The Minutes of the Regular Meeting of the Parkersburg Utility Board

April 4, 2018

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 4th day of April, 2018. Chairman Tom Joyce called the meeting to order at 9:00 a.m.

ROLL CALL

Present:
- Tom Joyce, Chairman
- Gregory Herrick, Board Member
- Paul Hoblitzell, Board Member
- Robert Wright, Board Member
- George Zivkovich, Counsel
- Christopher Pauley, Assistant Comptroller
- Erin Hall, Comptroller
- Eric Bumgardner, Assistant Manager
- Eric Bennett, Manager

Absent:
- John Lutz, Vice Chairman

Others in Attendance:
- Evan Bevins, Parkersburg News & Sentinel
- John Padden, Reagle & Padden Inc.

CONSIDERATION OF MINUTES

Chairman Joyce requested the Board consider the minutes of the March 21, 2018 regular board meeting for acceptance into the record.

MOTION AND VOTE

Robert Wright moved to approve the minutes of the March 21, 2018 meeting as submitted to the Board. Paul Hoblitzell seconded the motion and it was approved by a unanimous vote of the Board members present.
CONSIDERATION OF POSSIBLE CHANGE
IN WORKER’S COMPENSATION COVERAGE

Eric Bennett introduced John Padden of Reagle & Padden Inc. and requested he explain his correspondence on Worker’s Compensation coverage. John Padden stated the possibility of PUB going back into the private market for Worker’s Compensation coverage has been discussed for several years and a primary issue has been catastrophic exposure or loss to a claim. The City had not carried excess worker’s comp in the past. The other issue that prompted investigating the private market was the increasing costs of self-insurance.

Padden noted the private market coverage, in this case Brick Street, would not have a lack of catastrophic coverage in the event of a major worker’s compensation issue. A severe injury or death could result in a claim of $1,000,000 for each loss. He noted the City intends to purchase catastrophic coverage. Joyce confirmed coverage is included in the new budget. Padden stated the correspondence outlines the cost benefit for PUB. If PUB were to move to Brick Street the net cost would be about $55,000 per year, while the cost from the City will be about $65,000 for the current year with an increase projected for the next year. Hall stated the increase will result in a cost of approximately $84,600.

Padden explained the downside of moving to the private market is being subject to your experience rating, which impact costs. Padden stated all private insurance carriers use the E-Mod or experience modification rating that is applied each year at the beginning of the new policy. Padden stated an experience mod was generated for PUB to produce the rate quote. He stated the E-Mod was created based on claims history provided by the City. PUB’s E-Mod was 0.71, which is very good as the projected payroll going forward yields a cost of $62,000 with a $7,000 credit off of the existing Cincinnati policy, which results in a final cost $55,000.

Padden stated Brick Street has approved the policy for PUB. He stated the benefit of Brick Street services as listed on page six of the correspondence are provided at no cost to the client. The benefits are provided to help protect the client’s good experience rating in the future. Padden noted the downside of the private market is rates could increase as a result of a bad E-Mod. Padden pointed out the proposal was based on conservatively budgeted payrolls. Bennett asked if Brick Street provides on-site safety training. Padden confirmed they do.

Hoblitzell requested an explanation for the difference between estimated annual premium of $55,287 and the policy amount due of $62,210. Padden explained the difference is the current legislative surcharges listed on page 4 of the correspondence. Hoblitzell noted some surcharges may be expiring in the near future. Bennett stated the surcharges were put in place for deficit reduction measures. Padden stated he believes that issue is in pretty good shape.

Counsel Zivkovich asked if Padden had sought proposals from other worker compensation carriers. Padden confirmed requests were made to Travelers. Zivkovich asked if Liberty Mutual was contacted. Padden stated his firm does not represent Liberty Mutual directly, but he can access them through brokers. Padden noted water and wastewater utility work is considered
hazardous due to the amount of below ground work. Not all insurance providers like to provide coverage for this type of work. Padden noted Brick Street has been very competitive and has performed well for the Public Service Districts (PSDs) he represents. Padden stated he represents three Public Service Districts in addition to PUB. He stated Travelers did not consider the account to be large enough for their interest. Herrick asked what PSDs Padden represents. Padden responded he represents Claywood Park, Lubeck and Central Boaz. Herrick requested the time frame Padden has represented them. Padden noted it has been many years.

Padden stated he set the proposal up for a tentative effective date of May 1st, but the quote is good for at least the next sixty (60) days. Padden asked when PUB pays the premiums on the existing policy. Hall stated PUB pays at the beginning of the month for previous month. Zivkovich asked what would happen to any existing claims. Padden declared this would be a good time to move since at the time the E-Mod was calculated all claims were settled. He noted that if any claims had been opened in last few months those claims would continue to be handled by the City.

Padden stated Brick Street is very good at taking a claim all the way through the system the way it should go and uncovering preexisting conditions that maybe should not be included in the claim. Chairman Joyce stated his experience with Brick Street is they are only as good as the information you provide them. Hoblitzell noted Brick Street appeared to turn the construction industry around. Bennett noted Wells Fargo is the current TPA for the City plan and they seem to be slow at times. Joyce commented issues are typically related to the accuracy and detail of the information provided to the insurer. Padden asked how claims are currently reported. Bennett responded all claims are reported to the City. Padden stated should PUB decide to move to Brick Street a form would be provided and all required information could also be reported over the phone. Bennett stated Wells Fargo has been slow at times dealing with the employees. Padden stated all carriers will emphasize the importance of good accurate claim reporting. Joyce stated an important issue with closing a claim is that only certain people will know the pay rate for the claimant. Bennett commented there is more than pay rate that has to be provided. Joyce agreed, if expected lost time is involved quarterly earnings must be provided. Joyce stated all providers will ask if there is lost time expected with each claim. Joyce stated modified duty or what used to be light duty will save PUB money with all private carriers. Bennett explained PUB recently added a modified duty assignment to the employee handbook.

Chairman Joyce stated he would like to see Padden’s notes on any other proposals. Padden stated Hartford had turned down offering a proposal for PUB. Padden stated Brick Street has PUB in a preferred third tier of the five tiers. Joyce noted he would like to investigate if PUB would be accepted back in the self-insured market if we were not happy in the private market. Joyce noted that should PUB’s footprint grow by acquiring a PSD while under a private market provider and the payroll increase, there may be issues with returning to the self-insured status. Joyce stated he would just like to make sure the option to reenter the self-insured group and what requirements may be necessary are considered before making a decision.

Padden stated he had talked at length with Eric Jiles, Finance Director for the City about any issues that may be caused to the City by PUB leaving the self-insured market and going out to the
Padden noted something odd during his preparation for the proposal in that PUB as an entity is not listed anywhere in the self-insured documents. Padden stated the City of Parkersburg must register with the Insurance Commissioner of WV and pay fees. The Commissioner’s office regulates the self-insured programs. Padden stated he does not know if PUB is registered as self-insured. Padden commented if it was that easy for PUB to become self-insured it may be just that easy to get back in if need be. Bennett stated the issue needs to be verified. Paul Hoblitzell asked if the City self-insured program could be underfunded and if so to what degree. Joyce responded the only piece underfunded was the lack of a catastrophic policy. John Padden stated employers must follow the laws for workers compensation coverage without exception.

Gregory Herrick asked when a decision must be made. Padden responded the decision could be pushed out as far as necessary, but he would recommend making a decision before the end of the fiscal year. Bennett stated the logical deadline would be by July 1, 2018.

MOTION AND VOTE

Paul Hoblitzell moved to table the issue pending the resolution of PUB’s ability to rejoin the City’s self-insured Worker’s Compensation program. Gregory Herrick seconded the motion and it was approved with a unanimous vote of the Board members present.

CONSIDERATION OF REQUEST FOR PROPOSALS (RFP) FOR UTILITY BILLING SOFTWARE

Eric Bennett informed the Board, staff is still awaiting information and requested the item remain in the tabled status pending the resolution of the issues.

CONSIDERATION OF REQUEST TO DONATE PROPERTY

Eric Bennett stated Sam Tuten, City Planner forwarded this item. PUB purchased a parcel at the intersection of Camden Avenue and Postlewait Street for the sanitary sewer replacement project for Ward’s Run. The adjoining parcel next to Camden Avenue is owned by the same individual who sold the parcel to PUB. This individual also sold several parcels on the other side of the parcel in question. It appears the owner thought she sold this parcel as well to either PUB or the other buyer. She has since received a tax ticket for the parcel and is inquiring if PUB is interested in owning the property. Bennett stated PUB has no need for the parcel or really any
future use for the parcel. He commented that the City or State may have a use since the parcel is the stream bed and banks for the Ward’s Run drainage.

Herrick asked if there is any benefit for PUB to own this parcel. Bennett stated PUB does have a line crossing a portion of the property, but ownership would be more of a detriment than a benefit due to the large trees located on it. Bennett stated if the Board has any interest in accepting the donation, there would need to be a title opinion on the property. Board members stated opinions for not accepting the property.

**MOTION AND VOTE**

Paul Hoblitzell moved to decline accepting the offer to donate the parcel identified as 5-4-24 on the map provided of property on Ward’s Run adjacent to existing PUB property at Camden Avenue and Postlewait Street. Gregory Herrick seconded the motion and it was approved with a unanimous vote of the Board members present.

**CONSIDERATION OF INVOICES IN EXCESS OF $750.00**

The following invoices totaling $282,825.08 were considered for approval:

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brenntag Mid-South, Inc.</td>
<td>20 - 55# bags of superfloc polymer – WTP</td>
<td>2,445.81</td>
</tr>
<tr>
<td>Burgess &amp; Niple</td>
<td>Professional services thru Feb. 17, 2018 - Water System Evaluation</td>
<td>4,900.00</td>
</tr>
<tr>
<td>Burgess &amp; Niple</td>
<td>Professional services thru Feb. 17, 2018-Service During Constr.-Valve</td>
<td>9,781.63</td>
</tr>
<tr>
<td></td>
<td>Replacement – WTP</td>
<td></td>
</tr>
<tr>
<td>C. I. Thornburg</td>
<td>Reducers, bushings, couplings, plugs, saddles, repair clamps,&amp;copper pipe-wm</td>
<td>2,558.22</td>
</tr>
<tr>
<td>C.I. Thornburg Co., Inc.</td>
<td>22 - setters w/backflows &amp; 20' of 6&quot; PVC - water maint.</td>
<td>2,940.00</td>
</tr>
<tr>
<td>CDW Government</td>
<td>2 - Microsoft SOL Server - 2018 computer upgrade</td>
<td>5,425.04</td>
</tr>
<tr>
<td>Coastal Water Technology</td>
<td>40 - 55# bags of polymer – WWTP</td>
<td>4,378.00</td>
</tr>
<tr>
<td>Dell Marketing L.P.</td>
<td>16 - windows server STD - 2018 computer upgrade</td>
<td>1,935.04</td>
</tr>
<tr>
<td>Environmental Products&amp;Access</td>
<td>500' jet hose 2500PSI - Trk #12-004 - sewer maint.</td>
<td>1,405.00</td>
</tr>
<tr>
<td>Frontier</td>
<td>Phone Services - March 2018</td>
<td>947.21</td>
</tr>
<tr>
<td>HACH</td>
<td>3 - replacement kits - power supply AC/DC - WTP</td>
<td>1,563.00</td>
</tr>
<tr>
<td>HACH</td>
<td>Filters, indicators, buffers, GGA standards, CT standards, pillows, sample containers, &amp; vials - WWTP lab</td>
<td>1,480.99</td>
</tr>
<tr>
<td>IVS Hydro, Inc.</td>
<td>Clean #1 secondary digester line – WWTP</td>
<td>885.00</td>
</tr>
<tr>
<td>Martin Marietta</td>
<td>18.35 tons # 57, 30.25 ton pit run, &amp; 9.49 tons 1 1/2&quot; limestone - sewer maint.</td>
<td>1,070.94</td>
</tr>
<tr>
<td>Martin Marietta</td>
<td>18.56 tons # 57, 58.89 ton pit run, &amp; 29.20 tons 1 1/2&quot; limestone - sewer maint.</td>
<td>1,910.37</td>
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<tr>
<td>Mar-Zane, Inc.</td>
<td>9.38 tons cold mix - sewer maint.</td>
<td>1,078.70</td>
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<tr>
<td>MonPower</td>
<td>Bird St. Pump Station - March 2018</td>
<td>781.88</td>
</tr>
<tr>
<td>MonPower</td>
<td>Agnes St. Pump Station - March 2018</td>
<td>3,445.13</td>
</tr>
<tr>
<td>Par Chem Co.</td>
<td>2-glass fiber filters, 3-buffers, 2-cs of pipettes, &amp; 10-petri dishes w/pads-WWTP lab</td>
<td>969.44</td>
</tr>
<tr>
<td>Pickering Associates</td>
<td>Valve start up - filter upgrade – WTP</td>
<td>2,268.00</td>
</tr>
</tbody>
</table>
Paul Hoblitzell questioned if the invoice from Reagle & Padden was for property and liability insurance. Hall confirmed Hoblitzell was correct. Hoblitzell requested the status of PUB’s position with PEIA. Bennett explained PUB has a different plan than the teachers and other State employees. Bennett stated there is no increase scheduled for PUB’s plan in the coming year. Joyce noted PUB’s plan is no better off than the other plans. PUB’s plan just has fewer members and is not as costly. Joyce stated the best way to fix the health care system is to have healthy participants, and the programs provided by the insurance companies are geared to improve member’s health.

**MOTION AND VOTE**

Gregory Herrick moved the list of invoices over $750, dated April 4, 2018 in the amount of $282,825.08 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**

**BACKHOE REPAIR ISSUE**

Eric Bennett presented the Board with pictures of damaged drive gears on one of the PUB backhoes. He explained the backhoe was scheduled for replacement in the coming budget year, 2018-19 and was seeking the Board’s opinion on whether to consider repairs to the damaged equipment or the put it in the auction in an as is state. Bennett explained the parts to fix the
damaged side will cost $8,700, but he found a remanufactured rear end for $7150 plus $2,500 core that would be refunded. Bennett stated the question for the Board is, do we put money into the equipment and keep it for a couple of years or do we go ahead and bid for a replacement and move the damaged unit to storage awaiting sale at auction.

Hoblitzell stated he would prefer to bid for a new unit, due to cost increases over two or three years. Bennett agreed for a twenty year old backhoe, if we fix one side now, the other side may fail next week. Herrick stated he is not interested in investing in a twenty year old piece of equipment. Joyce stated putting money into an old piece of equipment is a poor investment. Bennett stated he would move forward with getting the bid out for a new backhoe.

NEXT MEETING DATE

Erin Hall stated the next regular meeting is scheduled for April 18, 2018. 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 April 18, 2018.

Joyce requested the May meeting dates. Herrick noted the meetings for May are the 2nd, 16th and 30th. Joyce stated he would not be at the meeting on the 16th. Robert Wright asked if it is appropriate to call in for attendance if he could not be present for a meeting. Bennett stated there is not a policy against calling in and we do have a conference phone available.

ADJOURNMENT

Gregory 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 9:50 a.m.

Respectfully Submitted:

Eric Bumgardner, Assistant Manager