

The Minutes of the Regular Meeting of the Parkersburg Utility Board

October 2, 2019

CALL TO ORDER

Pursuant to the call of its Chairman Tom Joyce, the Parkersburg Utility Board met in the Parkersburg Utility Board Administration Building, at 125 19th Street on the 2nd day of October, 2019. Chairman Joyce called the meeting to order at 9:00 a.m.

Roll Call

Present:

Tom Joyce, Chairman
John Lutz, Vice Chairman
Gregory Herrick, Board Member
Paul Hoblitzell, Board Member
Robert Wright, Board Member
Jeff Reed, Counsel (arrived 9:03)
Erin Hall, Comptroller
Christopher Pauley, Assistant Comptroller
Eric Bennett, Manager

Absent:

Others in Attendance:

Evan Bevins, Parkersburg News and Sentinel

Consideration of Minutes

Chairman Joyce requested the Board consider the minutes of the September 18, 2019 regular Board meeting for acceptance into the record.

Motion and Vote

Paul Hoblitzell moved to dispense with the reading of the minutes and approve the minutes of the September 18th meeting as presented to the Board. Robert Wright seconded the motion and it was approved by a unanimous vote of the Board.

Consideration of
Financial Statements for Period Ending 6/30/2019

Hall stated revenues are at 101% of budget and O&M expenditures are at 94% of budget with a combined debt service ratio of 1.47. Hall further stated these statements are presented prior to the GASB 68 and GASB 75 year end adjusting entries. Hall also stated this is done because the budget was not prepared based upon these adjustments due to the fact these numbers are provided by the State of West Virginia following the close of the fiscal year and the auditors do not utilize these adjustments in their calculation of the debt service ratio.

Lutz questioned what caused the monthly debt service ratio to decrease for water. Hall stated the waterworks pension actuarial that will be discussed next on the agenda.

Hoblitzell questioned if this pension was only for retirees. Hall stated there are currently four members remaining under this plan. Bennett stated this was from the waterworks that was utilized prior to joining the Public Employees Retirement System.

Lutz questioned how the budget was developed, were supervisors utilized in the development of annual budgets. Hall stated supervisors assist in the development of the Capital budget and provide feedback or information for the O&M budget which is developed utilizing historical data.

Lutz commended the staff on their consistent performance of accurate budget preparation.

Motion and Vote

John Lutz moved to accept the financial statements for period ending 6/30/19 as presented. Greg Herrick seconded the motion and it was approved by a unanimous vote of the Board.

Consideration of Waterworks Pension Fund Actuarial

Hall stated Board members were provided with a copy of the actuarial prepared as of 6/30/2019. Hall stated she was anticipating a more favorable finding than what was received. Hall stated in 2017 there were 6 retirees, there are now 4. Hall stated in a conversation with the Findley representative it was learned there was a change in the mortality tables that has created the unfunded liability in the new actuarial study.

Lutz questioned if Hall could explain the mortality tables. Hall stated she could probably not do it very well. Bennett stated they have increased the life expectancy of the retirees. Joyce agreed further stating it used to be somewhat industry specific but most have went to utilizing the national average for life expectancy. Hall stated they are now using the mortality table that is more widely applied. Lutz stated according to the news the life expectancy in the United States has reduced. Bennett stated that was not correct according to our actuarial. Bennett also stated there are 4 retirees with 2 spouses under the Waterworks Pension.

Hoblitzell questioned who was the actuary. Hall stated our investment firm is Wells Fargo and Findley produces the report. Hoblitzell questioned what rate they were using. Hall responded they were projecting a 5% rate of return that we are not receiving. Hall also stated that previously they were using 7%. Hoblitzell responded that is another reason the liability would increase. Hall stated they had made that change in the 2017 actuarial.

Hall stated that if the Board chooses to fund the liability it still remains Board money placed in an investment account and if it is not needed in the future it returns to the operating fund. Bennett stated when the last of the beneficiaries has past the Board can use the remaining funds as they choose.

Hall recommended the Board fund the liability. Hoblitzell questioned why we would choose to fund it at 100%. Hall stated that it would remove the liability from the financials. Hall further stated it has always been PUB's practice to fund these liabilities by the end of the fiscal year and the liability created by the new actuarial is \$117, 227.00.

Hoblitzell stated other funds that he was involved with chose not to fund at 100% because the government expected entities to increase benefits to the retirees if the account was fully funded. Hall stated PUB could choose to not fund the plan it would just roll the liability forward on the financial statements.

Bennett stated that if Board members remember when PUB was created the Waterworks Pension Fund was either \$800,000 or \$1,000,000 underfunded and the Board through an actuarial developed a plan to adequately fund the pension, it took several years but it has been 100% funded for some time. Bennett further stated that while PUB was funding the liability we were also paying the benefits directly from revenues.

Hoblitzell stated he was not against funding the liability. Hall stated the benefits to the retirees is a defined benefit plan with a COLA increase annually.

Motion and Vote

Paul Hoblitzell moved to accept the Waterworks Pension Fund actuarial as presented and authorize the Comptroller to fund the liability as noted in the actuarial. Robert Wright seconded the motion and it was approved by a unanimous vote of the Board.

Consideration of Invoices in Excess of \$750

The following invoices totaling \$188,709.81 were considered for approval:

A & A Safety	Valve nut replacement kit- water maint	10,485.00
AMTEC	Arbitrage calculation 03D & 03E- admin	1,100.00
Bissnuss, Inc.	Switch and gear motor for polymer skid #2- WWTP	2,192.57
Burgess & Niple	Professional services thru August 17, 2019- Sewer Extension- Worthington Lane	5,985.76
Burgess & Niple	Professional services thru August 17, 2019- Garfield Ave.	6,385.04
C & M Fence	Installed 330' chain link fence and gate- sewer maint. stock yard	8,800.00
Continental Utility Solutions	Credit card processing fees- August 2019	938.10
Fifth Third Bank	EGR cooler core refund- sewer maint.	(800.00)
Frontier	Phone service - September 2019	986.52
Grainger	2 boxes burn cream, 12 boxes hand cleaning towels, 2- tube cutters, 20- pipe cutter wheel- water maint	770.52
Griffith & Associates	Martown sewer project- IJDC assistance	803.25
Johnstone Supply	Well #2 and #3 HVAC parts- WTP	928.74
Maryland Biochemical Company	120 gals of Waste De-Grader - sewer maint.	1,932.00
Mind Merge Design	Website Development	7,625.00
MonPower	Agnes St. Pump Station - September 2019	956.41
MonPower	Sayre Ave. Pump Station - September 2019	1,061.89
NACWA	Membership dues- 10/1/2019- 9/30/2020- admin	750.00
Pace Analytical	22- soil sampling- WWTP	1,350.49
Pace Analytical	3rd quarter wastewater testing- WWTP	1,029.81
Pipelines, Inc.	120' of 8" pipe, 6- 12" adapter, 42' of 12" pipe- sewer maint.	3,034.68
Pipelines, Inc.	15- 20" meter box covers, 7- 20" meter pit, 20- 3/4" elbow, 15- 3/4" couplings, 4- 4" repair clamp- water maint.	3,342.00
Precision Pump & Valve	Field service to install transducer and reprogram PLC- Pettyville sewer pump station	1,865.00
Retiree Health Benefit Trust Fund	Contribution for retired employee health insurance - September 2019	13,047.26
RPM, Inc.	Cast iron impeller- Kanawha lift station	7,045.23
Scott T. Dotson	5- heart saver CPR/AED and emergency first aid training class- all depts	1,750.00
Smith Concrete	7 yds. of 9 bag 2% Hi-Early concrete - water maint.	1,015.00
Smith Concrete	9.5 yds. of 9 bag 2% Hi-Early concrete - sewer maint.	1,377.50
Smith Concrete	8.5 yds. of 9 bag concrete - water maint.	1,181.50
Smith Concrete	6.5 yds. of 9 bag 2% Hi-Early concrete - sewer maint.	942.50
State Equipment	Repair DEF fluid sending unit- 72-105	1,691.50
Strand Associates, Inc.	Professional services thru August 31, 2019 - SSO Abatement Report	9,811.99
Strand Associates, Inc.	Professional services thru August 31, 2019 - Computer and Misc. Services	1,736.05
WVPEIA	Employee Health Insurance - September 2019	59,804.06
WVPERS	Pension expense - September 2019	27,784.44
	TOTAL APPROVED	188,709.81
Total amount of checks paid from sewer operating fund September 16- September 27, 2019		249,860.36
	Check #81190-81281	

Hoblitzell questioned the SSO Abatement Report work by Strand Associates and if they are working on anything additional. Bennett stated the report work is for the feasibility study on the proposed deep sanitary sewer interceptors that would eliminate two pumping stations. Bennett stated that an RFP for geotechnical work has been released and is due back on October 4th. Bennett further stated that other work being performed by Strand is related to computer/GIS and SCADA.

Lutz questioned the invoice from Mind Merge Design for website development, if it was a change or ongoing services. Bennett stated it was a change to the website, with the implementation of the new billing software that includes a web portal for customers to access their accounts and make online payments, the current architecture of the website was old and needed changed and to do that you are essentially rebuilding the site.

Motion and Vote

Greg Herrick moved the list of invoices over \$750, dated October 2, 2019 in the amount of \$188,709.81 be approved for payment as submitted to the Board. Robert Wright seconded the motion and it was approved with a unanimous vote of the Board members present.

Other Business

Failed Aerial Sewer

Hoblitzell stated the Moose Club was very pleased with the PUB employees that worked to replace the sanitary sewer line on and near their property recently.

Reimbursement Resolution

Bennett stated that with the water improvement projects that the Board recently approved an engineering agreement on it will be necessary to have a reimbursement resolution approved by City Council to recoup engineering and other related cost when we receive project funding. Bennett further stated John Stump has prepared the resolution and will get it on Council's agenda soon.

Next Meeting Date

Erin Hall stated the next regular meeting would be October 16, 2019.

Board members agreed to meet in regular session, at the Parkersburg Utility Board Administration Building in the conference room, at 9:00 a.m. on October 16, 2019.

Adjournment

Greg Herrick moved the meeting be adjourned. Paul Hoblitzell seconded the motion and it was approved by a unanimous vote of the Board members present. The meeting adjourned at 9:14 a.m.

Respectfully Submitted:

Eric Bennett, General Manager