr. Donati said the employees at Sanitation do an amazing job and the neighborhoods look forward to it every year. He said they have a competition at the Neighborhood Idea Conference on who collects the most trash. Mr. Brand said the biggest reason the MSD pays for these programs is to keep pollution out of our River and the medications out of the hands of children and others who should not be accessing them.

New Business:

1. Memorandum of Understanding Between the City of Muncie and the Muncie Sanitary District Regarding Solar Energy Infrastructure Project. – Brian Stephens-Hotopp, Board Vice-President.

Mr. Stephens-Hotopp said the City Board of Works was presented this Memorandum this morning and approved it. He said this is allowing the MSD to use the same service provider that the City has gone through the process of selecting. The City put out a Request for Qualifications, review of those, and interviews to find a desired partner. Mr. Stephens-Hotopp said one of the natural opportunities was for the MSD to be involved in harnessing solar energy to offset our energy costs. He said as we are completing some of the due diligence of several locations it makes sense formally to establish that opportunity to engage in these performance services to move forward with the solar projects. Mr. Stephens-Hotopp said there are several locations that they have been looking at like the Lift Station at McCulloch Park and Jake's Creek, the WPCF and the new Sanitation building. He hopes we can reduce our future energy costs and reduce our carbon footprint. Mrs. Brothers-Bridge said she appreciates Brian's work on this project, and she is in support of approval. Mrs. Brothers-Bridge made a motion to

approve the Memorandum of Understanding Between the City of Muncie and the Muncie Sanitary District Regarding Solar Energy Infrastructure Project. Mr. Evans seconded the motion. The motion was approved (5-0).

2. Declaratory Resolution 2021-03, a Resolution Declaring the Muncie Sanitary District Revenue and Refunding Revenue Bonds of 2021. – Stephen Brand, Board President/Brian Stephens-Hotopp, Board Vice-President. Mr. Brand said last meeting Brian outlined how we are going to consolidate our debt. He said this will save the MSD a great deal of money over time. Mr. Brand said there will be a public notice in the newspaper and that must be done at least 10 days before the public hearing which will be held on February 24th. Mr. Dennis Otten, Bose, McKinney & Evans, said his firm has served as Bond Counsel for the MSD for many years. He said the Declaratory Resolution is one of two Resolutions and will fund the new money projects. Mr. Otten said the exhibit lists the projects as CSO 7 Parcel Separation Project, CSO 013, CSO 023 and CSO 028. He said this Resolution is declaring a need for these projects and the need to undertake financing. Mr. Otten said at the following Board meeting members of the public could comment during the Public Hearing and then the Board would be asked to adopt a Confirmatory Resolution. Mr. Stephens-Hotopp added that all projects listed in the Confirmatory Resolution are part of the Long-Term Control Plan that MSD is working towards and they fall into the 2020-2024 Phase. Mr. Smith made a motion to approve the Declaratory Resolution 2021-03, a Resolution Declaring the Muncie Sanitary District Revenue and Refunding Revenue Bonds of 2021. Mr. Evans seconded the motion. The motion was approved (5-0).

3. Bond Resolution 2014-04, a Resolution Regarding the Muncie Sanitary District Revenue and Refunding Revenue Bonds of 2021. – Stephen Brand, Board President/Brian Stephens-Hotopp, Board Vice-President. Mr. Otten said the Bond Resolution provides financing for the projects we mentioned in the Confirmatory Resolution and the authorization of refinancing some Bond Anticipation Notes (BAN) that were issued in 2017 and 2019. He said when they were issued it was contemplated that the MSD would do a Long-Term Bond Financing to take those out and it is a common practice. He said also we need to refund 3 of the outstanding Bond Issuances; the 2013's, 2013 B's and 2014's. Mr. Otten said he has been working with an Underwriter that has been able to speak with the Bondholders to waive the call protections to allow the Bonds to be refunded at a debt service savings. He said the Bond Resolution authorizes up to a \$100,000,000 of Bonds with \$30,000,000 being allocated to the projects and the rest being allocated to the refinancing. Mr. Otten said the Bonds are payable through the revenues of the Stormwater and Sanitary Sewer Systems and they included a flow of bonds. He said there is also a not to exceed interest rate of 5% paid semi-annually. Mr. Deen Rogers, of Baker Tilly Municipal, said we are looking to refinance the three bonds that Dennis mentioned previously. He said the ballpark of savings we hope to achieve by this is between \$1,000,000-\$1,250,000. Mr. Rogers said part of the transaction is the takeout of the 2017 BAN and 2019 BAN and a new money component. He said between all of those we are looking at potential proceeds of about \$95,050,000. The paramount of the Bonds is about \$91,000,000 with anticipated premium of about \$4,500,000. Mr. Rogers said we hope to begin applying for a rating next week and we anticipate working with Standard and Poor's to get a Bond Rate and potentially purchasing Bond Insurance to help with the interest rate. Mrs. Brothers-Bridge asked if the new money would be \$30,000,000. Mr. Rogers said it is a not to exceed \$30,000,000 to keep our Bond rating at an attractive level. He said that new money amount may change a little bit as we are targeting not going below a certain level of Bond coverage. Mr. Stephens-Hotopp said the \$1,250,000 savings is only a reflection of the savings of the existing Bonds so the cost of the future BANs really is not in the number of savings. He said it is worth pointing that out we are taking the opportunity to secure a lower interest rate for that 2017 BAN, 2019 BAN, and the new money so that savings is not being recording in that beforementioned savings, but it is good that we are acting now to include those. Mr. Rogers said yes, we are still in a very low interest rates, so it is the best time to lock in those rates. Mr. Brand said Mr. Rogers had mentioned applying to a rating agency, so what will that agency look at when reviewing MSD. Mr. Rogers said they look at a variety of factors of the City as a whole and our area, the

Bond coverage levels, questions about COVID-19 and the impact of rates and customers. He said they are usually general economic questions, and we will put together a ratings presentation. Mr. Brand said if we have past due bills can that hurt our rate. Mr. Rogers said that is impactful, but they will be familiar with moratoriums we have seen with shut offs and penalties this year. He said we will probably purchase Bond insurance and that will help lower rates as well. Mr. Stephens-Hotopp said these will not require a rate increase at this time, correct. Mr. Rogers said that is correct. Mr. Smith said is there anything else the Bond Insurance would help us with besides the rating. Mr. Rogers said that usually gives the investors comfort because it should result in a lower interest rates because if we are unable to make payments the insurer must step in the make payments. Mr. Smith asked what the cost was for the Bond Insurance. Mr. Rogers said the cost is 35 basis points which equates to about \$415,000, but the thought is it will pay for itself over interest savings during the life of the Bond. Mr. Stephens-Hotopp made a motion to approve the Bond Resolution 2014-04, a Resolution Regarding the Muncie Sanitary District Revenue and Refunding Revenue Bonds of 2021. Mrs. Brothers-Bridge seconded the motion. The motion was approved (5-0).

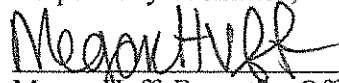
Additional Board Comments: No additional comments.

Public Comments:

Mr. Wright, Sewer Maintenance Superintendent, reminded the public that up until the 24th of this month we are accepting sealed bids for the mowing of the Levee for 2021. He said bids will be accepted until 10:00 a.m. on February 24th to the MSD Administration Office in City Hall. Mr. Stephens-Hotopp asked if the notice was on the website. Mr. Wright said he was not sure if it was on the website, but it was in the paper. He said he can have it added to the website. Mr. Stephens-Hotopp asked who people should reach out to if they are interested in bidding. Mr. Wright said each contractor can pick up a map and information at Sewer Maintenance and drive the Levee with himself and Thom Noble, Supervisor. Mrs. Brothers-Bridge said to make sure it is listed on our social media page as well. Mr. Brand asked if there are requirements to bid such as insurance and bonds. Mr. Wright said yes, you must have the insurance, employees, and equipment to do the job. Mr. Brand asked if there are safety requirements built in as well. Mr. Wright said yes, it is all spelled out for them in the packets and it has been sent to Mr. Barlow and Mr. Stephens-Hotopp. He said these will be opened at the next Board meeting as well.

Adjourn: Mr. Brand said the next Board meeting will take place on February 24, 2021. Mrs. Brothers-Bridge moved to adjourn the meeting. Mr. Stephens-Hotopp seconded the motion. The motion was approved (5-0).

Respectfully Submitted,



Megan Huff, Executive Office Manager

*Approved by the Board of Sanitary Commissioners
Muncie Sanitary District*



Stephen Brand, President



Joseph Evars, Secretary



Tonya Brothers-Bridge, Board Member



Brian Stephens-Hotopp, Vice President

David Smith, Board Member