

WATER BOARD OF TRUSTEES

Regular Meeting

September 15, 2014

5:00 PM

Location: 1208 South 7th St.

Agenda

1. Approve Agenda.
2. Approve Minutes of the August 11, 2014 Regular Meeting.
3. Approve Invoices and Balance Statements.
4. Customer Forum.
5. Discussion and Consideration of Online Bill Payment Option.
6. Discussion and Consideration of Water Rate Structure.
7. General Manager's Update.
8. Miscellaneous.
9. Adjourn.

INFORMATION CONCERNING AGENDA ITEMS:

Agenda Item #4

“This is the item reserved to receive comments from the community, our customers, for concerns whether or not they are included in the current agenda. The community is encouraged to come and speak before the Water Board of Trustees and asked to keep statements brief. Any questions are to be asked of the Water Department staff and Board of Trustee members prior to speaking to the full Board of Trustees so concerns may be properly researched and answered away from the meeting. Comments are to be directed to the Board of Trustees only.”

Chauchan Kabal 602 4th Avenue East will be here to discuss a high bill he received. I have attached account information to this agenda. My understanding is that this is a rental property for him and there was an outside spigot left on when the house was vacant. He is looking for a bill reduction. He was also informed that he should go to the City to request relief from the sewer portion of the bill. It is my understanding that he has not approached them yet.

Agenda Item #5

This is in conjunction with the email that I sent you for OMWD’s website. The costs for an online payment option; Initial setup will be around \$900, annual costs for access will be around \$2400. There will also be fees on a per transaction basis.

- Average card processing cost for FY 2012-2013 -- \$1.95
- Average card processing cost in December 2013 -- \$2.03
- Average card processing cost in August 2014 -- \$2.35

As you can see, our processing costs per transaction have steadily risen. If we use August’s average processing fee and add the addition fees that will be charged for the online payment option, those fees will rise to approximately \$3.65 per transaction. Depending upon the amount of customers who choose to use the online payment option this fee could become rather large. I have discussed this with the city manager and at this point they are willing to split this fee.

Jon and I discussed this option last week and one possible cost saving measure would be that OMWD wouldn’t need someone processing payments and maybe hours could be cut for the Customer Service Representative position that is currently staffed by a temp. Now, the timeline for when that would happen is uncertain at best. It has taken three years to get to the point we are at now with regard to credit card usage by customers. It may take a while for the online payment option to pick up steam and have widespread usage.

Joe asked about doing a survey of our customers to see how many would actually use the service. I have an account setup with SurveyMonkey.com if you would like to go ahead and proceed with a survey. I think we could make good use of the local media to get the word out and have customers fill out the survey and try to gather a good representative mix of our customers. How would you like to proceed?

Agenda Item #6

This is the topic that I sent you information on at the end of August. I have not yet received a final draft of Iowa Rural Water's Rate Study, but we can use the first draft as a reference point. I am also attaching a multi-faceted spreadsheet that was put together by the Iowa Association of Municipal Utilities. I have spent a fair amount of time inputting different data points to compare what rates would look like using a variety of metrics. I will attach two of these documents for your review and I have several more that we could go through the night of the meeting. There is a lot of information to wrap your head around with this, but I want to ensure that you understand where OMWD is at and give guidance to where we need to be going.

One of the rates has our P&I payment for the State Revolving Fund loan figured as a fixed expense and a base rate as a result of that expense. The other rate has the P&I payment and a fixed amount also set as fixed for capital improvements. This will obviously raise the base rate substantially, but we will have specified funding for our capital projects. With both of these two rate types that were figured using IAMU's spreadsheet the per unit rate went down from our current rate.

Agenda Item #7

I have gotten an email from City Hall regarding the committee meeting for studying the water/wastewater issue. At this point the meeting is tentatively set for Monday September 22 at 5:15. This is subject to change depending upon the availability of the Board member to attend.

Crystal and I were looking at our budgets the other day and noticed that our sales are still not where we need them to be. Again, it has been a wet year and people are not watering gardens flowers and yards like they have needed to in the past. Also, our spending is up on distribution due to getting both the 3rd Avenue East project done and then turning around and needing to get the South 11th Street project done for the City as they changed directions. At this point I believe most of the valves have been rebuilt along South 11th and there is only a little bit of remaining work. There is also an increased expense showing in the office labor side due to Sheryl's retirement and subsequent payout for longevity. Crystal and I have reviewed this and will continue to monitor expenses and income closely. The distribution guys have been told that they will need to focus on other areas of work that will not be as costly to perform.

I attended the funding summit in Ankeny a couple of weeks ago. One area that we can look at for future funding is Community Development Block Grants. These are currently awarded once per year with a maximum funding of \$600,000 per project based on Oskaloosa's population. I have spoken with Mike Schrock about this grant to see if the City has used them and to get a little more insight. At this point, the City has not applied for this type of funding, but he agreed that we will need to look at this more closely for future projects. I have contacted IAMU to ask if they have anyone on staff that will write out the grant application for us. I did learn that the application process is competitive and it would help to have someone with prior knowledge involved. IAMU is looking to see what they have for available staff to help us with this issue. The two other funding sources discussed that day

were USDA Rural Development grants and loans (which Oskaloosa is too big to qualify for) and the State Revolving Fund loan program.

Agenda Item #8

There have been no leaks this last month. YAY!!

The river is currently out of its banks due to all of the rain this week and we are waiting for it to recede in order to have two of our wells rehabbed by Cahoy Well and Pump Service.

We did sustain a lightning strike out at the plant on August 23rd. I have replacement parts ordered and will talk with the insurance agent about how to proceed with a claim.